

1 HONG KONG LEGISLATIVE COUNCIL -- 3 July 1991

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OFFICIAL REPORT OF PROCEEDINGS

Wednesday, 3 July 1991

The Council met at half-past Two o'clock

PRESENT

HIS EXCELLENCY THE GOVERNOR (PRESIDENT)

SIR DAVID CLIVE WILSON, G.C.M.G.

THE CHIEF SECRETARY

THE HONOURABLE SIR DAVID ROBERT FORD, K.B.E., L.V.O., J.P.

THE FINANCIAL SECRETARY

THE HONOURABLE SIR PIERS JACOBS, K.B.E., J.P.

THE ATTORNEY GENERAL

THE HONOURABLE JEREMY FELL MATHEWS, C.M.G., J.P.

THE HONOURABLE ALLEN LEE PENG-FEI, C.B.E., J.P.

THE HONOURABLE CHEUNG YAN-LUNG, C.B.E., J.P.

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, O.B.E., J.P.

THE HONOURABLE MARIA TAM WAI-CHU, C.B.E., J.P.

DR THE HONOURABLE HENRIETTA IP MAN-HING, O.B.E., J.P.

THE HONOURABLE CHAN YING-LUN, O.B.E., J.P.

THE HONOURABLE MRS RITA FAN HSU LAI-TAI, O.B.E., J.P.

THE HONOURABLE PETER POON WING-CHEUNG, O.B.E., J.P.

THE HONOURABLE CHENG HON-KWAN, O.B.E., J.P.

THE HONOURABLE CHUNG PUI-LAM, O.B.E., J.P.

THE HONOURABLE MARTIN LEE CHU-MING, Q.C., J.P.

THE HONOURABLE DAVID LI KWOK-PO, O.B.E., J.P.

THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.

THE HONOURABLE PANG CHUN-HOI, M.B.E.

THE HONOURABLE POON CHI-FAI, J.P.

PROF. THE HONOURABLE POON CHUNG-KWONG, J.P.

THE HONOURABLE SZETO WAH

THE HONOURABLE TAM YIU-CHUNG

DR THE HONOURABLE DANIEL TSE, C.B.E., J.P.

THE HONOURABLE ANDREW WONG WANG-FAT, O.B.E., J.P.

THE HONOURABLE LAU WONG-FAT, O.B.E., J.P.

THE HONOURABLE GRAHAM BARNES, C.B.E., J.P.
SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

THE HONOURABLE MICHAEL LEUNG MAN-KIN, J.P.
SECRETARY FOR TRANSPORT

THE HONOURABLE EDWARD HO SING-TIN, J.P.

THE HONOURABLE MARTIN GILBERT BARROW, O.B.E.

THE HONOURABLE MICHAEL CHENG TAK-KIN, J.P.

THE HONOURABLE DAVID CHEUNG CHI-KONG, J.P.

THE HONOURABLE RONALD CHOW MEI-TAK

THE HONOURABLE MRS NELLIE FONG WONG KUT-MAN, J.P.

THE HONOURABLE MRS PEGGY LAM, M.B.E., J.P.

THE HONOURABLE DANIEL LAM WAI-KEUNG, J.P.

THE HONOURABLE MRS MIRIAM LAU KIN-YEE

THE HONOURABLE LAU WAH-SUM, O.B.E., J.P.

DR THE HONOURABLE LEONG CHE-HUNG

THE HONOURABLE LEUNG WAI-TUNG, J.P.

THE HONOURABLE JAMES DAVID McGREGOR, O.B.E., I.S.O., J.P.

THE HONOURABLE KINGSLEY SIT HO-YIN

THE HONOURABLE MRS SO CHAU YIM-PING, J.P.

THE HONOURABLE JAMES TIEN PEI-CHUN, J.P.

THE HONOURABLE MRS ELSIE TU, C.B.E.

THE HONOURABLE PETER WONG HONG-YUEN, J.P.

THE HONOURABLE MRS ANSON CHAN, J.P.

SECRETARY FOR ECONOMIC SERVICES

THE HONOURABLE MRS ELIZABETH WONG CHIEN CHI-LIEN, I.S.O., J.P.
SECRETARY FOR HEALTH AND WELFARE

THE HONOURABLE ALISTAIR PETER ASPREY, O.B.E., A.E., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE JOHN CHAN CHO-CHAK, L.V.O., O.B.E., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

THE HONOURABLE ALBERT LAM CHI-CHIU, J.P.
SECRETARY FOR HOME AFFAIRS

ABSENT

THE HONOURABLE STEPHEN CHEONG KAM-CHUEN, C.B.E., J.P.

THE HONOURABLE HO SAI-CHU, O.B.E., J.P.

THE HONOURABLE HUI YIN-FAT, O.B.E., J.P.

THE HONOURABLE TAI CHIN-WAH, J.P.

THE HONOURABLE MRS ROSANNA TAM WONG YICK-MING, O.B.E., J.P.

THE HONOURABLE RONALD JOSEPH ARCULLI, J.P.

THE HONOURABLE PAUL CHENG MING-FUN

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR LAW KAM-SANG

Papers

The following papers were laid on the table pursuant to Standing Order 14(2):

Subject

Subsidiary Legislation L.N. No.

Registration of Persons (Application for New (No. 10) Order 1991.....	238/91	Identity Cards)
Employees Compensation Assistance Ordinance Notice 1991.....	239/91	1991 (Commencement)
Tax Reserve Certificates (Rate of Interest) 1991.....	240/91	(No. 3) Notice

Sessional Paper 1990-91

No. 79 -- Report of changes to the approved Estimates of Expenditure approved during the final quarter of 1990-91

Public Finance Ordinance: Section 8

No. 80 -- 1990 Annual Report by the Commissioner of the Independent Commission Against Corruption

No. 81 -- Annual Report 1990-91
Securities and Futures Commission

Addresses by Members

Report of changes to the approved Estimates of Expenditure approved during the final quarter of 1990-91

Public Finance Ordinance: Section 8

FINANCIAL SECRETARY: Sir, in accordance with section 8(8)(b) of the Public Finance Ordinance, I now table for Members' information a summary of all changes made to the approved estimates of expenditure for the final quarter of the financial year 1990-91.

Supplementary provision of \$6,672.9 million was approved. This included \$4,966.6 million for the implementation of the 1990 pay adjustment, the restructuring of directorate salary scales, the second and third reports of non-directorate salary structure review and the recommendations of the Standing Committee on Disciplined Services Salaries and Conditions of Service in respect of the Civil Service and government subvented organizations. Of the amount of \$6,672.9 million, \$6,282.9 million was offset by savings under the same or other heads of expenditure or by the deletion of funds under the Additional Commitments subheads. The remaining \$390.0 million was net supplementary provision.

Approved non-recurrent commitments were increased by \$31.8 million during the period, and new non-recurrent commitments of \$895.0 million were also approved.

In the same period, a net decrease of 206 posts was approved.

Items in the summary have been approved either by Finance Committee or under delegated authority. The latter has been reported to the Finance Committee in accordance with section 8(8)(a) of the Public Finance Ordinance.

1990 Annual Report by the Commissioner of the Independent Commission Against Corruption

DR TSE: Sir, as Chairman of the Advisory Committee on Corruption, I am pleased to introduce the 1990 Annual Report by the Commissioner of the Independent Commission Against Corruption, which is tabled today in this Council.

The Operations Department of the Commission meets its obligations by investigating all allegations of corruption, regardless of their origin. In 1990 the number of reports to the Commission alleging corruption was 2 400, a

decrease of 1% on the figure for 1989.

Two points of particular significance were first that 1 390 of these reports were capable of investigation, the third highest number in any one year since the Commission was established in 1974. One important factor was that the proportion of persons prepared to identify themselves when reporting alleged corruption was as high as 66%. As a result of this development, during the year the Operations Department had the largest case-load it has had since 1974.

Second, although corruption allegations involving the public service increased by 9% compared with 1989 and allegations in respect of the private sector decreased by 9%, the private sector at 1 205 still accounted for more than half of the total. The main reason for the decline in reports involving the private sector was that whereas there had been elections to district boards in 1989 there were no elections in 1990. In practice the complexity of the private sector cases continued to increase, largely because the investigation of such corruption so often leads to investigations of complicated commercial fraud facilitated by corruption.

As a result of the number of allegations capable of investigation, the number of persons prosecuted and cautioned in 1990 was 402, the fifth highest so far. At 73% the conviction rate remained most satisfactory.

One consequence of the high proportion of allegations involving the private sector has been that the Corruption Prevention Department has still been receiving a fair number of requests from private sector organizations to advise them on methods to prevent corruption and fraud. The Department assisted 154 organizations in this way during the year.

At the same time, the Corruption Prevention Department was able to complete 13% more studies for Government and public bodies than it did in 1989. It also gave extensive advice to government departments and public bodies formulating new policies and adjusting existing ones, so as to keep opportunities for corruption to the absolute minimum.

Another reason for the number of allegations capable of investigation, for the high proportion of allegations involving the private sector and for the requests for advice from the private sector on measures to prevent corruption and fraud, was the appropriate publicity the Community Relations Department has been giving through

direct contacts with the public and through the mass media. The Department has put much effort into getting the anti-corruption message across to the private sector.

Another object on which the Community Relations Department concentrated was to encourage the public to come forward with any suspicions of corruption they may have. This work is particularly important. Once more the results indicate the Department's success. The Commission's surveys of public opinion confirm this view.

Another important target for the Community Relations Department is young people. The Department's role here is to educate the young against corruption. It has had much valuable support in this direction from teachers.

Sir, in his review chapter the Commissioner has expressed his thanks to members of the four advisory committees for their invaluable advice on the Commission's work they have given during the year. He has also paid a warm tribute to the staff of the Commission who put so much devoted effort into tackling corruption during the year. I am well aware that, overall, corruption is becoming increasingly sophisticated and its investigation more difficult and time consuming. Additional challenges facing the Commission are the Bill of Rights and the investigation of offences deriving from all the elections this year. I am confident that the Commissioner and his staff will meet these challenges with dedication and resolve.

Oral answers to questions

Anti-inflationary measures

1. MRS FONG asked: In addition to the announcement made by the Government in this Council on 29 May 1991 that it would freeze for the next nine months all planned increases in departmental fees and charges which had not been announced by 1 June 1991, can the Administration demonstrate its intention to curb inflation by taking the following measures:

(a) to announce that it will instruct all departments to embark on efficiency reviews and cost reduction programmes;

(b) to implement an anti-inflationary budget in 1992-93;

(c) to appeal to the municipal councils to freeze fees and charges for nine months;

and

(d) to appeal to the private sector to seek ways to increase their efficiency and to maintain fees and charges at their existing levels?

FINANCIAL SECRETARY: Sir, in answer to the first part of Mrs FONG's question, the Finance Branch constantly reminds different departments of the Administration of the need to improve efficiency and seek cost savings. Top down reviews and value for money studies have been employed in the Administration for much of the past decade. I gave in my 1991-92 Budget earlier this year some details of a number of initiatives designed to achieve a reduction in the overall cost of Government expenditure.

As to part (b) of Mrs FONG's question, she will be well aware that inflation is only one of the factors that has to be taken into account in framing budgetary proposals. Any Budget should be appropriate to the overall fiscal and economic circumstances of the day. I will not seek to commit my successor to any specific budgetary policies or initiatives. Next year's Budget is for him, not for me. However, I have no doubt that he will wish to keep a firm control on public expenditure.

Incidentally, the last five Budgets that I have presented have consistently been based on the strategy of running a Budget surplus, an entirely appropriate strategy in times of rising inflation. Furthermore, Members may recollect that in my last Budget I indicated our intention to introduce a programme of government borrowing, again an appropriate measure in relation to our policy of reducing inflationary pressures.

As to part (c) of Mrs FONG's question, Members will be aware that the Municipal Councils are autonomous in their financial affairs. And, to be fair, they are more reliant on fee income than is the Government in meeting their expenditure needs. It would, in my view, be more meaningful, as an anti-inflationary measure, to consider ways of reducing expenditure growth.

The Regional Council has little room to manoeuvre given the need to provide services to the growing population in the new towns. However, I am sure the Regional Council fully recognizes the need to exercise restraint. The Urban Council, to its credit, has undertaken not to increase the existing strength of the Urban Services Department for the next three years. Any freeze in the levels of fees and charges

should be left to the individual Municipal Councils to decide.

As regards the private sector, Sir, I repeat what I said in the motion debate on 29 May this year. The Administration through its restraint is pointing the way. But if we are to attack inflation successfully, the community as a whole must play its part.

MRS FONG: Sir, I would like to pursue the Financial Secretary's answer by asking a question relating to the private sector. Has the Government been in discussion with the private sector regarding joint efforts to curb inflation? And what assistance and encouragement has the Administration considered providing to the private sector in this respect?

FINANCIAL SECRETARY: Sir, there have been no formal discussions with the private sector but the Government's views have certainly been conveyed to various influential people in the private sector. As far as assistance to the private sector is concerned it is difficult to imagine what sort of assistance would be appropriate. Certainly, I would not imagine that financial assistance would be at all the right thing to give.

MR DAVID CHEUNG: Sir, in his answer the Financial Secretary mentioned that top down reviews and value for money studies have been employed by the Administration for much of the past decade. Would the Financial Secretary kindly inform this Council how many departments have actually done that, as a result of which how much money has been saved?

FINANCIAL SECRETARY: Sir, we have had major studies in a number of departments: in the Registrar General's Department, the Government Property Agency, the Legal Department, the City and New Territories Administration, the Electrical and Mechanical Services Department, the Labour Department, and the Water Supplies Department. Overall, as far as top down studies and value for money studies are concerned, over the last four years more than 2 500 posts have been deleted with annual recurrent savings of some \$500 million.

MR TIEN: Sir, regarding the part of the Financial Secretary's reply on the private sector's effort to tackle inflation, would the Administration please inform this Council whether the importation of labour programme will be further expanded with a view to containing excessive wage increases which contribute to high inflation?

FINANCIAL SECRETARY: Sir, we have from time to time indicated that there is a case for the selective importation of labour; we continue to examine this question and we do indeed have some proposals under consideration.

MR PETER WONG: Sir, it is all very well for the Finance Branch to continuously send reminders to departments to improve their efficiency. Would the Secretary advise what concrete action the Finance Branch takes in respect of those departments which either refuse to respond or move very slowly?

FINANCIAL SECRETARY: Sir, I discussed this question in the Budget debate at some length and Members may recollect that I referred to the Star Chamber, the body chaired by the Chief Secretary involving myself and policy branch Secretaries. This body, the Star Chamber, is intimately and deeply involved in the resource allocation exercise. Great restraint is exercised over departments; very often their cases for new staff or new initiatives are cut down or disallowed altogether.

MR BARROW: Sir, could the Financial Secretary advise if the top down reviews include consideration of further privatization and corporatization? And if not, could he explain the reasons?

FINANCIAL SECRETARY: Sir, we do indeed consider at all times the possibility of privatization or corporatization but we look for the benefits; we do not want to get caught up in privatization and corporatization exercises just for their own sake.

MR POON CHI-FAI (in Cantonese): Can the Government inform this Council whether in addition to rallying the support of the private sector in tackling inflation, it will set an example by playing a leading role in freezing the rent of public housing at

its present level? This not only can curb inflation but also relieve the middle to lower income group from their predicament as their living standard, due to price spiral, has dropped with life becoming very difficult.

FINANCIAL SECRETARY: Sir, we have indeed approached the Chairman of the Housing Authority and suggested to him that there should be some restraint. But of course the Housing Authority has its own programmes to meet and its own Budget to manage.

MRS FAN: Sir, in relation to the private sector, does the Government intend to make it clear to public transport and utility companies that any application for increase in fees, charges and fares in the next nine months will not be viewed with sympathy by the public and the Government will have to take that view into account?

FINANCIAL SECRETARY: I think that message, Sir, is well understood by the chairmen of the two railway corporations and also no doubt by the bus companies.

MRS FONG: I would like to follow up on the answer regarding the municipal councils. Even though they have financial autonomy, they do derive their income from rates and fees and charges. Has the Government talked to the municipal councils regarding the freezing of fees and charges for the nine months?

FINANCIAL SECRETARY: Yes, Sir.

MR EDWARD HO: Sir, a large element of inflation is due to the high housing costs recently, and this is directly attributable to the shortage of land supply for residential development. Will the Administration consider releasing more land for residential development?

FINANCIAL SECRETARY: Sir, as Mr HO knows, we have some constraints in relation to the releasing of more land under the terms of the Joint Declaration. In any event, if we were to release a great deal of extra land, I very much doubt whether there

is the capacity in the economy to form the land and produce the buildings. The supply of land is certainly something that we keep under constant review.

Tree planting in old urban areas

2. MRS LAM asked (in Cantonese): In view of the vigorous launching of environmental protection campaigns in Hong Kong in recent years, will Government inform this Council whether any policy on tree planting on streets in old urban areas has been drawn up? If not, what are the reasons?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Sir, our policy statement about tree planting in streets, such as it is, is very simple. It is included in Hong Kong Planning Standards and Guidelines and states "wherever possible footways, median strips and roadside areas should be designed to accommodate planting". Simple and limited it may be, but it and the perseverance of the municipal councils, the Highways Department and some district boards have ensured that we do in fact have trees in most footways, median strips and roadside areas where they are possible and in Wan Chai in some places where they are seemingly impossible.

Sir, although it may be hard to trace an obvious policy umbrella for provision and planting of trees, in practice we have a policy -- for want of a better word -- of making financial provision for tree and amenity planting on all our new streets, and I am pleased to say that as far as I know the Finance Committee of this Council has never quibbled about any provision for these purposes. The municipal councils too provide generously for trees all over their respective areas. We may have started systematic provision of trees later than Singapore and our streets are undoubtedly more crowded than they are there, but we are still doing pretty well.

With that said, Sir, the departments concerned have been discussing the tree planting problem together recently and they agreed that a more comprehensive policy would help them in their efforts to plant more trees, particularly where there is competition for pavement space which is in almost all the older areas. An interdepartmental working group on urban trees has been formed, and is expected to propose more detailed standards for tree provision.

MRS LAM (in Cantonese): Sir, thank for the Secretary's reply. May I know whether the Government has conducted a survey on streets in old urban areas so that we can find out where we can plant trees and where we cannot? If not, will such a survey be conducted in the future?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Sir, something of that kind is under consideration by the working party.

MR MCGREGOR: Sir, has Government given thought to the possibility of the private sector assisting in the planting of trees by donating the funds required, because I notice that in some districts funds are running short for this purpose?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Sir, many tree planting schemes, both great and small, have been fostered and encouraged with the private sector providing for trees. The most notable recent one was a very large scheme in Central.

MR PETER WONG: Sir, will the Secretary please confirm that when the interdepartmental working group meet to consider it, there will be a policy to facilitate private concern groups to plant trees in our urban and other open spaces?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Sir, I can certainly ensure that the interdepartmental working group consider that possibility.

MR LAM (in Cantonese): Environmental protection campaigns in Hong Kong are now in full swing. Can the Government inform this Council of the role the 19 district boards and the two municipal councils play in them?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Sir, that question sounded slightly wider than the one on tree planting. But if I may narrow it down to what the boards and councils can do about tree planting, I think that the Wan Chai District Board has already set an example in that they have organized tree surveys in the area and obtained advice which has resulted in a tree planting programme. Some of the trees may not be faring so well now, judging from this morning's paper, but the bulk of

them in fact are doing very well.

MRS LAM (in Cantonese): Sir, can the Government inform this Council whether the Highways Department will follow Singapore's example and consider reserving spaces for tree and amenity planting at the sides of newly built footbridges and flyovers in future?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Sir, Members will in fact have seen that several of our flyovers do in fact incorporate this. However there is always the consideration as to whether this is suitable. This may be ruled out for lack of room, and planting strips may not be suitable and they may not be able to be cared for. All these are taken into consideration but the Highways Department is very conscious of the need to "green up" their roads and also their flyovers.

MRS LAM (in Cantonese): Sir, I know that we cannot plant trees on some streets, but will the Government consider placing some green or potted plants in those streets so as to "green up" the old urban areas?

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Sir, this is certainly done. I mean in many different areas one can see that there are concrete "planters", as they are called, and they are all over the urban area. I think it is simply a question of the Urban Council putting more plants into these planters, and the Urban Council has steady provision for more greening of the urban area and I have no doubt that these planters will increase.

Physical fitness test scheme

3. DR IP asked: Will Government inform this Council whether it will consider introducing a physical fitness test scheme for adults in Hong Kong to promote physical fitness and setting an example by encouraging all civil servants to undergo such tests on an annual basis?

SECRETARY FOR HOME AFFAIRS: Sir, in a report by the then Council for Recreation and Sport in August 1989, a recommendation was made to establish a physical fitness scheme. However, consideration of this recommendation was deferred pending the formulation of an overall strategy by the Hong Kong Sports Development Board for the future development of sports and physical recreation in Hong Kong.

The Hong Kong Sports Development Board has now produced a strategic plan for actions for the period 1991-95. The main emphasis of this plan is on the development of sporting excellence to international standards, the nurturing and training of young athletes, and the strengthening of major sports organizations. The extension of sporting facilities and opportunities for young people through a network of community sports clubs will also receive priority attention.

In the light of this plan, and given the limited resources available, there is no plan in the foreseeable future to introduce a physical fitness test scheme generally for adults on the lines suggested by the Honourable Member.

However, that is not to say that physical fitness does not receive proper attention in Hong Kong. The two municipal councils do organize a varied and substantive programme of courses and activities to promote physical fitness ranging from multi-gym fitness course, tai chi, aerobic dance, judo and roller skating to canoeing, fencing, athletic training and many others. Furthermore, physical fitness facilities, including some first-class gymnasias under professional supervision, are readily available and easily accessible to members of the public in indoor games halls, indoor recreation centres and sports centres operated by the two municipal councils.

As regards civil servants, physical fitness tests are conducted for staff of the disciplined services regularly and annually to ensure that they are fit to perform their duties. Similar tests do not apply to civilian grades for whom physical stamina, although desirable, is not a primary job requirement.

However, civil servants may arrange medical examinations with government hospitals and clinics on a need basis.

MR DAVID CHEUNG: Sir, will the Government inform this Council whether it will consider, as a long-term measure, requiring students to produce annually or biannually a certificate of physical fitness before they can be officially enrolled or re-enrolled

in schools?

SECRETARY FOR HOME AFFAIRS: Sir, that is really a matter for my colleague, the Secretary for Education and Manpower. But I do know that in the Education Department they have introduced a Physical Fitness Award Scheme for primary students some two years ago, and for secondary students since this year.

MR PETER WONG: Sir, is there a case to mandate all Legislative Council candidates to pass fitness tests to make them eligible for election to this demanding Council? And in a lighter vein, should there be a "wakefulness test" for long Legislative Council sessions? (Laughter)

SECRETARY FOR HOME AFFAIRS: Sir, the present provisions in the Electoral Provisions Ordinance do not contain such requirements but that is a matter for future consideration.

MR CHEUNG YAN-LUNG (in Cantonese): Sir, will Government inform this Council if there is any research paper that shows the fitter a person is, the better his work performance will be? If yes, what will the Government do to improve the physical fitness of civil servants?

SECRETARY FOR HOME AFFAIRS: Sir, as I said earlier, disciplined services staff are required to be examined medically every year and if it is found that they do not meet the requirements, they will have to undergo remedial training or fitness courses. As regards other civil servants, that is perhaps something for the long term, but for the time being there are no such plans and it is difficult to allocate resources for the sole, specific purpose of improving the physical fitness of civil servants.

MR MCGREGOR: Sir, I have the same kind of thinking as Mr Peter WONG. Will Government consider, on a short-term basis, extending any approved adult fitness programme to this Council and using the results as an indication of what can be done with the vim, vigour and vitality of willing participants?

SECRETARY FOR HOME AFFAIRS: Sir, I think that is a matter for the In-House of OMELCO.

MR MARTIN LEE: Sir, in the absence of any plan to introduce any physical fitness test scheme for our senior civil servants, I wonder whether you, Sir, can take them with you when you go up hill or down dale during the weekends, to keep your senior civil servants perhaps a little more wakeful during some of our boring speeches?

HIS EXCELLENCY THE PRESIDENT: Sadly, however much the President would like to answer that question himself, he has to pass it to the Secretary for Home Affairs. (Laughter)

SECRETARY FOR HOME AFFAIRS: Sir, I think the ventilation of this Chamber has considerably improved in recent years and as a result the state of alertness of Members has increased.

DR IP: Sir, will Government inform this Council who is physically fitter, our Governor who is a keen jogger or our Chief Secretary who is a keen tennis player?

SECRETARY FOR HOME AFFAIRS: Sir, I am not medically qualified to answer that question.

MRS LAM (in Cantonese): Does the Government have any plan to encourage or compel all employees in the public or private sector to set aside a period everyday in the midst of their working hours for physical training?

SECRETARY FOR HOME AFFAIRS: Sir, it is of course Government's policy to ensure that civil servants enjoy good health. But this must be seen in the context of resource availability. Civil servants are no more than ordinary members of the public and should not therefore receive any special treatment in terms of attention to their physical well-being.

HIS EXCELLENCY THE PRESIDENT: Dr C.H. LEONG, last question; I would not like Members to exhaust themselves on this one topic.

DR LEONG: Sir, does the Administration have any statistics concerning civil servants failing medical examinations during their terms of office?

SECRETARY FOR HOME AFFAIRS: Sir, I do not have the figures with me but I can certainly obtain the figures from the Civil Service Branch. (Annex I)

Written answers to questions

Job security measures against unfair dismissal

4. MR TAM asked: Will the Government inform this Council:

(i) of the total number of complaint cases over the past five years in which employees claimed that they were dismissed by their employers in retaliation for their reports about the employers' breach of legislation;

(ii) under the existing legislation, what measures can be taken by the Government to ensure job security for those employees who are victimized for their actions described in (i); and

(iii) whether the Government will introduce legislation to ensure that employees will not be dismissed by their employers in retaliation for their reports about the employers' alleged breach of legislation?

SECRETARY FOR EDUCATION AND MANPOWER: Sir, complaints from employees that they have been dismissed in retaliation for reporting the employer's breach of legislation are rare. The Labour Department has recorded only one such complaint in the past five years.

Under section 72B of the Employment Ordinance, it is an offence for an employer to terminate, or threaten to terminate, the employment of any of his employees for giving evidence in court or giving information to a public officer in connection with the enforcement of the Ordinance. The penalty for the offence is a fine of \$20,000.

Section 6 of the Factories and Industrial Undertakings Ordinance provides similar protection to employees in respect of the enforcement of that Ordinance.

We consider the present statutory protection in this area to be adequate, except that there is at present no sanction for breaching section 6 of the Factories and Industrial Undertakings Ordinance. We intend to introduce a penalty along the same lines as section 72B of the Employment Ordinance and hope to bring the relevant legislation to this Council during the next Session.

PADS-related infrastructural developments

5. MR LAM asked: In view of the fact that the Chek Lap Kok new airport project has not yet been implemented, will Government inform this Council:

(a) whether it is really necessary to construct the Tsing Ma Bridge in line with the new airport project;

(b) whether the works progress of Route 3 linking Kowloon and the northwestern part of the New Territories will be affected by the airport project; and

(c) whether the third cross-harbour tunnel between Kowloon and the Western district of Hong Kong Island will be built as scheduled?

CHIEF SECRETARY: Sir, the Lantau Fixed Crossing, comprising the Tsing Ma Bridge and the Kap Shui Mun Bridge, is a critical component of the PADS strategy. It serves as the initial link to the new airport at Chek Lap Kok and the supporting community of Tung Chung as well as serving the future port peninsula at northeast Lantau. It is clearly important that the Lantau Fixed Crossing is built in time to meet these needs.

Route 3 stretching from the Western Harbour Crossing to the northwest New Territories and the border has been identified in the Second Comprehensive Transport Study as the major northsouth route for the territory which should be in place by the late 1990s to cater for the anticipated growth of traffic. It is divided into the following sections: Western Harbour Crossing, West Kowloon Expressway, Kwai Chung and Tsing Yi Sections and the Country Park Section. To serve the new airport at Chek Lap Kok, the Western Harbour Crossing, West Kowloon Expressway and Kwai Chung and

Tsing Yi Sections will need to be completed just before airport opening date, leaving the Country Park Section to be subsequently completed in the late 1990s depending on forecast traffic demand. Planning and design work for those sections serving the new airport, including the Western Harbour Crossing, are in progress and will continue.

Sports facilities for Islands District

6. MR LAM asked: In view of the continuous growth of the population in the Islands District in recent years and the keen demand for sports facilities by students and youths, will Government inform this Council when it will construct the first standard sports ground in the district, so as to solve the problem concerning the lack of a standard track and field ground for training and competition purposes?

SECRETARY FOR HOME AFFAIRS: Sir, a standard sports ground in Mui Wo is under planning by the Regional Council. The proposed project is in Category IV of the Regional Council Capital Works Programme. Part of the 2.5 hectare site falls on government land. The rest is private agricultural land and building land requiring resumption.

Site formation is necessary before construction can be started. Due to competing priorities, site formation for the sports ground is scheduled to start in 1995, and subject to availability of funds, is expected to be completed by the end of 1996. Construction of the sports ground would probably start in 1997 and be completed in 1998-99.

Hong Kong's autonomy over the Vietnamese boat people problem

7. MR POON CHI-FAI asked: In view of the fact that it may be derogatory to the autonomy and integrity of the Hong Kong Government for the United Kingdom Government, which has always been insistent on maintaining its effective administration over the territory before 1997, to consult the official responsible for refugee matters in Washington when dealing with problems concerning Vietnamese boat people who have been screened out as non-refugees, will the Government approach the United Kingdom Government as soon as possible for a clear understanding of the situation and explain to the people of Hong Kong the reason for the United Kingdom Government, the sovereign state of Hong Kong until 1997, to seek the endorsement of the United States before

commencing bilateral negotiations with the Vietnamese Government and inform this Council what measures will be taken to maintain Hong Kong's autonomy and integrity?

SECRETARY FOR SECURITY: Both the United Kingdom and the Hong Kong Governments are endeavouring to find additional means, within the context of the Comprehensive Plan of Action (CPA) to return to Vietnam those asylum seekers who have been determined not to be refugees. This will require the agreement and co-operation of the Vietnamese Government; and it is very clear from our discussions of this subject over more than two years that the attitude of the Vietnamese Government will be influenced by that of other countries who are parties to the CPA including the United States Government. We are seeking arrangements which are acceptable to all parties to the CPA. There is no derogation from the autonomy and integrity of the Hong Kong Government.

First Reading of Bill

SUPPLEMENTARY APPROPRIATION (1990-91) BILL 1991

Bill read the First time and ordered to be set down for Second Reading pursuant to Standing Order 41(3).

Second Reading of Bills

SUPPLEMENTARY APPROPRIATION (1990-91) BILL 1991

THE FINANCIAL SECRETARY moved the Second Reading of: "A Bill to approve a supplementary appropriation to the service of the financial year which ended on 31 March 1991".

He said: Sir, I move that the Supplementary Appropriation (1990-91) Bill 1991 be read the Second time.

Section 9 of the Public Finance Ordinance states that "If at the close of account for any financial year it is found that expenditure charged to any head is in excess of the sum appropriated for that head by an Appropriation Ordinance, the excess shall

be included in a Supplementary Appropriation Bill which shall be introduced into the Legislative Council as soon as practicable after the close of the financial year to which the excess expenditure relates".

The accounts for the financial year 1990-91 have been finalized by the Director of Accounting Services. The expenditure charged to 64 heads out of a total of 75 heads is in excess of the sum appropriated for those heads by the Appropriation Ordinance 1990. This is because sufficient offsetting savings could not be found within the heads concerned. In accordance with section 9 of the Public Finance Ordinance, this excess has been included in the Supplementary Appropriation (1990-91) Bill 1991 now before Members. The Bill seeks to give final legislative authority for the amount of supplementary provision approved in respect of particular heads of expenditure by the Finance Committee or under powers delegated by it.

The total net supplementary appropriation required in respect of the 64 heads of expenditure is \$6,118.5 million. As I indicated in my earlier statement this afternoon, this excess is largely attributable to the implementation of the 1990 pay adjustment, the restructuring of directorate salary scales, the second and third reports of non-directorate salary structure review and the recommendations of the Standing Committee on Disciplined Services Salaries and Conditions of Service in respect of the Civil Service (\$3,224.9 million) and government subvented organizations (\$2,163.8 million). Other major contributing factors include the payment of the revised home purchase allowance and the special allowance to officers eligible for assistance under the Home Purchase Scheme and the introduction of a new Home Financing Scheme (\$366.3 million) and the establishment of a new Student Financial Assistance Agency on 1 August 1990 (\$349.3 million).

Sir, the cost of the 1990 pay adjustment and salary restructuring had been anticipated in the 1990-91 estimates under the "Additional Commitments" subhead. Savings were also made in other subheads through continued tight control over public expenditure, and I would like to thank the controlling officers and others who have contributed to restraint. Because of these savings and the provision made for additional commitments, total expenditure for the year is within the sum appropriated in the Appropriation Ordinance 1990.

Sir, I move that the debate on this motion be now adjourned.
Question on the adjournment proposed, put and agreed to.

PRIVATE BILLS BILL 1990

Resumption of debate on Second Reading which was moved on 21 March 1990

Question on the Second Reading of the Bill proposed, put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

OATHS AND DECLARATIONS (AMENDMENT) BILL 1991

Resumption of debate on Second Reading which was moved on 5 June 1991

Question on the Second Reading of the Bill proposed, put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

COMPANIES (AMENDMENT) (NO. 2) BILL 1991

Resumption of debate on Second Reading which was moved on 1 May 1991

Question on Second Reading proposed.

MR LAU WAH-SUM: Sir, three years ago after the October 1987 market crisis, the Securities Review Committee recommended that companies in Hong Kong should be allowed to purchase their own shares. In a moment's time, the Committee's recommendation will bear fruit if the majority of honourable Members voted "aye" to the Companies (Amendment) (No. 2) Bill 1991 after the Third Reading.

As a member of the Securities Review Committee making the recommendation, and now the Convenor of the ad hoc group charged with the responsibility of examining the Bill, I fully appreciate, and would like to commend wholeheartedly, the untiring

effort of the Administration in bringing this and other related legislation into force within a relatively short period of time.

Turning now to the Bill proper, Sir, I would like to report to honourable Members that there are three issues which are of particular concern to the ad hoc group.

The first one relates to the proposed authority and procedures for share repurchases by listed companies. Under the proposed new section 49B(1), listed companies wishing to purchase their own shares are required to comply with the Share Repurchase Code which is a non-statutory code issued by the Securities and Futures Commission.

According to the Administration, such approach is intended to give the necessary flexibility to listed companies in times of market crises. As a matter of fact, experience in the United States has shown that the ability of United States corporations to take quick actions to purchase their own shares in the worldwide market crash in October 1987 has contributed substantially to the steadying of the United States market.

The Law Society has, however, observed that while the Share Repurchase Code is non-statutory, breach of it will constitute a criminal offence under existing section 58(1A) of the Ordinance and the proposed new section 58(1B). The Society is of the strong view that it is wholly inappropriate that non-observance of a non-statutory code should result in criminal liability on the part of directors of companies concerned and others. Another undesirable effect of linking the Share Repurchase Code with the legislation is that the Code, being non-statutory, can be amended by the Securities and Futures Commission without having to go through the normal legislative route. Yet the Code, in actual fact, has legislative effect.

The view of the Law Society is also shared by the Securities and Futures Commission which has advised that although the Share Repurchase Code is published by the Commission in pursuance of its functions stipulated in the Securities and Futures Commission Ordinance, the concept of giving statutory backing to the Code is not recommended by the Commission.

To address the Law Society's concern while maintaining the necessary flexibility sought by the Administration's approach, the Securities and Futures Commission has come up with the following alternate proposal --

(a) all references to the Share Repurchase Code in the Bill should be deleted; and

(b) provisions should be introduced in the Bill to require prior shareholder approval of the various forms of share repurchases and to grant the Securities and Futures Commission a general power to waive such requirement.

The points made by the Law Society and the Securities and Futures Commission were readily accepted by the Administration who have effectively come up with a new procedure for listed companies to purchase their own shares along the line proposed by the Securities and Futures Commission.

Having had a series of meetings with the Administration to scrutinize this new procedure and to improve the drafting of the relevant provisions, the ad hoc group is satisfied that the new procedure, which will be proposed later by the Financial Secretary during the Committee stage, has satisfactorily addressed the concern of the Law Society while maintaining the necessary flexibility to meet market crisis. And I can, with full confidence, commend the Bill to honourable Members this afternoon.

The other two issues of concern to us relate to the definition of distributable profits and the operation of the Bill in the Hong Kong situation.

Regarding the definition of profit, the ad hoc group would like to see that once statutory provisions allowing share repurchases are in place, consideration would be given to widen the definition to include up to 50% of any unrealized property revaluation reserves of a company so as to reflect the prevalence of property companies in Hong Kong.

As for the operation of the Bill, the ad hoc group has noted that most of the proposed amendments in the Bill follow closely the corresponding provisions in the United Kingdom Companies Act 1985, and would like therefore to see that the legislation will be reviewed in the light of experience of the Ordinance in operation to see if they totally suit Hong Kong's situation.

I have been given to understand that in his speech this afternoon, the Financial Secretary will, on behalf of the Administration, positively respond to these two points raised by the ad hoc group.

Sir, in concluding, I would like to sincerely thank the organizations which submitted their views to this Council and whose representatives took part in many hours of detailed discussion with the ad hoc group. Let me also thank the OMELCO Secretariat and the Legal Unit for the support and hard work they have given to the ad hoc group for without their help this piece of legislation could not have been ready today.

With these remarks, Sir, I support the motion.

FINANCIAL SECRETARY: Sir, I am grateful to Mr LAU Wah-sum and members of the ad hoc group for their careful consideration of and support for the Bill.

For the reasons given by Mr LAU, we accept that the Share Repurchase Code should not have any statutory backing. I shall move amendments at the Committee stage to address this concern. At the same time, I shall move a number of technical amendments to tidy up and clarify selected provisions of the Bill.

In place of statutory backing for the Code, we propose that the Bill should contain minimum requirements for disclosure and prior shareholder approval of repurchases to be made by listed companies. The requirements vary according to the type of repurchase proposed and constitute an important safeguard against abuse.

At the same time, we recognize the need for flexibility. We propose, therefore, that the Securities and Futures Commission should be given a broad discretion to waive these requirements in exceptional circumstances. The Commission will exercise this discretion sparingly, and in doing so, the Commission will always have due regard to the interests of non-selling shareholders.

In order that the main criteria in relation to the exercise of its discretion should be known the Commission will publish guidelines in the Gazette before the proposed legislation comes into force. In broad terms, the Commission envisages three categories of waiver: a blanket waiver for all companies wishing to make purchases on the Stock Exchange in times of abnormal market activity; a specific waiver for a particular company wishing to make a purchase, whether on or off the Stock Exchange, where it would be unreasonable to require compliance; and a specific waiver for a particular company wishing to make an off-market purchase, where the

cost of compliance would outweigh the benefits to shareholders.

The definition of distributable profits follows closely the corresponding provisions of the United Kingdom Companies Act 1985. On the advice of the Standing Committee on Company Law Reform, we have not accepted a proposal to widen the definition, for the purpose of share repurchases, to include up to 50% of any unrealized property revaluation reserves of a company. Such purchases are not allowed in the United Kingdom. We believe it prudent to have experience of the legislation in operation before considering such a departure. In answer to Mr LAU's request for an assurance, the Standing Committee will review the question and the operation of the provisions of this Bill generally after the statutory provisions on share repurchases are in place.

Sir, as I stated during the passage of the Securities (Insider Dealing) Ordinance 1991, I propose that the Companies (Amendment) (No. 2) Bill 1991, if enacted, should come into operation on 1 September this year. A lead time of two months is necessary to allow companies to become familiar with the new provisions, and to enable the Society of Accountants to prepare guidelines on the definition of distributable profits.

Sir, I beg to move.

Question on the Second Reading of the Bill put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

BANKRUPTCY (AMENDMENT) BILL 1991

Resumption of debate on Second Reading which was moved on 12 June 1991

Question on the Second Reading of the Bill proposed, put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

FIXED PENALTY (TRAFFIC CONTRAVENTIONS) (AMENDMENT) (NO. 2) BILL 1991

Resumption of debate on Second Reading which was moved on 12 June 1991

Question on the Second Reading of the Bill proposed, put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

ROAD TRAFFIC (AMENDMENT) (NO. 4) BILL 1991

Resumption of debate on Second Reading which was moved on 12 June 1991

Question on the Second Reading of the Bill proposed, put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

EMPLOYMENT (AMENDMENT) (NO. 2) BILL 1991

Resumption of debate on Second Reading which was moved on 12 June 1991

Question on the Second Reading of the Bill proposed, put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

EMPLOYEES' COMPENSATION (AMENDMENT) BILL 1991

Resumption of debate on Second Reading which was moved on 12 June 1991

Question on the Second Reading of the Bill proposed, put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

PNEUMOCONIOSIS (COMPENSATION) (AMENDMENT) BILL 1991

Resumption of debate on Second Reading which was moved on 12 June 1991

Question on the Second Reading of the Bill proposed, put and agreed to.

Bill read the Second time.

Bill committed to a Committee of the whole Council pursuant to Standing Order 43(1).

Committee stage of Bills

Council went into Committee.

PRIVATE BILLS BILL 1990

Clauses 1 to 3

MR MARTIN LEE: Sir, I move that clauses 1, 2 and 3(2) be amended as set out under my name in the paper circulated to Members.

Clause 2 provides for the definition of the term "private bill". The ad hoc group considers the original definition far from satisfactory since all Bills, be they government or private, affect some particular persons, associations or body corporate. The new clause 2 gives a better definition as it distinguishes the interests and benefit of an individual, association or body corporate from the interest and benefit of the public.

Clause 3(2) provides for the criteria under which an organization may be exempted

from the payment of the prescribed fee. Some organizations which are required to promote a private Bill so as to facilitate a government measure may have difficulty in raising sufficient funds. Having regard to the difficulties of these organizations, the new clause 3(2) extends the Chief Secretary's discretion to exempt these organizations from paying the prescribed fee to cover Bills which are promoted to facilitate a government measure.

Sir, I so move.

Proposed amendments

Clause 1

That clause 1 be amended by deleting "1990" and substituting "1991".

Clause 2

That clause 2 be amended by deleting the definition of "private bill" and substituting -

"private bill" means a bill which -

(a) provides primarily for the particular interest or benefit of any individual, association or body corporate rather than the interest or benefit of the public; and

(b) is not a Government measure."

Clause 3(2)

That clause 3(2) be amended by deleting "that the bill is for a charitable purpose within the meaning of section 2 of the Registered Trustees Incorporation Ordinance (Cap. 306)" and substituting -

"that the bill -

(a) is for a charitable purpose within the meaning of section 2 of the Registered Trustees Incorporation Ordinance (Cap. 306); or

(b) facilitates a Government measure."

Question on the amendments proposed, put and agreed to.

Question on clauses 1 to 3, as amended, proposed put and agreed to.

Clause 4 was agreed to.

Schedule

MR MARTIN LEE: Sir, I move that the schedule be amended as set out under my name in the paper circulated to Members. The schedule sets out the level of fees payable for private Bills. The ad hoc group considers it wrong in principle to double the fee for a bilingual Bill; we feel that no matter whether the Bill is drafted in one or both official languages, it is still one Bill rather than two Bills; hence there should be only one set of fees. Having said this, the ad hoc group accepts that a private Bill for a principal Ordinance is essentially different from a private Bill which amends an existing Ordinance. As a result, it is more appropriate to set different levels of fees for the two types of private Bills. The new schedule gives effect to such a decision.

Sir, I beg to move.

Proposed amendment

Schedule

That schedule be amended by deleting items 1 and 2 and substituting -

- "1. A bill to amend an existing Ordinance, in one or both official languages.....
25,000
- 2. A bill for a principal Ordinance (whether or not the bill also amends an existing Ordinance), in one or both

official languages.....
50,000".

Question on the amendment proposed, put and agreed to.

Question on schedule, as amended, proposed put and agreed to.

OATHS AND DECLARATIONS (AMENDMENT) BILL 1991

Clauses 1 to 3 were agreed to.

COMPANIES (AMENDMENT) (NO. 2) BILL 1991

Clauses 1, 2, 4 to 6 and 9

FINANCIAL SECRETARY: Sir, I move that the clauses specified be amended as set out in the paper circulated to Members.

Clause 4 is amended to delete reference to the Share Repurchase Code in new section 49B(1). This seeks to remove statutory backing for the Code. The clause is further amended to insert new section 49BA which sets out the requirements of disclosure and prior shareholder approval for listed companies, and grants the Securities and Futures Commission a general power of waiver from any of the requirements.

Clause 4 is also amended to apply new sections 49E, 49F and 49G to listed and unlisted companies, where appropriate. These sections relate to authority for a contingent purchase contract, assignment or release of a company's right to repurchase shares and disclosure by a company of share repurchases.

Clauses 5 and 9 are amended to delete references to "substantial shareholder" and "acting in concert", to avoid possible confusion with the use of similar terms in the different context of the Takeovers and Mergers Code issued by the Securities and Futures Commission and the Listing Rules of the Stock Exchange.

A new clause 10 is added to introduce a consequential amendment to section 54(1)(a) of the Securities and Futures Commission Ordinance to enable the Commission to charge fees to recover the cost of administering the Share Repurchase Code and processing applications for waiver under new section 49BA.

Sir, I beg to move.

Proposed amendments

Clause 1(1)

That clause 1(1) be amended by deleting "(No. 2)".

Clause 2

That clause 2 be amended by deleting paragraph (c).

Clause 4

That clause 4 be amended --

(a) In proposed section 49B(1) --

(i) by adding "49BA," after "49A,,"; "49E, 49F," after "49C,,"; and ", 49R" after "49Q";

(ii) by deleting "in accordance with the Share Repurchase Code".

(b) In proposed section 49B(4) by deleting "In addition to acquiring shares from funds specified in section 49A, a company may acquire its own shares" and substituting --

"Notwithstanding subsections (1) and (2) but subject to sections 49, 49A, 49F, 49G, 49H, 49I(4) and (5), 49P, 49Q, 49R and 49S, except that such purchases may be made either out of or otherwise than out of its distributable profits or the proceeds of a fresh issue of shares, a listed company and an unlisted company limited by shares or limited by guarantee and having a share capital may, if authorized to do so by its articles, purchase its own shares (including any redeemable shares)".

(c) By adding after proposed section 49B --

"49BA. Requirements for listed company
to purchase own shares

(1) A listed company may purchase its own shares --

(a) subject to subsections (2), (3) and (7), under a general offer;

(b) subject to subsections (2), (3) and (4), on the Unified Exchange or on a recognized stock exchange;

(c) subject to subsections (5) and (6), otherwise than on the Unified Exchange or on a recognized stock exchange, and otherwise than under a general offer referred to in paragraph (a).

(2) A listed company shall not --

(a) make a general offer under subsection (1)(a) unless the proposed general offer is authorized by the company in general meeting; or

(b) purchase any of its own shares on the Unified Exchange or on a recognized stock exchange under subsection (1)(b), unless the proposed purchase is authorized by the company in general meeting.

(3) A listed company shall include together with the notice of any general meeting called for the purpose of subsection (2) --

(a) in the case of a general offer under subsection (1)(a) --

(i) a copy of the document containing the proposed general offer; and

(ii) a statement, signed by the directors of the company, containing such particulars as would enable a reasonable person to form as a result thereof a valid and justifiable opinion as to the merits of the proposed general offer; and

(b) in the case of a purchase under subsection (1)(b), a memorandum of the terms of the proposed purchase.

(4) An authorization given by a company in general meeting under subsection (2)(b) shall be valid for the period expiring on the date of the next annual general meeting of the company and such period may be extended by the company at such annual general meeting until the date of the next annual general meeting of the company.

(5) A listed company shall not make a purchase of any of its shares under subsection (1)(c) unless the proposed purchase has been authorized by a special resolution of the company and section 49D(4) shall apply to such a resolution as it applies to a resolution under that subsection.

(6) A listed company shall include together with the notice of any meeting called for the purpose of subsection (5) --

(a) where the proposed purchase agreement is in writing, a copy of the proposed purchase agreement; or

(b) where the proposed purchase agreement is not in writing, a memorandum of the terms of the proposed purchase agreement; and

(c) a statement, signed by the directors of the company, after having made due and diligent inquiry of the members of the company holding the shares to which the proposed purchase agreement relates, containing such particulars as would enable a reasonable person to form as a result thereof a valid and justifiable opinion as to the merits of the proposed purchase agreement.

(7) If, in the case of a general offer under subsection (1)(a), a member of the company may be compelled to dispose of his shares under section 168B --

(a) the company shall appoint an independent investment adviser to advise members who may be affected by the compulsory disposal on the merits of the proposed general offer; and

(b) the proposed general offer shall be authorized by a special resolution of the company, on which no relevant shareholder votes and for this purpose --

(i) a relevant shareholder shall be regarded as voting not only if he votes on a poll on the question whether the resolution shall be passed, but also if he votes on the resolution otherwise than on a poll;

(ii) notwithstanding anything in the company's articles, any member of the company may demand a poll on that question; and

(iii) a vote and a demand for a poll by a person as proxy for a relevant shareholder are the same (respectively) as a vote and demand by a relevant shareholder.

(8) A person shall not be appointed as an investment adviser under subsection (7) unless he is a registered or exempt investment adviser within the meaning of the Securities Ordinance (Cap. 333) and is neither --

(a) a member, officer or employee of the company making the general offer or of a related company thereof; nor

(b) a related company of the company making the general offer.

(9) For the purposes of this section --

"Exchange Company" means the Exchange Company as defined in section 2(1) of the Stock Exchanges Unification Ordinance (Cap. 361);

"general offer" means an offer to all members of a company or to all members holding shares of a particular class in a company, other than any members residing in a jurisdiction where such an offer is contrary to the laws of that jurisdiction, on terms which are the same in relation to all such shares or in relation to the shares of each class;

"recognized stock exchange" means a stock exchange recognized for the purposes of this section by the Securities and Futures Commission and the Exchange Company by notice published in the Gazette;

"related company" in relation to a company, means any company that is the company's subsidiary or holding company or a subsidiary of that company's holding company;

"relevant shareholder" means a person to whom the description "relevant shareholder" in the Thirteenth Schedule applies.

(10) In the application of the definition of "officer" in section 2(1) to subsection (8), "director" includes --

(a) any person occupying the position of director, by whatever name called; and

(b) any person in accordance with whose directions or instructions the directors of the company are accustomed to act.

(11) The Securities and Futures Commission may exempt any listed company from any of the provisions of this section, subject to such conditions as it thinks fit.

(12) The Securities and Futures Commission may --

(a) suspend or withdraw an exemption granted under subsection (11) on the ground that the conditions subject to which the exemption was granted have not been complied with or on such other ground as the Commission thinks fit; or

(b) vary any condition imposed under subsection (11)."

(d) By deleting proposed section 49C(2).

(e) In proposed section 49E --

(i) by renumbering subsection (2) as subsection (3); and

(ii) by adding after subsection (1) --

"(2) A listed company may only make a purchase of its own shares in pursuance of a contingent purchase contract if the proposed contingent purchase contract is authorized in advance by a special resolution of the company before the contract is entered into, and section 49BA(5) and (6) applies to authorization for a proposed contingent purchase contract as to authorization for a proposed purchase agreement under section 49BA(1)(c)."

(f) In proposed section 49F --

(i) by deleting "unlisted" in the heading; and

(ii) in subsection (1) --

(A) by deleting "an unlisted company" and substituting "a company";

(B) by adding "or authorized under section 49BA or 49E" after "section 49D or 49E";

(iii) by adding after subsection (2) --

"(3) An agreement by a listed company to release its rights under a contract authorized under section 49BA(1)(a) or (c) or under section 49E is void unless the terms of the release agreement are authorized in advance by a special resolution of the company before the agreement is entered into; and section 49BA(5) and (6) applies to authorization for a proposed release agreement as to authorization for a proposed purchase agreement under section 49BA(1)(c).".

(g) In proposed section 49G --

(i) in subsection (1) by deleting "Part" and substituting "Ordinance";

(ii) in subsection (4) by adding "49BA(1)(c)," before "49D".

(h) In proposed sections 49H(1), 49I(3) and 49N(1) by deleting "Part" wherever it occurs and substituting "Ordinance".

(i) In proposed section 49P(1) by deleting "(No. 2)".

(j) In proposed section 49R --

(i) by deleting "(No. 2)" wherever it occurs;

(ii) in subsections (1) and (2) by deleting "Part" wherever it occurs and substituting "Ordinance as amended by that Ordinance".

Clause 5

That clause 5 be amended --

(a) In proposed subsection (1B)(c) by deleting "substantial" and substituting "relevant".

(b) In proposed subsection (1C) by adding "and subsection (1D)" after "section 168A".

(c) By adding after proposed subsection (1C) --

"(1D) Notwithstanding subsection (1C), a purchase which contravenes section 49B(6) is void."

Clause 6

That clause 6 be amended, in proposed section 79A(1) in the definition of "appointed day", by deleting "(No. 2)".

Clause 9

That clause 9 be amended --

(a) In proposed Thirteenth Schedule between the square brackets at the beginning by adding "49BA," before "58".

(b) In proposed Thirteenth Schedule by deleting "substantial" wherever it occurs and substituting "relevant".

(c) In paragraph 1 of Part 1 of proposed Thirteenth Schedule --

(i) by deleting "acting in concert with the repurchasing company,";

(ii) by deleting "at the time of the offer" and substituting "not later than the date that notice of the meeting called for the purpose of authorizing the proposed offer is given".

Question on the amendments proposed, put and agreed to.

Question on clauses 1, 2, 4 to 6 and 9, as amended, proposed, put and agreed to.

Clauses 3, 7 and 8 were agreed to.

New clause 10 Consequential Amendment

Securities and Futures Commodities Ordinance
Fees and other charges

Clause read the First time and ordered to be set down for Second Reading pursuant to Standing Order 46(6).

Question on the Second Reading of the new clause proposed, put and agreed to.

Clause read the Second time.

Proposed addition

New clause 10

That the Bill be amended by adding after clause 9 --

"Consequential Amendment
Securities and Futures Commission Ordinance

10. Fees and other charges

Section 54(1)(a) of the Securities and Futures Commission Ordinance (Cap. 24) is amended --

(a) by adding --

(i) "the Commission or" before "a committee"; and

(ii) " " before " "; and

(b) by adding --

(i) "share repurchases," before "takeovers and mergers"; and

(ii) " " before " ".

Question on the addition of the new clause proposed, put and agreed to.

Long title

FINANCIAL SECRETARY: Sir, I move that the long title be amended as set out in the paper circulated to Members.

Proposed amendment

Title

That title be amended by adding "and consequentially to amend the Securities and Futures Commission Ordinance" after "Ordinance".

Question on the amendment proposed, put and agreed to.

Question on title, as amended, proposed, put and agreed to.

BANKRUPTCY (AMENDMENT) BILL 1991

Clauses 1 to 4 were agreed to.

FIXED PENALTY (TRAFFIC CONTRAVENTIONS) (AMENDMENT) (NO. 2) BILL 1991

Clauses 1 and 2 were agreed to.

ROAD TRAFFIC (AMENDMENT) (NO. 4) BILL 1991

Clauses 1 and 2 were agreed to.

EMPLOYMENT (AMENDMENT) (NO. 2) BILL 1991

Clause 1

SECRETARY FOR HEALTH AND WELFARE: Sir, I move that clause 1 be amended as set out in the paper circulated to Members. The Bill has to be re-numbered because the proposed

amendment to the Ordinance is expected to be the first to be enacted this year.

Sir, I beg to move.

Proposed amendment

Clause 1

That clause 1 be amended by deleting "(No.2)".

Question on the amendment proposed, put and agreed to.

Question on clause 1, as amended, proposed, put and agreed to.

Clause 2 was agreed to.

EMPLOYEES' COMPENSATION (AMENDMENT) BILL 1991

Clauses 1 and 2 were agreed to.

PNEUMOCONIOSIS (COMPENSATION) (AMENDMENT) BILL 1991

Clauses 1 and 2 were agreed to.

Council then resumed.

Third Reading of Bills

THE ATTORNEY GENERAL reported that the

OATHS AND DECLARATIONS (AMENDMENT) BILL 1991

BANKRUPTCY (AMENDMENT) BILL 1991

FIXED PENALTY (TRAFFIC CONTRAVENTIONS) (AMENDMENT) (NO. 2) BILL 1991

ROAD TRAFFIC (AMENDMENT) (NO. 4) BILL 1991

EMPLOYEES' COMPENSATION (AMENDMENT) BILL 1991

PNEUMOCONIOSIS (COMPENSATION) (AMENDMENT) BILL 1991

had passed through Committee without amendment and the

PRIVATE BILLS BILL 1991, the original short title of which is PRIVATE BILLS BILL 1990

COMPANIES (AMENDMENT) BILL 1991, the original short title of which is COMPANIES (AMENDMENT) (NO. 2) BILL 1991 and

EMPLOYMENT (AMENDMENT) BILL 1991, the original short title of which is EMPLOYMENT (AMENDMENT) (NO. 2) BILL 1991

had passed through Committee with amendments. He moved the Third Reading of the Bills.

Question on the Third Reading of the Bills proposed, put and agreed to.

Bills read the Third time and passed.

Member's motion

PRIMARY HEALTH CARE

MR LAU WAH-SUM moved the following motion:

"That this Council supports the development of quality primary health care services in Hong Kong to meet the World Health Organization's target of "Health For All by the Year 2000", and urges Government to take early steps to implement those improvement measures as recommended by the Working Party on Primary Health Care, having regard to the views expressed by the public before the expiry of the consultation period on 31 July 1991."

MR LAU WAH-SUM: Sir, I move the motion standing in my name on the Order Paper.

On 24 April this year, the Report of the Working Party on Primary Health Care entitled Health for All: The Way Ahead was tabled before this Council and published for public consultation thereafter. Since then, there have been many comments and viewpoints expressed. I am sure more will be forthcoming before the expiry of the consultation period by the end of this month.

As convener of the OMELCO Standing Panel on Health Services, I welcome wholeheartedly the timely publication of this report. Better provision of primary health care services will improve the health standard of the community. Most important of all, the development of quality primary health care services, in the words of the working party, will lay a firm foundation for the future health care system. It will achieve a better and more appropriate balance between primary health care and hospital treatment.

According to the World Health Organization: "Primary Health Care is essential health care made universally accessible to individuals and families in the community by means acceptable to them, through their full participation and at a cost that the community and country can afford". It includes many essential and basic services that we have often taken for granted, like childhood immunization, health education and the control of communicable diseases. It also includes first-line medical care for the treatment of diseases and injuries.

It would therefore be erroneous to equate primary health care with primitive care, or services that are less important. Primary health care is also certainly not second-rate care for the underprivileged. In fact it should be the opposite. We learn from the working party report that primary health care provides basic, comprehensive services and continuity of care to an individual. It is the base upon which the rest of the health care system should be built. It is a strategy of health care advocated by the World Health Organization to enable the best use of resources to benefit the entire population.

For those who are impressed by Hong Kong's low infant mortality rates, longevity of our men and women and our successful control of communicable diseases, the obvious questions are: What has gone wrong with our health services? Why do we need to develop primary health care?

The answer to these questions lies in finding the most cost-effective means to achieve the goal of "Health for All". In the past decades, technological developments have made the provision of medical care increasingly expensive. Everyone of us knows that hospitals are expensive to build, but even more costly to run. The escalating costs of life-saving surgical procedures and medical technology are the realities we have to face. Containing health costs while providing quality care -- these two apparently conflicting objectives -- are our major tasks ahead.

As illustrated by what has taken place in countries like Canada, Australia and those in Europe, a shift in emphasis to primary health care is the only feasible way to improve the health of the community and promote the best use of resources. The history of poliomyelitis and tuberculosis control in Hong Kong has taught us that expensive treatment facilities and manpower resources can be saved if the preventive health programmes are successful. More than three decades ago, immunization against these two deadly diseases was introduced. And today, we see hospitals purposely built to treat these diseases changing their use because they have out-served their original purpose. More importantly, we no longer see children crippled from poliomyelitis affecting the lower limbs or tuberculosis affecting the spine. Seed sown long ago have borne fruit. In the language of the Hong Kong investors, the investment made years ago has produced continuous high return.

The emphasis in promotion of health and prevention of disease is certainly the right direction to follow. For too long we have been dazzled by the glamour and drama of high technology curative medical care. This is high time we re-orientate the entire health care delivery system towards a better balance between primary health care and hospital care. The way I see it, the best cure to disease and disability should lie much earlier than when the condition presents itself -- prevention: action even before the condition exists. The aim should be to minimize all sufferings rather than to remedy them.

It is my firm belief that for the more modern diseases that afflict mankind, we should take the same approach. Health education is a very effective means to involve individuals in taking care of their health. Work towards prevention and early detection, and channel resources to enable these health maintenance activities to take place. For the reduction of human suffering is in itself priceless.

Turning to the issue of early detection and treatment of illnesses. I notice that the working party has advocated the provision of a framework for the delivery

of continuing, comprehensive and whole-person care. I am in complete agreement with this approach. In this modern age of medical specialties, one is often overwhelmed and at times confused by the many specialists dealing with different organs of the body. It is most heartening to see the proposal for the development of family medicine in the government out-patient clinics and in private practices: a doctor who offers total care, taking into account the physical, social as well as psychological aspects of illnesses, who has good understanding of his patients, and who co-ordinates the care provided to his patient by other health care workers. This revival of the "family doctor" who knows the patient and takes good care of him brings back the human touch to the art of cure, and is another effective means to enable better utilization of resources. For with a pool of quality family doctors in the community, hospital admissions could be reduced. This is because more patients could be taken care of in the community by their family doctors rather than by specialists in the hospitals. This "gate-keeper" function has led many governments in other parts of the world to place greater emphasis on the training of doctors in family medicine. And I urge the Hong Kong Government to do the same.

And it is not just for the sole reason of cost that I am advocating for more training opportunities. Manpower development is the basis of quality service and for this reason, the working party has attached the utmost importance to the training of health care personnel. The doctors engaging in primary health care, adequate training in family medicine and community medicine is long overdue and need to be recognized as a top priority. Such training is essential because it can help doctors in giving more accurate diagnoses and referrals to specialties, which will save the manpower and resources wasted in incorrect diagnoses and also reduce the possible sufferings and danger caused to the patients.

Likewise, training opportunities for nurses are equally important. With the increased incidence of chronic diseases nowadays, the role of nurses in out-patient clinics should be expanded to include health education, screening and counselling, while the less technical work could be carried out by clinic assistants. This would be a more cost-effective means of utilizing the nursing manpower resources and the nurses could derive greater job satisfaction from better use of their skills. I support the working party's recommendation that the training capacity of the Government Public Health Nursing School be expanded as a matter of urgency. Nurses from mainland China can also be re-trained or at least be recruited to serve as clinic assistants. In addition, we should offer better terms of employment to attract more part-time nurses to assist the full-time nurses to ease the present staff shortage.

We should also not forget the importance of staff development. That is, a good career structure and an attractive reward together with job satisfaction have to be developed alongside training for the purpose of retaining capable staff and boosting their morale. This applies both to doctors and nurses.

I would now touch on two proposals of the working party which have generated some controversy -- the setting up of a Primary Health Care Authority and the review of fee structure at general out-patient clinics. I urge that public views expressed on these issues be taken into full account in the Administration's subsequent deliberations.

On the proposed Primary Health Care Authority, I am in support of the underlying principle of allowing community participation at the decision-making level. However, the working mechanics and the relationship of the Authority to Government and to the Hospital Authority would need to be carefully examined. In any case, with the basic infrastructure on health care provisions currently in place, I do not see the need to hold back improvement measures whilst we spend time on examining the setting-up of a Primary Health Care Authority. The working party has spent a considerable period of time and made a very comprehensive review of the present primary health care system and it has come up with a total of 102 practical proposals for changes and improvements. I strongly urge that these valuable recommendations be implemented quickly before the establishment of the Primary Health Care Authority.

On fees and charges, I welcome the working party's recommendation that the Government should continue to provide preventive and promotive services free of charge for all. Contrary to this, some of the public feedback so far is that Government is going to shirk its responsibility in primary health and ask the public to pay from their own pocket in accordance with the "user-pay" concept. In fact, the recommendation of a "target group approach" applies only to clinical services at government general out-patient clinics. Under this approach, young children, elderly, disability allowances recipients and public assistance recipients will fall within the target group and will be provided subsidized general out-patient clinical services at half fee or even free of charge, leaving only those who can afford to pay the fee. According to statistics, government general out-patient clinics take care of only about 15% of all the out-patient medical consultations in Hong Kong while the remainder goes to private clinics. Some of the 15% group patients already fall within the target group. In any case, there will be a fee-waiving mechanism for those

who cannot afford to pay and I am sure that these measures will fulfil Government's pledge that "no one should be prevented, through lack of means, from obtaining adequate medical treatment". As an accountant by training, I must admit that the "target group approach" has its merits in being administratively simple.

There is therefore no need for the public to be over-worried about the review on fees and charges at the government general out-patient clinics. The Secretary for Health and Welfare has already promised us a Green Paper on medical and health services that will specifically review the overall health financing policy and address the fee issue together with the fee-waiving mechanism.

Before we take sight of this Green Paper, which I understand will not be ready until early 1992, I believe the time is ripe for the Government to commit itself to develop quality primary health care services in Hong Kong. The sum of \$186 million estimated for implementing the improvement measures is relatively small in comparison with the many tasks mentioned in the report and the objective of achieving "Health for All by the Year 2000".

Finally, I hope the public will spend time to consider these recommendations in the Report and express their views to the Government. In any case, we still have four weeks available before the end of the public consultation period. I am sure the views expressed in this Chamber today and by the public during the public consultation period will be taken into account by the Government. I wish to reiterate that with the basic infrastructure of health care provisions currently in place and with the ample time available for public consultation, that is, more than three months from 24 April to the end of July this year, we should quickly implement the improvement measures before the setting up of the Primary Health Care Authority. I do not support an extension of the consultation period since it will only delay the implementation of the many overdue improvement measures to our primary health care services.

Sir, I beg to move.

HIS EXCELLENCY THE PRESIDENT: I have received notices from Mr Ronald CHOW and Miss LEUNG Wai-tung to move amendments to the motion. Their amendments have been printed in the Order Paper and circulated to Members. I will call upon them to move the amendments when it comes to their turns to speak.

Question on the motion proposed.

MR CHAN (in Cantonese): Sir, what is praiseworthy of the Report of the Working Party on Primary Health Care is that many of its recommendations are aimed at tackling problems of the times. However, inadequacies can still be found in the report given the constraints of the working party's terms of reference. For example, the review was confined to the delivery of primary health care in the government sector and covered only 15% of all patients throughout the territory. Private practitioners who catered for 70% of the medical consultations fell outside the scope of the review. If the report needs to achieve the goal of Health for All, the Government must review the health care system in its entirety.

I am particularly concerned about the many problems which remain to be solved in respect of public clinic services. For example, patients using government out-patient service often have to wait five to six hours, but consultation duration is no longer than one minute; and appointments with specialist doctors sometimes take as long as two years to fix. With demand outstripping supply, people seeking medical treatment are just like beggars. Whenever people seeking urgent treatment turn to me for help, I am always willing to beg on their behalf, but this will affect other patients queuing up for medical treatment. Elderly people often have minor troubles such as headache and sore foot, but are forced to endure pain over a long period of time because the Government cannot provide the care and guidance they need. To achieve the goal of Health for All, the Government must introduce reforms and improve existing services. I fully support the report's recommendations for improving clinic service, providing community health services and developing the concept of a District Health System. Nevertheless, there must not be any lack of commitment of financial resources on the part of the Government, or else they will be nothing but empty talk.

Therefore, I have reservations, in particular, about the proposal to contract out the operation of public clinics to doctors in the non-government sector. There is much doubt whether this scheme can enhance effectiveness both in the quality of service and deployment of resources. The arrangement to have clinics contracted to private practitioners to ensure better quality of service appears to be a well-intentioned proposal, but can it achieve the desired effect? The crux of the matter is whether similar resources will be allocated. If the same contract-out arrangements as the School Medical Service Scheme are adopted whereby patients are given a fixed amount of subsidy by the Government, there will certainly be a decline in the quality of service and the scheme is bound to fail. A better alternative is

to allow the patients to choose their own private doctors while those who cannot afford to pay will be fully subsidized by the Government. While this mode of operation will ensure quality of service, there will no doubt be a substantial increase in public expenditure and the Government may find it difficult to regulate this expenditure.

Therefore, I have come to the conclusion that the Government should in the first instance improve out-patient service in the public sector rather than seek better quality assurance by adopting the contract-out approach. Provided that additional public resources are deployed to reduce a doctor's workload from 100 to 60 patients per day, that is by increasing the number of doctors, quality service can definitely be assured. Priority must be given to promptly improving the quality of government out-patient service because users of this service are mainly from the lower classes. The out-patient service has a vital role to play in health maintenance and disease control. Furthermore, as the Government has a duty to look after patients who cannot afford to pay (though they do not constitute a significant proportion of our population, they are numerous in number), there can be no reduction in the provision of out-patient service in the public sector. Consideration should therefore be given to the provision of quality service, instead of implementing an arrangement to contract out the operation of public clinics to private practitioners.

Sir, with these remarks, I support the Honourable LAU Wah-sum's motion.

MR PANG (in Cantonese): Sir, it is to be appreciated that the Government is firmly committed to the development of primary health care to achieve the goal of Health for All. In the past, there has been much dissatisfaction among the public over Hong Kong's system and level of medical care services. With the release of the Report of the Working Party on Primary Health Care, one may say that the Government is beginning to pay serious attention to health care in Hong Kong. When I first looked at the report, I got an impression that the Government was finally trying to improve medical care services. However, after more detailed reading, I noticed that the Government first put forward a fine proposal and then asked the public to pay for the costs. I shall now briefly give my views on the report.

First, quoting from paragraph 4.9 of the report, I cannot agree that "Government should not and need not aim to become the sole or main provider of such services." I should like to ask: Who should be responsible for providing primary health care if not the Government? In fact, who wants to be a person affected with favus on the

head if one has hair on it? Those who can afford to pay will seek medical consultations from private practitioners as no sick person wants to queue up for public out-patient services. Therefore, as stated in paragraph 3.20, the private practitioners catered for 70% of the medical consultations.

Second, paragraph 4.5 has this to say: With rising public expectations for better service, a "public assistance" approach for all in the delivery of personal medical care services seems no longer appropriate. Sir, as it is only reasonable for the public to expect better services, any government department should do all it can to provide the best possible services for members of the public. Moreover, I cannot agree that our existing medical services can be branded as adopting a "public assistance" approach.

Third, on the question of occupational health, staff in the Occupational Health Division of the Labour Department currently comprise nursing officers seconded from the Department of Health. At present, a major responsibility of the division is to investigate "notified" occupational diseases and potential health hazards reported by the Factory Inspectorate and to determine preventive action. As this is an entirely passive approach and action taken can only be remedial, there can be no adequate safeguard against occupational diseases.

Also, the report briefly mentions that "trade unions and employers associations also play an important role in occupational health matters". I have in this Council urged the Labour Department to promote occupational health and strengthen ties with the trade unions so that they can help educate workers on occupational health.

Since the report contains more than 200 pages with over 100 proposals, I think sufficient time should be allowed for making an in-depth study into many of the aspects covered and a three-month consultation period will not be adequate for the purpose. In this connexion, I support the Honourable Ronald CHOW's amended motion which urges Government to extend the consultation period so as to give the public more time to study the report and express their views.

PROF. POON: Sir, it is indeed commendable for the Secretary for Health and Welfare and her predecessor to have completed three substantial reports within a span of five years: two being on hospital care and one on primary health care. I understand that the Secretary for Health and Welfare is going to provide this Council with yet another important report on health care which aims at a much broader view of our health care

system, taking into serious consideration the health insurance issue as well as the Chinese medicine issue and it will be ready for consideration by this Council early next year.

That being so, I think what is before us today is to consider ways to make sure that these reports are not just aspirations, but are plans for action that are to be implemented eventually with resources and commitments. However, before I go into specific comments of the report, I think it is important both for myself and this Council to make clear what we are trying to achieve and why it is necessary to do so.

Broadly speaking there are at present two models of health service delivery in modern society, namely, the hospital-base model and the community-base model. Amongst these two models there are a few common domains: curative care in hospitals and clinics; health prevention; health maintenance and medical rehabilitation. Both models will involve a combination of these domains. Hong Kong thus far has a largely hospital-base system and such system had demonstrated to be both inefficient and inappropriate as far as meeting the health needs of the population is concerned. It is my understanding that the report is trying to suggest that there should be a fundamental shift in our health care delivery philosophy. It is now a world trend that health systems should be moving towards a community-base model emphasizing primary health care: a system whereby essential health care is made universally accessible to individuals and families in the community at an affordable cost, the rationale being, as stated clearly in the report, a hospital-base model is no longer possible to serve the needs of the people because it is expensive, unnecessary and somewhat wasteful. Nonetheless, I must point out at the outset to this Council that: since all the domains appear in both models and it is the combinations, the emphasis, and the unique approach that matter, I think this Council must recognize that mere incrementalistic changes in our current health care system do not live up to the spirit of this report. It is only through a substantial breakthrough in our resources deployment could we be able to achieve the ultimate purpose of this Paper.

Sir, it is on such spirit and understanding that I shall comment on the following four areas: (1) primary medical care; (2) community health service; (3) health information and health screening and (4) some neglected areas in the report.

Primary medical care

Sir, amongst the 16 chapters of this report touching on various facets of our existing health system, I think the most substantial and most reflective chapter is the one on Primary Medical Care. As defined, primary medical care refers to the point of first contact between the patient and the curative medical services. It is different from primary health care in that the latter includes a wide spectrum of health activities which include health promotion, prevention, maintenance and rehabilitation.

Sir, although I can understand that current government out-patient clinics is not one of the best utilized services over the year, I am still surprised to find out that it only constitutes 15% of the whole primary medical care while the private sector serves around 70% of all needs. I am surprised to learn that with an average workload of 100 patients per day and an average 3.3 minutes per patient consultation time, many government out-patient clinic doctors can still manage to see all patients well before the closing time. The problems of the government out-patient clinics in the provision of primary health service cannot be better summarized than page 139 of the report, that it lacks quality medical care, lacks morale among doctors, lacks patient information and most important lacks objectives for primary medical care.

In order to cure the "illness" of the government out-patient clinics, the working party broadly suggested the following measures: namely (1) better training in family medicine; (2) improved promotion prospects; (3) establish a patient information base; (4) possible reduction in patient load by not allowing civil servants to use privileged service in government out-patient clinics and so on.

Sir, without going into their details, I think all these proposals have their relative merits. What I am worrying about is their aggregate effects on the health care system. It is now an accepted fact worldwide that primary health care at the community level is not cheap, particularly during its early phase of establishment. If we are going to reduce workload, improve the conditions of service for government out-patient clinic doctors and to establish a sound database, the average costs per patient will inevitably go up. If it is already estimated that the average cost per patient is \$56 now, it does not take a mathematician to know how much it would cost us in the future. All these being done, we are still not sure whether or not government out-patient clinics could compete with the private sector, because one of the important reasons for the popularity of private medical care is that they are convenient and accessible. If this is going to be the case, why do we not simply subsidize the private sector by a simple voucher system?

Sir, I am all for a better public primary medical service. I think the greatest problem with our current system is that individuals are being treated as "objects needing cure" rather than "a person within a family needing personal medical attention". What I must remind this Council is that we are not necessarily opting for a more cost-efficient system as many may have thought. A successful primary health care system necessitates a much greater resource commitment on the part of the Government. We must also ensure increased costs do not go to burden the public because we know full well that those depending on the public health system are usually from the lower income strata. I am proposing that we must be much more cautious in pondering our ways to implement the new system. More innovations in care delivery seems to be needed.

Community health service

Sir, I recognize that in drafting the report, one of the primary concern of the working party is how to reduce the public's dependence on the hospital system. Hence we must look for ways to induce health care to be provided either in families or community institutions. To do so, the Government reviewed the Community Nursing Service, the Domestic Occupational Therapy Service, and Elderly Care Service. In sum what the report proposed was that all these community-base services must be strengthened and the Government should continue to encourage voluntary agencies to assume responsibility for such kind of community care. I can also understand that in this deliberation cost-efficiency was also high on the agenda of the Administration because survey had indicated that more than 20% of out-patient care went to very dependent elderly cases.

While I am in full agreement with the idea of keeping patients outside the hospitals and involving the community to participate in the caring process, I wish to draw the Council's attention to the controversial debate of the issue of community care in the United Kingdom and elsewhere. The question focus was that those people who have to depend on community care are usually those in the lower economic strata who could not afford to have home care or being looked after by their own family members. If the Government do not provide sufficient support services within the community (which again might not be cost efficient), community care would easily become lip service.

The other crucial thing that I wish to comment on concerns community participation.

Chapter 9 only touches on reviews of specific community type health services that seemed to have paid less attention to how to involve the community. Does community health service merely mean a strengthening of the role of voluntary organization? Or does it mean actual involvement of local leaders in health decision-making? If we are really going to involve the community, how are we going to prepare the community for this? How would health care planning at the community level be organized and what is the relationship with central health planning? Sir, I can think of an endless array of questions for community involvement. The simple point I wish to put forth is that: community participation in health delivery needs careful planning, are we going to do it?

Health information and health screening

Sir, one of the most emphasized part of the report is that the health care system in Hong Kong lacks adequate information. It is lacking in both the macro level where the concern is more on epidemiological and demographic data as well as the micro level where the concern is more on individual health data. According to World Health Organization consultants, the lack of data at the micro level seemed more pertinent. To remedy, the report suggested the development of health indicators on the macro level and the establishment of a health information unit in the Department of Health. On the macro level, the suggestion seems to be more vague. But as far as this is concerned, I think there exists great opportunity for local tertiary educational institutions to contribute. Research teams could be established with the minimal encouragement from the Government. What I am concerned more is still with information at the individual level. In the chapter on Screening Service, it was suggested that a district/community level of information collection targeted at individual diseases or subgroups is more preferred to territory-wide screening service. So it seems that we are heading towards an individual/community level of information base.

Sir, while I am all for the development of an individual information base for diagnostic/management purposes we must make sure that it is for the purpose of maintaining continuity of care for individuals. Such information must be handy and accessible for both the doctor and the patient and yet be kept in a confidential manner. In an era of information explosion, I should like to see individual health data be treated with respect and privacy.

Some neglected areas in the report

Sir, while I fully appreciate the comprehensiveness of this report, there are two areas which to some extent, I think, might not have received sufficient attention namely: (1) the role of supplementary health care professionals, such as physiotherapist, occupational therapist and so on, as well as (2) the role of non-medical first contact health professionals such as optometrists and social workers. I think these health professionals are also playing a very important primary health care role and therefore, their roles should be properly studied within the context of the report.

Sir, it is with the above remarks that I support my honourable colleague Mr LAU's motion and urge the Administration to take early steps to implement those improvement measures as recommended by the working party. I do not, however, support the proposed extension of the consultation period as this would cause undue delay to the early implementation of the recommendations.

MR TAM (in Cantonese): Sir, yesterday I was so engrossed in preparing my speech for the primary health care debate that I forgot to take care of myself and as a result got a cold. I therefore regret to say that Honourable Members today have to endure my voice, which may perhaps sound a bit sexy though. The slogan "Health for all, the way ahead" reflects one of the goals that should be pursued by every society. The Report of the Working Party on Primary Health Care redresses the medical policy in the past which placed too much emphasis on treatment but overlooked primary health care. It also establishes a correct objective and direction for the medical services in future, namely, to perfect mental and physical health of the public through health promotion, disease prevention and continuity of care. Undoubtedly, the report should be welcome and supported. However, to set forth the correct objective and direction is one thing, whether improvement measures can be taken in the light of the actual situation in Hong Kong is another. Regrettably, the report has failed to put forward such measures despite its good intention. And I am afraid the wrong prescriptions have been given in some cases. I would like to put forward the following comments and suggestions on certain issues discussed in the report which are of public concern.

Failure to make comprehensive improvements to the existing primary medical services in Hong Kong

The report points out that only 15% of the existing primary health care is provided by government clinics compared to 70% by private practitioners. However, having reviewed the overall primary medical services in Hong Kong and identified the establishment of family physicians and district health systems as the solution to the problem, the report proposes some practical improvement measures such as the development of medical records and appointment system which concern with government clinics only. Obviously, it can do nothing with private physicians who are responsible for 70% of primary medical care. No matter how effective these improvement measures may be, they can hardly perfect primary medical services when the major supplier of such services is not included. The so-called family physicians system, district health system as well as health education for patients are but empty talks.

In order to make substantial improvements to primary medical services, private physicians must also be covered. Suitable control of private physicians is important to perfect primary medical services.

Failure to formulate a suitable strategy for health education and screening services in the light of the actual situation in Hong Kong

In order to promote health and prevent diseases, it is very important to promote health education and screening programme. However, the report has failed to give a comprehensive assessment of the existing services in this aspect and the sickness pattern of the public, resulting in the absence of a health education and screening strategy tailored for the actual situation in Hong Kong.

I am of the view that in promoting health education and screening services, the Government must take into account the sickness pattern and morbidity of the public. According to the information provided by the Hospital Services Department, the most popular diseases in Hong Kong are hepatitis, heart diseases and cancer. Other surveys also show that the morbidity of elderly people is higher than that of other age groups. The Government must fully comprehend these information and cater for the needs of most of the patients and the public in devising health education and screening programmes, so as to make the most effective use of resources. However, it seems that the Government has implemented its health education policy in response to the international trend (as in the case of AIDS) rather than the needs of the Hong Kong society.

The problem of occupational health

The fact that less than three pages of the report have been devoted to occupational health reflects that the working party has taken the subject lightly. But on the contrary, occupational safety is presently a pressing problem in Hong Kong. In 1990, there were approximately 100 000 cases of industrial accidents. On average, one worker died in an industrial accident every four and a half days. As regards occupational diseases, there were over 400 cases. Since the statutory list of occupational diseases are too narrow in scope and physicians generally lacks knowledge of occupational diseases, the actual number of cases should be far greater than the above figure. For instance, the white petroleum spirit, which has aroused extensive concern recently was discovered by accident. And it is significant that all these industrial accidents and occupational diseases can definitely be prevented. However, judging from the fact that the report, which attaches great importance to primary health services and aims at health promotion and diseases prevention, touches on the significant and preventable problem of occupational diseases lightly, one can see that not only the Government has overlooked the danger of occupational diseases, professionals have also failed to make accurate assessment of the subject.

As the report fails to make a comprehensive review of occupational health and the relevant preventive measures, there are two deficiencies in respect of its recommendations: (i) the measures recommended are not mandatory in nature and it is difficult to expect that they will be vigorously implemented, and (ii) too much emphasis has been placed on the scope of medical services. As far as occupational health is concerned, medical service is only one of the measures in the prevention of occupational diseases or industrial accidents. The following measures may be more important:

(1) To extend the safety officer system to cover the manufacturing industry on a mandatory basis and medium-small size undertakings may employ consultants instead;

(2) To stipulate in law that a safety committee be set up for an enterprise or industry in the manufacturing and construction sectors, so as to step up monitoring measures with regard to the hygiene and safety of the working environment;

(3) To stipulate in law that workers who have to contact dangerous substances must receive pre-service check-up and on-the-job screening on a regular basis;

(4) To review the existing statutory list of occupational diseases and incorporate those which have been identified as being caused by contacts with certain dangerous substances into the statutory list of occupational diseases;

(5) To review the existing legislation governing the use of dangerous substances and establish the safety standards in relation to the use of such substances;

(6) To set up a Central Occupational Health Records System, so as to collect and maintain information on occupational health;

(7) To set up clinics in major industrial areas which are to be manned by physicians having professional knowledge of occupational health.

The charging policy

The report has the following comments on the charging policy in the Chapter on Funding and Implementation: "Basic preventive care services aiming to safeguard and promote public health should continue to be provided free or virtually free for all. In the case of primary medical care providing curative treatment, we feel that the principle of individual contribution should be applied more critically having regard to the individual's actual needs and ability to pay." (page 265) "..... Those who choose Government services and can afford to pay should not continue to be heavily subsidized."(page 268) "Charging non-target group patients at cost should be the eventual aim. This should be achieved gradually with visible improvements in the quality of service." (page 272) These arguments involve two issues. One is the role played by the Government. The other is the charging principle adopted by the Government, that is, those who can afford should pay and charges should be related to costs.

(1) The role of the Government

Regarding the role of the Government in the provision of medical services, many people share the views put forward in the report. They feel that the Government should be responsible for safeguarding and promoting the general public health of the community while personal health should be taken care of by individuals. Such argument is based, to a certain extent, on the assumption that one should be personally responsible for the conditions of his health which has nothing to do with society.

However, if a member of the public contracts hepatitis after eating polluted seafood or suffers from respiratory disease caused by air pollution, or in case an elderly person breaks down because of constant overwork in his younger days, who should be held responsible, the society or the individual? As diseases are often regarded as a kind of social cost in modern society and such cost should be borne by the community as a whole, the Government is in duty bound to make commitments to medical services.

Actually, the Government took up full responsibility in providing medical services in the past decade because it had to maintain Hong Kong's low wage system as well as to ensure that Hong Kong had a highly productive labour force. Therefore, a free-of-charge medical system is, to a certain extent, a compensation for the uneven distribution of wealth in our society.

It will be short-sighted to consider the existing medical system as the Government's financial burden which must be got rid of quickly, without regard to the social, economic and historical background of Hong Kong. In the meantime, Hong Kong's low wage system still exists and no substantial improvement has been made to rectify the uneven distribution of wealth. It will lead to social instability and unrest if the Government withdraw its commitment in medical services.

(2) The principle that "those who can afford should pay"

In recent years, the Administration has spared no efforts in promoting the principle that "those who can afford should pay", whether this principle is desirable or not, we must first of all review if the primary care services of Hong Kong has been abused by "those who can afford".

According to a survey conducted by the Department of Community Medicine of the University of Hong Kong on health and medical services, those who visit government out-patient clinics mainly come from the low income group and their educational level is lower than average. The report also points out that among those who visit government clinics, 30% suffer from chronic diseases, 20% are elderly people, 20% are children and another 20% are civil servants. All information clearly indicates that those attending government clinics are mainly from the lowest stratum and need medical services most. If charges of government clinics are related to costs, it will still be a heavy burden for the target group patients who have to pay half the charges, not to mention those who fall outside the target group.

It is doubtful whether the principle that "those who can afford should pay" is applicable to the provision of medical services. In Western countries, most of their people are in the middle class and have a higher income. But still, they cannot on their own shoulder the huge medical expenses and have to take up various medical insurance schemes. As for the local working population, half of them earn about \$5,000 a month. In view of the living standard nowadays, how can they be classified as "those who can afford"? How can they shoulder by themselves the hefty medical expenses? I hope those who are in a position to formulate such policy will stand in the shoes of these people and will not make excuse for reducing government commitment by indiscriminately putting forward proposals such as "those who can afford should pay" and "charges should be related to costs".

Sir, what I have mentioned are some criticisms on the report, but all in all, I support its objectives and overall direction. As a matter of fact, the report covers a lot of issues, many of which require better discussion. A three-month consultation period is not adequate for the general public to study the report in detail. Therefore, I am in favour of extending the consultation period as proposed in the amendment. But I hope that some indisputable improvement measures can be given a go-head first so that they will not be delayed because of the amendment. Sir, these are my remarks.

4.31 pm

HIS EXCELLENCY THE PRESIDENT: Before we get on to debating amendments to the motion, Members might like a short break.

4.55 pm

HIS EXCELLENCY THE PRESIDENT: Council will resume. Mr Ronald CHOW, you may now speak to the question and also move your amendment as well if you wish.

Mr Ronald CHOW moved an amendment to the motion:

That Mr LAU Wah-sum motion's be amended by deleting all the words following the word "and" and substituting the following:

"in view of the importance of primary health care, urges Government to extend the consultation period of the Report of the Working Party on Primary Health Care to 31 October 1991 and take early steps to improve primary health care services, having regard to the views expressed by the public before the expiry of the consultation period."

MR CHOW (in Cantonese): Sir, I rise to move an amendment to the Honourable LAU Wah-sum's motion. My motion would, as stated in the Order Paper, delete all the words following the word "and" in that motion and substitute therefor the following words:

"in view of the importance of primary health care, urges Government to extend the consultation period of the Report of the Working Party on Primary Health Care to 31 October 1991 and take early steps to improve primary health care services, having regard to the views expressed by the public before the expiry of the consultation period."

Sir, the motion states that this Council supports the development of quality primary health care services in Hong Kong to meet the World Health Organization's target of "Health for All by the Year 2000." This is a target worth supporting. However, the second half of the motion, that is, the part that urges Government to take early steps to implement those improvement measures as recommended by the Working Party on Primary Health Care, raises a point that is quite debatable. If the motion is passed in its original form, Government would be urged to act as recommended by the working party in its report.

Then, should some of the recommendations of the Report of the Working Party conflict with the development of an overall medical policy or have a major impact on public interests, the result would really be very bad for the development of the overall medical policy for the future, and government actions on primary health care services, which affect the success or failure of the entire medical services system, would have huge repercussions for the entire medical services system. How many people in the entire community would be affected? People, irrespective of age or sex, including high officials, the rich, hawkers and messengers, would all be affected. In both English and Chinese, "primary" in "primary health care" refers to the primary column of support for the overall medical services system. Primary health care services are very important. Any undesirable change made in them could bring about the collapse of the entire medical services system. The public consultation period is three months. It is not enough even for the professional organizations in the

health professions, for they, too, need time for analysis, much less for members of the public and organizations outside those professions. I therefore hope that, if Government is really to obtain the full views of all sectors of the community, it will consider extending the consultation period. Would it not be rushing to make a decision if it hastens in this way to pass the 102 improvement measures recommended by the Working Party on Primary Health Care?

Although the report adopts the WHO's definition of, and target for, primary health care, its substance is far different from the WHO's target. It focuses on paving the way for a phased pull-out by the Government from primary health care services and it would turn the existing fee policy into "gilding the lily" for Hong Kong's private doctors, about whom a public debate has just begun. They would become "favorites among God's favorites." True, every profession should receive satisfactory and reasonable remuneration. Unfortunately, however, the report's recommendation that Government contracts out out-patient care to private practitioners at the present time when a system of controls is lacking is contrary to "the idea of distribution of wealth from those who can afford to those who cannot". On the contrary, it will cause a massive flow of wealth into "pockets that become fatter and fatter". In the medical profession, the prevailing thinking is that "practising medicine in Hong Kong for one year is better than doing the same in a foreign country for 10 years". The implementation of the particular recommendation of the report will change "10 years" to "15 or 20 years". The report is indeed a "show case" report. It has a "facade" but pays scant attention to substance. It is a case not much different from that in which "a vendor of dog meat displays the head of a lamb". The following are some of my comments on the Report of the Working Party on Primary Health Care.

I will not comment at length here on the views that some Members have just expressed.

(1) The making of a policy that puts the cart before the horse

For the past 14 years, there has never been an overall review of Hong Kong's medical policy. Developments in recent years have been particularly unsatisfactory. First of all, Government in 1985 proposed the establishment of a Hospital Authority. This year, it is proposing the establishment of a Primary Health Care Authority. It will wait until next year before issuing a Green Paper on Medical Policy, proposing a reform of medical service charges and a medical insurance system. Reforming the

administrative system before proposing improvements in policy is simply a case of putting the cart before the horse. Its intention is to create a fait accompli and then discuss retrospectively the question of direction. The entire process of so-called "consultation" from 1985 until now has simply been a political game.

(2) The trilogy of privatization

Government intends to phase in privatization in the area of medical services. The establishment of independent authorities is one of the principal ways of accomplishing privatization. The Hospital Authority was set up last year. Now the establishment of a Primary Health Care Authority is being proposed. An additional fact is that a medical insurance system is being promoted even though Government would not directly address the improvement of a situation where there is no control over the private practitioners' charging. All these are signs of Government's gradual backing out of its direct commitment to the provision of medical services.

Because the independent authorities will have considerable autonomy in administrative and financial matters, they will be able to decide charging policies themselves. This will directly affect people's everyday life. What method and system will Government use for monitoring the situation? The Hospital Authority already has great power for deciding the charges for hospital beds. The future Primary Health Care Authority will do likewise. In particular, the charges for medical and health care will be linked to costs. The fees charged by professional providers of private medical services will directly affect these costs and bring about endless increases in the inflation rate of the costs for medical care. This, too, will deal a heavy blow to people's livelihood. What system will Government be able to use for restraining such inflation? What department of Government will in future be able to make policy decisions conducive to the improvement of medical services? How will the Health and Welfare Branch of the Government Secretariat be able to play its role in the planning and co-ordination of a macro medical policy? After these authorities are established, will the Health and Welfare Branch be abolished as the Housing Branch already has been? Many policies today are detached from Government. The endless increases in public housing rents are precisely a consequence of Government's inability to interfere with the policy making of the Housing Authority after the authority became autonomous.

(3) Inconsistency between concept and substance

Although the report treats primary health care and primary medical care as separate concepts, yet its principal substance is devoted to one element of primary health care services, namely, primary medical services, and it particularly emphasizes the role of government clinics. The report emphasizes the fees to be charged by government clinics and the conversion of such clinics into semi-private clinics, but it overlooks the importance of primary health care services, nor does it provide a long-term development strategy for long-term primary health care services. In name, the report is a report on primary health care services. In substance, its emphasis is on primary medical services. That is, it puts an equal sign between the role of government clinics and primary health care services as a whole. Such a ploy to confuse readers and listeners is really disappointing. I hope that Members will not be confused by the mix-up of primary health care services and primary medical services.

If one ponders over the question more deeply, one will see that no serious blame can be laid. Because primary medical services (where an equal sign is put between the role of government clinics and primary medical services) in fact account for a very large portion of the Department of Health's budget, introducing initial privatization here is understandable. However, one must not forget that health education and counselling is the most effective when conducted at the stage of out-patient care. It can be imagined that, after privatization, preventive education and counselling will suffer.

(4) Disadvantages of semi-private clinics

I have referred earlier to the disadvantages of semi-private clinics. The report recommends contracting out government clinics to private medical practitioners. The thinking that this will safeguard the quality of services is very tenuous. As everybody knows, in the final analysis, the quality of private medical practitioners can only be determined by the medical profession itself. Government has never exercised supervision. Now the wish is to use a piece of paper -- the contract -- to accomplish the effect of supervision, thus raising the professional quality of the private medical practitioners. One doubts very much this will be effective. In addition, because the private medical practitioners vary in service quality, and because the report gives no explanation as to the form of Government-private co-operation, management, distribution of resources, operating methods and powers and responsibilities, one wonders what the basis is for the argument that the quality of service will be improved in this way.

(5) Is the purpose of the subject group system to facilitate Government's charging of high fees?

The report stresses that, to cope with the huge expenses on primary health care services incurred because of the improvement of services, Government must charge higher fees from some non-subject groups. The rule is that the fee standard is based on "letting those who have the means pay". However, has Government considered the fact that the "letting those who have the means pay" charging mode is contrary to citizens' basic civil right to primary health care services?

In many advanced countries, the governments have a direct commitment to the provision of primary health care services. I remember especially well that in 1986, when the Scott Panel of Australia was debating the issue of privatization of hospital services versus "letting those who have the means pay", the Government stressed that there would be no change to its direct commitment to the provision of primary health care services. If it is argued that Hong Kong's low tax system makes "letting those who have the means pay" necessary, then, in view of the present lack of effective controls over the private medical practitioners' fees and quality of service, can the above idea of redistribution of resources be realized? This is rather doubtful. Nor will medical insurance, even if enforced in future, be the panacea, because the insurance premium will rise at a rate that will be directly influenced by the private medical practitioners' fees. We must boldly confront and solve the problem of the "black hand" of medical cost inflation. It has also been argued that, in a free economy, the market mechanism will produce the effect of imposing self-discipline on the profession. I find this argument even less commendable. We must know that the medical services market is unique and quite different from the ordinary commodity market, where there are choices and comparisons and available information. In Hong Kong's abnormal social setting, the providers of medical services enjoy a unique semi-monopoly. The public does not have the right to know. They have no effective channel for asking who is responsible. I believe that Members here, who are citizens' mouth-pieces, have had such experiences and been unable to do anything about them. Government must never be allowed to use the improvement of services as the excuse for reducing its direct commitment to the provision of primary health care services.

In addition, allowing separate fees to be set for different subject groups undoubtedly gives Government too much discretionary power in deciding which group of people should pay through their noses. The charges for out-patient care would be greatly raised. The report recommends that the charges be cut by half for children

between the ages of six and 15, for full-time students of 18 or below, for old people of 65 or above and for recipients of disability allowances and be waived only for recipients of public assistance. At the same time, what is Government to do about the borderline cases between subject groups and non-subject groups? The report says nothing about any of these. The most obvious example of omission is: Will fees be waived for those out-patient cases who are victims of industrial accidents? In fact, to the law-abiding and ethical members of the medical profession, setting up an effective system of controls will be most fair, since it will keep them from being harmed by the blackguards through association.

The report provides no clear guidance concerning the definition of subject groups. Nor is its fee exemption system satisfactory. One feels very disgusted with its service charge standards according to subject groups.

(6) Overlooking of other medical groups' professional evaluations of developments and services

The success or failure of primary health care services in fact depends on co-ordination among all professional medical, health and nursing ranks. Regrettably, the report totally ignores the professional roles of other health professions such as optometrists, dietitians, pharmacists, clinical psychologists, family visiting nurses and physiotherapists. Besides, the report fails to assign positions to their roles in preventive education and counselling in the primary health care services. As a result, the report becomes one that emphasizes disease treatment but overlooks the related services such as disease prevention and health education.

In order to provide primary health care services, we must do more than look at out-patient care alone. This fact is beyond dispute. However, how does one involve all the ranks of the medical, health and nursing professions in primary health care services? This may be done through the establishment of a medical team that crosses professional lines. Such a team will co-ordinate the roles played by the different professions in primary health care services, thus enabling primary health care services to grow healthily and comprehensively. Regrettably, the report fails to mention this. What are receiving lop-sided emphasis are the private medical practitioners and out-patient care. Government must immediately correct such an unhealthy idea about development.

Sir, primary health care services are like "piling" in a building project. They

are indeed the main columns of support for medical services as a whole. You make a slight mistake, and the result surely will affect everything else, just as pulling someone by the hair will cause his entire body to move. In 1985, Government began studying the establishment of a Hospital Authority. A six-month consultation period followed in March to August 1986. The Hospital Authority was not established until the end of 1990. Before that, countless interested people were consulted. Three years were spent on consulting the affected employees about their job changes. To this day, many problems are still pending solution. It is thus clear that to act is harder than to know. I believe that the establishment of a Primary Health Care Authority will certainly not be less complex than that of the Hospital Authority. It will involve a broader range of things. It will similarly involve the reorganization of the Department of Health, the conversion of its employees to non-civil servant status, its power after the reorganization relative to the Administration, its accountability and so forth. Besides, during last year's debate on the question of the Hospital Authority, Government did not actively take the view that the existing system of primary health care services must be changed in a hurry. Why then the hurry to pass the recommendations of the report today? There are people who emphasize that an extension of the consultation period may cause a delay in the appropriation of funds and consequently prevent the recommended reform from being implemented. Similar views were expressed at the time of the establishment of the Hospital Authority. Is it the intention to say that "using a knife to cut quickly through a skein of hemp" is better than "making a fine product in a time-consuming process," that what can be grabbed quickly must be grabbed quickly?

In addition, the report's recommendations that non-subject groups be charged higher out-patient care fees by way of "letting those who have the means pay" and that government clinics be run as semi-private clinics will have major repercussions for the out-patient care services which each year take care of more than 4 000 000 patients. Most recipients of out-patient care services are lower middle income groups. How can Government be wishy-washy about a policy that would have far-reaching effects on people's livelihood? Besides, it took the working party nearly two years to finish drafting the report containing an unprecedented 102 recommendations. How can the public be expected to understand and express views on the report's recommendations within the three short months of the consultation period? Up to now, many district boards have not yet discussed the report. Some did not discuss it until yesterday. The consultation period will expire in 20-plus days. Must the matter be rushed in this manner? Up to yesterday, the working party had received only seven position papers. Does this have to do with the lack of government

publicity or the difficulty with which one may obtain the full text of the report? In view of the above, Sir, I hope that Government will extend the consultation period of the report from the original three months to six months and that, during the period, Government will conduct a more effective public information campaign on the report's recommendations, will take the initiative in gathering the views of the professional organizations and the public on the report and will not take the arbitrary action of adopting the report's recommendations in their entirety. As the saying goes, "Make one wrong move and you become trapped for the entire chess game." I urge Government not to take primary health care services lightly. The Honourable LAU Wah-sum mentioned training China mainland nurses. That will involve the whole of Hong Kong's nurse development and training system, the licensing system, the system of evaluation standards and other complex questions. The issue is like the one we discussed last year: Western doctors are better trained than China mainland doctors; so the latter's coming to Hong Kong to practise will cause complex problems. I believe that Government understands that it must not lightly consider this issue.

Sir, with these remarks, I beg to move. I hope that Members will truly appreciate the importance of primary health care. "Primary" refers to the primary level. Hospitals provide services only at the "secondary" level. Something wrong at the primary level means something wrong for the whole system. I hope that Members will support my motion for amendment and allow more people to make comments on the report. Thank you.

Question on Mr Ronald CHOW's amendment proposed.

HIS EXCELLENCY THE PRESIDENT: Members by now, I think, will be familiar with the procedural gymnastics which are necessary on occasions like this, but I will repeat them. Those who have already spoken in the debate may speak again on the amendment, but they should confine their remarks solely to the amendment and its purpose. If there are Members who have not yet spoken and now wish to speak, it will be taken that they are speaking both to the amendment and the original motion. So, they will not get a chance to speak again after the amendment has been disposed of. Now, in addition to Members who have already spoken on the main question, I have the names of the following Members, which I will read out, who have said that they want to take part in the debate: Mr Martin LEE, Mrs Peggy LAM, Miss LEUNG Wai-tung, Mr Peter WONG and the Secretary for Health and Welfare. Are there any other Members who also wish to speak? Would you just hold up your hands for a moment please? Mr POON Chi-fai.

Thank you very much.

Now, a further piece of procedural gymnastics. In the case of Miss LEUNG Wai-tung, she has also given notice to move an amendment but the amendment relates to the original motion; so if Mr Ronald CHOW's amendment is approved, then she would have nothing on which to base the amendment. So I will not call her now. She will have a chance to speak again after the amendment by Mr Ronald CHOW has been disposed of one way or the other.

MR MARTIN LEE: Sir, I have listened with care to the salient points mentioned by the Honourable Ronald CHOW in his well prepared speech and I agree with the contents in his speech. Sir, I just wish to take one more point and that is the advantage of extending the consultation period to the end of October this year. The extension will make it possible for the incoming legislature to have the benefit of additional view expressed between now and then. Therefore for these reasons I would support the amendment moved by the Honourable Ronald CHOW. But in case his amendment is defeated and Miss LEUNG Wai-tung will then move her amendment, I would support her because at least the limitation contained in the original motion would be removed by her amendment.

MR POON CHI-FAI (in Cantonese): Sir, I had the opportunity of knowing before the debate the Honourable Ronald CHOW's position and views on the Report of the Working Party on Primary Health Care. Since we share more or less the same views, I am not going to repeat them here except to reaffirm my acceptance of and support for his position on the motion.

Sir, the Report of the Working Party on Primary Health Care will have far-reaching effects on the medical services available to the general public. We agree that the report, which is well-conceived and is heading towards the right direction in the area of provision of medical services, should deserve our support. But to make it more substantial and perfect, public opinion is necessary to enrich the content of the report so that the recommendations contained therein will be more acceptable to the public and therefore easier to implement. Most unfortunately, the Government has failed to give full attention to promoting and publicizing the report since its publication. This lack of publicity, coupled with the fact that the news headlines had within that period been dominated by crucial domestic and world events, explains

why the report has failed to attract public attention and hence extensive debate. So the proposal of extending the consultation period is in fact worthy of consideration and support as better results will surely be obtained if the period can be extended for two or three months and greater publicity be given to the report. Based on the above reasons, if I were to choose among the motion by the Honourable LAU Wah-sum and the amended motions by the Honourable Ronald CHOW and the Honourable LEUNG Wai-tung, I would prefer Mr CHOW's amendment motion, namely, to extend the consultation period of the Report of the Working Party on Primary Health Care to 31 October 1991. Sir, with these remarks, I support the Honourable Ronald CHOW's amended motion. Thank you.

MRS LAM (in Cantonese): Sir, the health care system in Hong Kong has all along been emphasizing on hospital services while health services outside the scope of a hospital have not been given their due attention. Fortunately, the Government has made zealous efforts in recent years to develop primary health care services. A working party has also been set up to conduct an overall review on the subject. This is indeed praiseworthy.

After two years of hard work, the Working Party on Primary Health Care has now come up with 102 recommendations. These recommendations cover matters big and small, ranging from broad principles such as the objectives of developing primary health care services to minute details such as the labelling of medicine for patients.

The Report of the Working Party on Primary Health Care is a comprehensive and concrete one. This can demonstrate the sincerity of the working party in addressing the problem. The working party further recommends that preventive and promotive health care services should continue to be provided free of charge, while general out-patient services should be provided to children, senior citizens and disability allowances recipients at half fee, and provided free of charge to public assistance recipients. To the general public, however, the major point of concern in this voluminous report is probably the concept of "payment by those who can afford", which means recovering the costs of providing health care services from non-target group patients. If this broad principle is not accepted by the public, it would be meaningless to go on with the consultation on the details of the recommendations.

I would, therefore, first of all comment on the "payment by those who can afford" principle.

Sir, I recall that in your policy address delivered in October last year, you pointed out that people in the 1990s "are no longer content simply with a basic level of provision. In an increasingly prosperous and educated Hong Kong, they expect a higher quality of service and more opportunities for the individual to choose particular types of service. Greater choice and higher incomes mean that families must increasingly pay for services which go beyond the basic level".

This concept is applicable to the medical service system. In face of our budgetary constraints and the need to maintain the existing taxation system, it is becoming more and more difficult for the Government to make provision for any substantial increase in medical expenditures. The improvement of our medical services will thus only be achieved through higher efficiency and the development of new resources. Strengthening management and minimizing waste of resources are the basic means to enhance efficiency. And it is for these purposes that the Hospital Authority and Primary Health Care Authority are established. As for the development of new resources, the charging principle of "payment by those who can afford" will have to be adopted in order to recover the ever increasing costs in providing medical services. But this must be carried out in phase to cushion the effect any abrupt change may have on patients.

Primary health care is essential health care made universally assessable to individuals and families in the community by means acceptable to them, through their full participation and at a cost that the community can afford. Primary Health Care services include disease prevention, health education and promotion, curative services and rehabilitative services. To pay to see a doctor is one form of participation in primary health care services. It also serves as an economic incentive for disease prevention and the promotion of health education.

The working party has laid down certain principles for the provision of primary health care services, which include:

(1) public health matters should primarily remain Government's responsibility, but the public sector should not become the only or main provider of clinic or curative services;

(2) no one should be prevented, through lack of means, from obtaining adequate medical treatment; and

(3) quality health care services should be provided by both the public and private sectors.

I fully support these principles.

It is true to say that under the present system, no one will be prevented from obtaining adequate medical treatment due to the lack of means. But the problem is that government hospitals do not have the necessary resources to improve the quality of service because they have been charging only nominal fees for the services they provide. Take for example the general out-patient (GOP) clinics, as the quota is 70 to 100 patients per day, this accounts for the unreasonably long waiting time and unimaginably short consultation time which have long been the subject of public complaints. If we want to improve the quality of service at these out-patient clinics, higher fees must be charged. However, service such as disease prevention, control of communicable diseases and health promotion should continue to be provided free of charge or at a nominal fee because prevention is better than cure. Good preventive services will effectively reduce the chances for the contraction of diseases.

The working party recommends that young children, the elderly and people on disability allowances should be eligible for general out-patient services at half fee while people on public assistance should be eligible for the services free of charge. The eventual aim should be to charge non-target group patients at cost. The working party has also made similar recommendations concerning screening services.

I accept that in the long term, charging at cost would be the solution for the resources problem. But this charging policy must be implemented step by step so as to minimize its impact on the general public. On the other hand, in order to ensure that no one will be deprived of medical services due to financial reasons, there should be arrangements for the waiving of fee for those who cannot afford to pay. The problem is that substantial administration costs will be required for identifying those who are in genuine difficulties. Now that the working party has suggested a method for classifying target groups for subsidized medical services, I think it is a reasonable and practicable approach.

Some people may say that at present, most of the patients visiting government GOP clinics are those who cannot afford the fees, otherwise, they would not have to queue up for service at these government clinics and would have switched to private sector clinics instead. Under the circumstances, the policy to charge at cost may

not be able to achieve its desired result as most of the patients will have their consultation fees waived. Given such an argument, I wonder if the Government can provide relevant statistics for our reference. Nevertheless, I personally believe that the majority of people visiting government GOP clinics are elderly citizens. They prefer government clinics to private clinics not simply because they cannot afford higher fees, but also because they have more spare time to queue up for the less expensive GOP services. Although this group of elderly citizens will only be paying half-fee according to the proposed charging policy, their contributions will, to a certain extent, help relieve the financial stringency of GOP clinics. Moreover, with an improved financial situation made possible by the implementation of the new charging policy, GOP clinics would be able to gradually upgrade their quality of service. Hopefully, we can have patients of private sector clinics switching over to government clinics one day.

Doubtlessly, under the charging policy of "payment by those who can afford", the public will inevitably have to shoulder a heavier burden in respect of medical expenses. It is therefore important that a medical insurance scheme should be introduced simultaneously. It is understood that the Medical Insurance Working Group set up by the Government has already made initial progress in their studies, and has suggested three models, namely: the insurance company model, the health care organization model and the sickness fund association model for further considerations. Should our future medical insurance scheme be centralized, should it be compulsory or voluntary, which parties should contribute, should it be profit-making or non-profit-making, should it cover both primary health care and hospital services or only one of the two? All these would require thorough considerations by parties concerned.

Sir, just now I mentioned about the problem of old people seeking medical service. In this regard, I would like to bring up once again the concept of multi-service elderly centres. It should be an ideal arrangement for the elderly if medical, social work and recreational services can all be available at one location.

Finally, I would like to talk about the screening services.

I agree in principle to the working party's recommendations that (1) screening programmes should be targeted towards diseases or population sub-groups instead of introducing mass screening programme for all; (2) opportunistic screening should be introduced on a pilot basis for the elderly aged 65 and above attending general

out-patient clinics; (3) screening and other preventive services should be introduced on a pilot basis to women attending the proposed well-woman clinics; and (4) public clinics screening services should be provided at a charge to recover the costs.

The experience of the Family Planning Association of Hong Kong in providing screening services may rate a mention here. The problem of funds has all along been a big headache for voluntary agencies. It was in the late 1970s when the Family Planning Association was running into deficits that I proposed to introduce a new premarital screening service for couples before getting married. This screening service can on the one hand provide preventive health care whereby promoting the health of the population, and on the other hand secure a considerable income for the Association.

When I first put forward this proposal to the Board of Directors, the response had not been encouraging. Some directors even voted against it though in the end it was agreed that the proposal could be given a try. Nevertheless, the pilot scheme turned out to be a great success. People did not refrain from taking this screening service just because it was charged. On the contrary, they gave full support to the scheme and took it more seriously as they had to pay for the service. Of course, the success or otherwise of a scheme hinges on its promotion and publicity work. Sir, I agree with the Honourable LAU Wah-sum's motion which urges Government to take early steps to implement those improvement measures as recommended by the Working Party on Primary Health Care after the expiry of the consultation period on 31 July 1991. With these remarks, I support Mr LAU Wah-sum's motion.

DR LEONG: Sir, the medical profession would like to pay tribute to the Working Party on Primary Health Care for their tremendous effort in producing the report titled Health for All, the Way Ahead. Not only did they identify the shortcomings of the current system, but also pave the way for reform of primary health care so vital to the development of a proper health system in Hong Kong. Let me first quote from the editorial of the official publication of the Hong Kong Medical Association:

"Throughout the report, the many themes have been spelled out loud and clear -- that Primary Health Care is vital to the well-being of our society and that in order to improve our health care system, a lot has to be done. In fact a radical change in concept with its practical application has been put forward in many areas. The report is the first one ever in Hong Kong which gives such a very comprehensive review of

the present Primary Health Care system, its shortcomings and the reasons underlying, and the possible means of remedy within the theoretical basis for such changes. All medical colleagues who are interested in the development of our health care system should read the original report".

Similarly, the medical profession is grateful to the Administration for recognizing the importance of primary health care after so many years. We are stimulated by the fact that the Administration has the vision of throwing the report open for public consultation, hopefully with a view to implementing the recommendations without delay having regard to the views of the public. This, Sir, the profession so urges.

Sir, we have heard from the Members who have spoken today many points praising the recommendations of this report. But are there any flaws, are there any areas which are not completely covered? Are there any possibilities to make any reform of primary health care even more effective and efficient? Sir, I would like to dwell on some nine points in this proper direction:

1. Incompleteness of the report

Statistics have shown that only some 15% of the patients who need primary health care are being taken care of by the public out-patient clinics whilst the remaining 85% of the people of Hong Kong are being cared by private practitioners, Chinese herbalists and other practitioners of health care. This report, regrettably, limited by its terms of reference, has concentrated mainly on reform of the public primary health care service. Ironically, any reform will therefore be directed to improvement in the service to benefit only some 15% of the population. It is therefore time that an even wider review be taken on board to improve the private sector and also to streamline the practice of Chinese traditional practitioners and those alternative health care practices.

2. Inadequate guidance in the implementation of integrated services

One of the main thrust of this report is an attempt to provide an integrated service between the primary health care and the hospital and between the public sector and the private sector of providers of services taking into consideration the input from the community. Such, Sir, is easier said than done. Two aspects are simply missing and perhaps should be taken on board to provide proper implementation and

integration:

(1) Some regular channels of dialogue on operational matters must be devised between the providers of care in the primary health care and hospitals and between private and public;

(2) Ways and means must be introduced so that patient records will be available to the different segments of the health care teams at the point of contact with the patients.

3. Inadequate vision in the reform of the school medical service

Whilst the cancellation of the school medical service is to be hailed, the report is not brave enough to cancel the special service to school children completely and to leave the care of these children to the improved public general out-patient clinics.

Instead, a school health services system is introduced to screen school children. Is this cost-effective? What are the funding requirements? How extensive would be the screening? Furthermore are there adequate manpower and financial resources to tackle the problems identified in the screening process? Is it then just an exercise or is it just something for the Administration to tell the public that something is in store still for school children?

4. Inadequacy in the details of the proposed screening services

Whilst it is commendable to introduce screening service for specific groups such as well-women clinics, screening for the elderly and so on, the same problems in relation to screening of school children apply. Are there enough provisions both in manpower and resources to bring about treatment of problems so identified? Furthermore, there is a lack of details of purposes and objectives of screening these groups and why these groups are singled out as targets.

5. What are the side-effects from improvements of out-patient department service?

It is commendable again to upgrade our existing sorrowful state in the general out-patient services. It is indeed good news for our suffering public that they now do not have to wait for many hours queuing up in the heat of summer sun but can now

arrange for an appointment to come at a specific time. But with improvement in service, we would expect increase in attendance.

Are there provisions again in manpower and finance to effectively care for the increase in number or are we again introducing a disguised quota system to prevent our frontline workers from overloading their work and thereby affecting the standards?

Are we again setting the vicious cycle in motion again?

6. Inadequate protection of the private practitioners' interest

In as much as a proper service is needed for the public, considerations must also be given to protecting the segment of health care providers who look after some 70% of the primary health care in Hong Kong, that is the private practitioners. Will the improvement of the general out-patient clinics which are heavily government subsidized interfere with the practice of the private practitioners? Are the training programme proposed by this report made available to private and public practitioners alike? These problems, Sir, must be addressed. Furthermore, it would be farcical if patients were initially channelled to general out-patient department service and finally had to go back to private practitioners because the general out-patient clinics were not able to deliver the "goods", as it were, due to overload of work!

Sir, this is in contradiction to what my honourable colleague, Mr Ronald CHOW, predicts. Mr CHOW has repeatedly confused the issue of charging by private practitioners with the spirit of the Report of the Working Party. But, Sir, I do not intend to dwell on this particular subject any more as the intention of this debate is to debate the improvement on ways or means of improving primary health care services in the public sector, not a battlefield between one profession against the other.

7. Careful consideration must be made for contracting out clinics to private practitioners

Recommendations are being made in the report to contract out general out-patient clinics in completely new towns to private practitioners. Government will subsidize the target groups and there will be no government-run general out-patient clinics there. Whilst such will have the advantages of more flexibility and greater

cost-effective management, special considerations must be given in two directions:

(1) The criteria for contracting out to doctors must be water-proof and fairness must be the order of the day in awarding these contracts.

(2) Provisions must be made to ensure that residents of these new towns will not fall victim to the absence of choice to attend an almost free, heavily subsidized government out-patient clinics as in other parts of Hong Kong.

8. Misconceptions in the funding of primary health care

Whilst, Sir, it is true that improvement in primary health care will probably decrease the need for hospital care, and it is equally true that primary health care is by and large cheaper than hospital care, the Administration must be advised in no uncertain terms that improvement of primary health care should not be done at the expense of hospital care. Robbing Peter to pay Paul will not do. Hospital service budget cannot, and should not, be cut but more funding should be allocated to primary health care so as to curb the increasing need of hospital care.

9. The lack of a detailed integration of dental service

It is regrettable that this report did not incorporate any details of the provision of dental care. It should be realized that a healthy set of teeth is as important to the total health of a person as any other part of his/her anatomy. Fortunately, as if by coincidence, the dental sub-committee of the Medical Development Advisory Committee has provided a report on the future direction of dental service in Hong Kong at the same time. Whilst I am glad that a synopsis of the dental report is incorporated into the synopsis of the working party's report, I am disappointed that the detailed dental report is not out for public consultation.

Policy issues

Sir, there are a few issues relating to the policy matters which are being touched on by the Working Party's Report on which I would like to say a few words:

(1) The proposal to reorganize the Department of Health

It is very important that the Department be restructured to take the onslaught

of the changes in primary health care of the future. This, I feel, should take place irrespective of the formation of the proposed Primary Health Care Authority. In particular it would help to improve the efficiency and effectiveness by regrouping the activities of the Department of Health into the five main areas as recommended. In particular, I would like to highlight a division for overseeing dental services. For years, dental care has been considered as second grade. It is high time that a separate division be created for its efficient management in view of the size and variety of services and the need for development of dental health policies.

(2) The Primary Health Care Authority

Whilst it would appear that an autonomous body to look after Primary Health Care is essential to provide a more flexible and efficient service, it would depend very much on the amount of real autonomy that such a body would ultimately enjoy. It would therefore be advisable to take stock of the Hospital Authority and if necessary, to build on the experience of the Hospital Authority before any moves are being made.

(3) The need to co-ordinate the Hospital Authority and the primary health care

Time and again, Sir, the medical profession has queried the wisdom of the Administration to initiate reform of the medical service in a compartmentalized tactic. There is, however, no point in crying over split milk. Instead it is important to consider co-ordination of the different segments of health care. No doubt co-ordination and integration will be developed on many strata at operational levels, yet there is an even more important need for co-ordination at the policy level. One suggestion is to upgrade the current Medical Development Advisory Committee, giving it a more independent secretarial service to act as an even more efficient "think tank" for the policy branch in relation to policy making and to co-ordinate the different health care services. Sir, perhaps at this point in time, I have to declare my interest as the chairman of the MDAC.

Sir, if what I said so far has sounded very negative in relation to promoting the recommendations of the Working Party on Primary Health Care, I have given you a wrong message. Instead I would like to push it full stream ahead. The fallacies that I have accounted are only suggestions that fine tuning is essential and needed to ensure that we get the best results. Furthermore, many recommendations can move ahead while others are being further deliberated and improved.

Implementation of the recommendations

If I may be so bold, Sir, I would like to suggest that the recommendations can be implemented in three phases as soon as possible:

(1) Immediate implementation

There is no reason why a very major number of the recommendations cannot be implemented now. Examples such as introducing screening services and upgrading the general out-patient clinics are very obvious ones that we can improve now. And there are of course more.

I am glad to see that attempts are being made by the Department of Health to set up pilot district health systems in areas like Kwun Tong and Tuen Mun.

I am also glad that the medical profession is also taking a lead in trying to organize integrated care. One typical example is the organization of paediatrics integration in and around Princess Margaret Hospital, the general out-patient clinics and specialty clinics serving the hospitals and the general practitioners in that vicinity. We salute these efforts and we wish them well and hope that they can be an example for all of us to follow.

(2) Intermediate implementation

Examples like the scrapping of the school medical service and the introduction of the school health service obviously need time. Some work should start now so as to achieve a possible result in the intermediate future.

(3) Long-term implementation

The suggested Primary Health Care Authority and the so-called "Supra Authority" are some of the areas which need long-term discussion. Similarly the issue on fees and charges must be detailedly deliberated. Yet, the deliberation of these long-term decision should never be a deterrent to hinder the whole movement to go ahead.

Sir, the profession has the drive and the determination. We need the will of the Government to set the wheel spinning.

Let me now turn to say something on the amendment that my honourable colleague, Mr Ronald CHOW, has raised. Sir, I am against the amendment.

For one, Sir, there is nothing to be gained by extending the consultation period which in essence means delaying any move for implementing the reform of primary health care. Most of the recommendations as stated are very straightforward. Admittedly, there are some suggestions that need further deliberation, but what is wrong with implementing the recommendations in phases? What is wrong with making reforms where changes are so obviously and blatantly needed for the sake of the poor and the sick which we encounter every day? Others of course can be delayed, but that does not mean the consultation period must be extended.

For years, Sir, the medical profession has been pleading with the Administration to come out with a policy review of the medical and health care for the future. The Honourable Ronald CHOW himself has joined in this pledge many a time to whom we are grateful. Three weeks ago, the Secretary for Health and Welfare announced that such a review was forthcoming, but had to take into consideration the Hospital Authority, the reform of Primary Health Care and medical economics. Why hold back the reforms of primary health care and indirectly delay the formulation of future policies for medical and health care?

The last few years have seen a positive move in the reform of the health and medical system in Hong Kong for the betterment of the public we serve. The momentum is picking up from all directions -- from the profession, from the public and even from the Administration. Let me appeal to the Honourable Ronald CHOW and his supporters not to spoil this momentum by forcing the Administration to pull back the reins.

Sir, I strongly object to the amendment and support the motion put up by Mr LAU Wah-sum.

MR PETER WONG: I will be talking about the financial aspects of primary health care; but first I wish to declare my interest as a member of the Hospital Authority as well as deputy chairman of the Society for the Relief of Disabled Children.

Professor Rosie YOUNG's report on Health for All, the Way Ahead is commendably thorough on all matters medical. Taking the last part of the definition of primary health care -- "at a cost that the community can afford" and the last part of the

principles: "efficient management of resources", the report is regrettably deficient in the one aspect that matters. It has not examined the real cost of how we are providing primary health care services, although it has been touched upon in places.

There is nothing remarkable about medicine that will not yield to normal management and financial analysis in order to improve upon the delivery of health care. While it is natural for medical professionals to resent interference by management experts, the majority will admit that we live in an imperfect world of limited resources. We have to live within our means and our budgets. We have to examine our costs and ensure that we are managing the resources available in the best way possible.

Our pennywise government accounting system does not permit a comprehensive costing exercise to be carried out over the endeavours of our health service. We in the Hospital Authority are putting high priority on a modern management system that will feature a searching costing system. I am sure that this will give our managers and clinicians a thorough understanding of what they are doing, or not doing, so they can begin to seek ways to improve and to do more of what they want to do. We also have to ensure that they have the incentives to make those improvements because under the existing system, any savings would be clawed back immediately to the Treasury and further there is likely to be a cut in the next year's budget. The whole government system is indeed proving to be pound foolish.

I can see that under the new Hospital Authority regime we will be seeking to offload those inefficient aspects and there is a danger that this may be directed straight into the primary health sector which will not have the benefit of any worthwhile analytical costing capabilities for some time to come.

In a recently concluded study by a working party under the Secretary for Health and Welfare looking into medical insurance, a major conclusion was that with the existing charges in our public hospitals and government clinics, it is totally premature to talk about revising fees and charges or health funding until we have accurate and comprehensive costings of those services. I agree absolutely and urge the Government to commit resources at an early date to make this more than a mere dream.

Having said this, it does not mean that discussion on fee-charging is going to be postponed indefinitely. The Government cannot, and should not, continue to

subsidize those who have the ability to make greater financial contributions to their health care. With the increasing affluence of Hong Kong society, it is high time for us to begin practising the "users pay" concept through contributory medical schemes on self-insured or employer sponsored basis, as a means to achieve the objective of "Health For All by the Year 2000".

Another shortfall of the report comes with the lack of guidelines for closer interaction with the private health sector. The scheme that requires the public to pay at a flat rate medical fees at cost has been proposed without giving consideration to the market forces and economic dynamics. In implementing the proposed increased medical charges, measures must be devised to offset the likely upward spiral in charges by private practitioners in order to ensure consumer protection.

The report has not outlined any plans to tackle the existing lack of control on the private medical sector. But I see no overpowering reasons why the main recommendations of this report should not be implemented as soon as possible and I therefore support the original motion. We should however, still take note of any late submissions that come in.

6.00 pm

HIS EXCELLENCY THE PRESIDENT: Mr WONG, you have finished right on the dot of six o'clock. It being six o'clock, under Standing Order 8(2) the Council should adjourn.

CHIEF SECRETARY: Sir, with your consent, I move that Standing Order 8(2) should be suspended so as to allow the Council's business this afternoon to be concluded.

Question proposed, put and agreed to.

SECRETARY FOR HEALTH AND WELFARE: Sir, I am grateful for the continuation of this motion debate and for the depth of views and breadth of vision in this debate. The feedback from public consultation, reinforced by the informed views expressed in this council, is that the Primary Health Care Report has won extensive support from our community.

Voices of support notwithstanding, there are some voices of concern, as so eloquently expressed in this Council, and also a few common misconceptions besides.

Now I shall speak on these.

Let me first clarify the concept of primary health care. Primary health care is participatory care, a system which requires the involvement of all: not just Government but the community at large, people from all walks of life, our politicians, social workers, educators, health professionals, families and above all each and every one of us. It is not simply free services delivered from the top down. Primary health care, with its strong emphasis on disease prevention and health promotion, is inseparable from self-care, good lifestyle, healthy lifestyle, family support and community participation. I think we should remember this or we run the risk of speaking at cross purposes.

Amongst the Working Party's recommendations, that which has aroused most concern and controversy is about fees and charges. This, I think, is quite understandable. As so clearly explained by the Honourable W.S. LAU, we in the Government should recognize our responsibility for safeguarding and promoting the general health of our community. Our fee-charging policy on health services has consistently taken into account this cardinal principle. The fact is: medical and health services in general are very heavily subsidized by public funds and many of our preventive and promotive services are absolutely free. Just a few examples. Maternal and child health care is free. Vaccination is free. Immunization is free. Attendance at TB and chest clinics is free. Social hygiene services are free. Health education is free. Family planning services however are not free; we charge \$1 per visit. We have no intention to waver in our commitment to promote health and to prevent disease.

Preventive and promotive services apart, the Working Party considers it necessary to review policy for fee-charging in general out-patient services. Clearly, this issue must be examined with great care. To take this further, as pointed out by my honourable friends, Mr W.S. LAU, Mr Peter WONG and Dr C.H. LEONG, I intend to initiate a comprehensive review of our policy on fees and charges across health and welfare services.

There is also concern over the proposal for collaboration and interface between the public and private sectors. Some have interpreted this as an attempt by Government to hive off its services or to shed its responsibilities. Not so! The call is for more involvement of private practitioners with the public sector. Involvement is collaborative. This collaborative effort will benefit our community as a whole. The assurance of Government's commitment and the call for collaboration

are compatible and not mutually exclusive. More of the one does not mean less of the other! Closer co-operation means a recognition of shared responsibility, not shedding of responsibility.

Concern has been expressed over the proposed establishment of a statutory Primary Health Care Authority. Some question the proliferation of yet another body outside the Government. Many worry about problems of co-ordination. Others simply worry. A cautious approach to this is clearly called for.

Members may be pleased to note that since the publication of this Report in Hong Kong, congratulatory messages have come in from a lot of places, from the World Health Organization and overseas experts. Hong Kong has been praised for its vision and its commitment to primary health care. On this point I would like to say a few words on consultation. Some 40 000 consultative documents have been distributed including a synopsis on dental services. Television and radio APIs have invited comments. By the middle of this month, all district boards will have been consulted. Written submissions apart, we have had discussions and comments via many channels including the printed and electronic media. Sir, we have had comments from across the board and we have had a cross section of views expressed to us.

Sir, it comes as something of a surprise that some Members have asked for the consultation period to be extended. Hong Kong has been lagging behind for many years. For once we are poised to go forward, and yet we are asked to drag our feet. We have waited long, perhaps a bit too long, for practicable proposals to improve our primary health care system and services. Whilst I have an open mind over the appropriate consultation period, my mind, though open, must not be gaping. In my view, it would be unfortunate to substitute lethargy for strategy, or to mistake protracted consultation for thorough deliberation. Now is time for action. Not rushing, not fussing, not hurriedly, but steadily, step by step.

Sir, in conclusion, may I reiterate that in achieving the goal of "Health for All by the Year 2000", we need involvement and participation of everyone here. In thanking Members for their very broad and considered views, I shall be guided by Members' valuable advice in examining and implementing improvements and development of quality care and primary health care, including dental care. I look to this Council for their continued interest in the years to come.

Question on Mr Ronald CHOW's amendment put and negatived.

HIS EXCELLENCY THE PRESIDENT: Miss LEUNG Wai-tung, as the amendment by Mr Ronald CHOW has been negatived, you may now speak to Mr W.S. LAU's motion and also move your amendment.

Miss LEUNG Wai-tung moved an amendment to the motion:

That Mr LAU Wah-sum's motion be amended by deleting all the words following the word "to" where it appears for the third time and substituting the following:

"improve primary health care services, having regard to the views expressed by the public."

MISS LEUNG (in Cantonese): Thank you, Sir. I move an amendment to the Honourable LAU Wah-sum's motion, which is, as shown on the Order Paper, to delete all the words following the word "to" where it appears for the third time and to substitute therefor the following: "improve primary health care services, having regard to the views expressed by the public." The amended wording of the motion becomes: "That this Council supports the development of quality primary health care services in Hong Kong to meet the World Health Organization's target of "Health for All by the Year 2000," and urges Government to take early steps to improve primary health care services, having regard to the views expressed by the public."

Sir, before formally expressing views concerning my motion for amendment and as to why I disagree with the Honourable LAU Wah-sum's motion, I must state that, in my opinion, the English term "primary", as it occurs in the report Health for All, the Way Ahead of the Working Party on Primary Health Care, in the consultation paper Health for All, the Way Ahead and in the Chinese version of the motion and the amendments before us today, including my own submission concerning the so-called "primary health care services", is clearly not an appropriate term. As a matter of usage in Hong Kong, "primary" refers to "grass root," meaning roughly the lower middle income and lower income members of the community. Consequently, as services, primary health care may easily be misinterpreted as health care for or of the grass root, as opposed to primary health care for everybody in Hong Kong. I therefore believe that, if we change the term from "primary" to "basic," if we change the term from "primary" to "basic" in the consultation paper and then consult the public, that is, if we change the expression from "primary health care services" to "basic health care

services," then the public will definitely stop misinterpreting the consultation paper's mention of health care services as health care services for or of the grass root.

However, in order to be consistent with the term used by all Members, in order to avoid misunderstanding, I must in my speech continue to use the term "primary" to sacrifice "basic." In other words, I will not use the expression "basic health care services" in place of "primary health care services."

Sir, last Wednesday, in this Chamber, in my speech during the motion debate on the immediate reinstatement of capital punishment, I said, "I hope that whether we shall support the motion or the amendment to the motion, we should be addressing the meaning of the motion and the amendment, not the constructions put on them by Members delivering their speeches. Those constructions obviously should not and cannot be looked at as part of the motion or the amendment". I am making a similar appeal today.

Sir, clearly, the most prominent difference between the Honourable LAU Wah-sum's motion and my motion for amendment is that his motion "urges Government to..... implement those improvement measures as recommended by the Working Party on Primary Health Care", while my motion for amendment lays stress on the Working Party on Primary Health Care, and it is in terms similar to what has been moved by the Honourable Ronald CHOW a moment ago. It "urges Government to..... improve primary health care services". The Honourable LAU Wah-sum's motion merely lays stress on appealing to the authorities concerned, after consideration of the views expressed by the public, to adopt the recommendations of the working party. Clearly, in his view, the measures for improvement recommended by the working party are basically sufficient for solving all the problems of primary health care services, so that there will be no need for other sectors of the public or other working parties to make recommendations.

As a matter of fact, the consultation paper Health for All, the Way Ahead consists of two parts. The first part contains the so-called principal substance of the report of the Working Party on Primary Health Care. The second part contains the so-called principal substance of the report of the Dental Subcommittee of the Medical Development Consultative Committee. The Honourable LAU Wah-sum's motion does not cover the second part, that is, oral health. It is inadequate. It completely ignores oral health care services, on which, too, Government wishes to consult all sectors of the public. As we all know, and Dr the Honourable LEONG Che-hung has also explained very clearly just now, oral health care is a very important part of primary

health care. I therefore hope that all Members will take note of this point. The Honourable LAU Wah-sum's motion, if passed, merely asks Government to implement the recommendations of the Working Party on Primary Health Care. I hope that there will be a change after Members finish listening to my views. If, at voting time later on, the Honourable LAU Wah-sum's motion still has Members' support, then we would be misleading the public into thinking that primary health care services are limited to the terms of reference of the working party. Those Members who support the Honourable LAU Wah-sum's motion would be creating an impression of ignoring the other questions having a bearing on primary health care services.

In fact, Consultation Paper: Conclusion states, "Government approves of the views of the Working Party on Primary Health Care and the Dental Subcommittee..... As to the (other) specific recommendations, Government is still keeping an open mind and hopes to be able to learn the views of the general public before making a decision." I believe that only this is the correct attitude and approach. There is no need to limit oneself to the views of the Working Party on Primary Health Care.

What I stress in my motion for amendment does not have the limits set by the Honourable LAU Wah-sum's motion. I therefore appeal to the authorities concerned to improve primary health care services by adopting some non-Working Party recommendations and rejecting some Working Party recommendations. This, as I have just said, must at least include oral health care, about which consultation is going on. I must point out that here I happen to be in agreement with the Honourable Ronald CHOW.

Sir, another difference between the Honourable LAU Wah-sum's motion and my motion for amendment is that I completely delete his reference to a consultation period, though I feel that, generally speaking, it is appropriate and not a waste of time for Government to spend three months consulting the public on the consultation paper. The three months is the right timing in view of the scheduled meetings of the 19 district boards. It gives all district boards enough time to arrange for the scheduled meetings to discuss the relevant questions. The public, too, will have sufficient time for learning about the issues and expressing views.

However, although the Secretary for Health and Welfare says that more than 4 000 copies of the consultation paper have been distributed, I feel that the reaction has been unusually indifferent since the beginning of public consultation. There have been only a few related seminars. The media, too, have given the matter scant

coverage. As far as I know, up to yesterday, Government had received only eight position papers from the public. A probable cause of the indifference is the lack of suitable publicity. Basically, the public is still unaware of the existence of such an important consultation paper. Also, as far as the public is concerned, the relevant paper is not highly readable or intelligible. The Report of the Working Party on Primary Health Care is so detailed that it looks forbidding and formidable, rather than worth the while of spending a lot of time reading it. On the other hand, a skimpy consultation paper will be too simple. After generally describing the existing services and policies, it will provide just a simple digest of the recommendations but will say nothing about their backgrounds. After reading it, one will not know what comments to make.

As I have just said, generally speaking, a three-month consultation period is probably sufficient. However, it can be seen this time that the views gathered from the public during the consultation process are actually very complex though they look simple. After listening a moment ago to the views expressed by the Honourable Ronald CHOW and those who support him, I feel that it should in fact be possible for Government to consider slightly lengthening the consultation period. Our asking for a slightly longer consultation period does not mean that Government may not act to implement appropriate measures until the consultation period is over. Dr the Honourable LEONG Che-Hung, too, said just now that the implementation of the improvement measures may be carried out over a number of phases. Some may be implemented immediately. We may immediately make preparations for doing the work. Therefore, it is really possible for the authorities concerned to give some thought to slightly lengthening the consultation period. With such a lengthening, the authorities concerned, for their part, should make maximum use of the opportunity to conduct an extensive public information campaign in the hope that more groups and individuals will express views. Also, it will be possible to arouse the public's interest in learning about the so-called primary health care, so that they may appreciate the importance of maintaining good physical health, disease prevention and seeking treatment before illnesses become serious. These are also the activities of health education stressed by the working party and the Government.

After deliberation, I feel that it will be worth our while deleting from the Honourable LAU Wah-sum's motion the reference to the 31 July cut-off date for consultation. I am convinced that, even with such a deletion, the Secretary for Health and Welfare will still be able to cope with the feedback from all sectors and that, even if my motion is passed, the result will not necessarily be a longer

consultation period. Still, if I receive enough support, the Secretary for Health and Welfare should then consider slightly lengthening the consultation period.

In addition, another point in the Honourable LAU Wah-sum's motion makes it imperative that I should amend it. It is "urging Government to take early steps to..... having regard to the views expressed by the public before the expiry of the consultation period." I think that there is no need to emphasize the expiry of the consultation period. The making of public policy is a continuing process. After the expiry of the consultation period, the authorities concerned may yet consider adopting new, good suggestions they come across during the making of a policy. Therefore, I would also delete the reference to views expressed before the expiry of the consultation period. However, the wording of my amendment clearly also requires Government to have regard to the views expressed by the public.

Sir, I have finished giving my reasons for proposing to amend the Honourable LAU Wah-sum's motion and explaining the principal theoretical basis for my own motion. Now I would like to say something about questions relating to primary health care.

Sir, the working party's report points out that Government should have two major objectives for its effort to develop primary health care services. I believe that nobody questions these two major objectives, and that, under Hong Kong's economic and political system, hardly anybody is resolutely opposed to the five major principles the adoption of which has been recommended. As for the specific recommendations, many of them may be controversial. As many Members, including the Honourable TAM Yiu-chung and the Honourable Ronald CHOW, have just said, the authorities should seriously consider their feasibility.

However, I do not intend today to make comments on each of the working party's recommendations. I want merely to mention one or two points. Firstly, I would like to point out that the truths that prevention is better than cure and that treatment should be sought before the illness becomes serious are acknowledged universally in time and space. The authorities concerned should do their utmost in the area of health education. They must also call on the public to pay attention to domestic hygiene and be careful about what they eat and drink, thus preventing germs from entering through the mouth. Also, as everybody knows, polluted elements of nature, such as water, air and earth, are also the medium through which diseases are caused. Noise not only affects hearing but makes people bad-tempered. People who are subjected to prolonged noise disturbance may develop mental problems. I do not

intend today to go into detail the harmful effects of environmental pollution on our health. I merely want to call on Government to continue its effort to resist environmental pollution in all its forms, thus making us physically and mentally healthy.

Sir, the most controversial point of the consultation paper and of the working party's report is the question of charging. I am referring to the principle known as "let those who have the means pay", which means that the recipients of subsidized treatment or medical services are limited to those who cannot afford to take care of themselves. I am also referring to the question of contracts whereby non-government doctors are to operate clinics and charge fees. In principle, I agree with the idea known as "let those who have the means pay." The question is: who are "those who have the means" and how we define "those with means" and how much they should pay. The Honourable TAM Yiu-chung and the Honourable Ronald CHOW, too, have just now expressed views on this matter. I hope that the authorities concerned will give serious consideration to it.

As everybody knows, Hong Kong's private medical services vary in quality and do not have standard rules for setting fees. From time to time, members of the public say that Hong Kong's private medical practitioners charge fees that are too high relative to many Western countries. The Honourable Ronald CHOW, too, referred to this question a moment ago. The authorities' proposals in this regard cannot but cause us concern. I hope that the authorities will make sure that great care is taken in dealing with the question of privatization of primary medical services and that they will never seek privatization for the sake of privatization. In any case, Hong Kong must first have an appropriate medical insurance system and then it may privatize primary medical services. In fact, I feel that it is reasonable to wait until a green paper or consultation paper on the medical insurance system is published, until the public becomes better aware of the matter and knows Government's concept about it, before the present consultation paper is further discussed in regard to the question of fees for primary medical services. If Government should at some future time really accept the recommendation of contracting out the public clinics to private medical practitioners and it should come to pass that primary medical services are provided principally by private institutions, Government then must set up a watchdog body to make sure that the public will receive up-to-standard services at reasonable fees.

Sir, actually in the interests of the public, Government should long ago have set a fee standard for private medical practitioners, a system for controlling the

quality of their services, a system for the keeping of patients' records and a patient referral system for private practitioners who provide primary medical services and those who provide specialized services. In addition, we should make law to safeguard patients' right to know, including their right to know the condition of their illness, the medicine used and the method of treatment.

Lastly, I call on the authorities to take early steps to improve primary medical services in a serious manner. At the same time, I hope that Members will understand the difference between my amendment and the Honourable LAU Wah-sum's motion. Support for my amendment will show an understanding of what is meant by primary health care services, which definitely has a broader scope than the recommendations of the Working Party on Primary Health Care, which are measures proposed under its terms of reference.

Sir, with these remarks, I beg to move the amendment.

Question on Miss LEUNG Wai-tung's amendment proposed.

HIS EXCELLENCY THE PRESIDENT: Does any Member wish to speak either to the amendment if he/she has spoken before or to both the amendment and the original motion if he/she has not spoken before?

I have one name, Dr C.H. LEONG. May I remind Members that if they are speaking for the second time they speak only to the amendment and the subject of the amendment?

DR LEONG: Sir, thank you and I will be brief. Mr LAU's motion highlighted one very important and vital point which is missing in Miss LEUNG's amendment and that is the reform of primary health care should be guided by the recommendation of the Working Party's Report on Primary Health Care.

Sir, we all know that we have to improve our primary health care. I do not think any of us in this Council will deny this. Yet how are we going to set the wheels in motion? The working party which is appointed by you, Sir, has spent some two years to work on that report. This working party consists of community leaders, medical and health specialists, social workers, academics and so on. The report, though not necessarily without flaws, must be the starting point for us to initiate our primary

health care reform.

The words of the original motion put up by Mr LAU are therefore most appropriate. Miss LEUNG's amendment, I think, has unfortunately removed all the essential elements. I cannot support the amendment moved by Miss LEUNG.

Question on Miss LEUNG Wai-tung's amendment put and negatived.

HIS EXCELLENCY THE PRESIDENT: As Miss LEUNG Wai-tung's amendment has now been negatived, we will resume our debate on Mr W.S. LAU's original motion. Now, does any Member who has not spoken before wish to speak? I will call upon Mr W.S. LAU to reply. I think he wish to.

MR LAU WAH-SUM: Sir, I am grateful to all the Members for their participation in the debate and I would also like to thank them for their valuable comments and viewpoints. May I appeal to the Government again that we should take note of all the comments and viewpoints in this Council as well as those expressed in public and implement the improvement measures recommended by the working party without further delay. If the working party's proposals are successfully implemented, together with the Hospital Authority's effort in improving the management efficiency of the hospital delivery services, we can expect considerable savings in cost and manpower resources in many years to come. Thank you.

HIS EXCELLENCY THE PRESIDENT: Before I put the question to you that Mr W.S. LAU's original motion be agreed, perhaps I could read out the motion again. It is: That this Council supports the development of quality primary health care services in Hong Kong to meet the World Health Organization's target of "Health for All by the Year 2000" and urges Government to take early steps to implement those improvement measures as recommended by the Working Party on Primary Health Care, having regard to the views expressed by the public before the expiry of the consultation period on 31 July 1991.

Question on Mr W.S. LAU's motion put and agreed to.

Private Member's Bill

First Reading of Bill

ELECTORAL PROVISIONS (PROCEDURE) REGULATIONS (AMENDMENT) BILL 1991

MR MARTIN LEE: Sir, with the consent of this Council I would like to postpone the Electoral Provisions (Procedure) Regulations (Amendment) Bill 1991 to the next sitting.

Adjournment

CHIEF SECRETARY: Sir, I move that this Council do now adjourn.

HIS EXCELLENCY THE PRESIDENT: I believe that a Member wishes to raise a subject on the adjournment. Could I remind Members that there are 45 minutes to discuss that point on the adjournment before an official Member is called upon to reply? Mr Jimmy McGREGOR.

MR McGREGOR: Sir, can you advise me how many speakers there are, since I do not know whether they gallop or trot?

HIS EXCELLENCY THE PRESIDENT: I can advise you that as at the moment there are eight speakers. I would advise a moderate gallop. (Laughter)

Siting, development and financing of a new airport for Hong Kong

6.34 pm

MR McGREGOR: Sir, I rise to speak to the motion standing in my name. Let me say at the outset that, as a senior government official for many years and having taken part myself in many important negotiations with foreign governments on issues of importance to Hong Kong, I am well aware of the sensitivity of this particular subject. I have no wish to embarrass any of the governments concerned nor do I misunderstand the need for great secrecy between the negotiating parties whilst extremely difficult solutions are being considered and debated. If the Hong Kong Government had asked me not to put this motion forward at this time I would gladly have postponed it because

that might have meant that the negotiations are still active and developing with a reasonable prospect for a solution which will allow the airport to be built and for the work to start in a few months' time. Sadly, that does not seem to be the position. We seem to be entering into a waiting period during which contact will be maintained with China and from which any positive sign from the Chinese Government will be taken into further serious consideration.

By any standard one might apply, the new airport is absolutely necessary if Hong Kong is to continue to expand and progress in economic and social terms. We have an economy beyond compare and it has enormous further growth and development potential. Much of this however depends upon our ability to sustain solid infrastructural growth essential to the character and movement of the economy. We are a trade-led economy with a significant proportion of our exports being transported by air. We depend upon the tourist trade also and almost all of this is airborne. In order to continue our trade and tourist expansion, we have built up international communications and transport systems of the highest quality. We have planned and built economic infrastructure for the last 40 years and we have met all necessary deadlines. We have enormous vitality and capability in this planning and execution so that international investors and our own investors have both confidence and faith that their investments will be profitable. So it must be in the future.

The new airport is the litmus test of our future economic viability. All three Governments have confirmed this. They are therefore aware of the consequences of failure or even serious delay. We are already late in the day and now considering what can be done with Kai Tak to extend its capacity and, presumably, its life. Experts have said repeatedly that not much can be done with it on a long-term basis. In the meantime, government officials and Members of this Council talk increasingly of slippage and provide personal estimates of the kind of delay which will not greatly hurt our continued development. Neither Government nor the politicians who have spoken on the subject have been able to allay the generally held fear that this project, or at least Chinese approval of it, is in great jeopardy and may face a protracted period of further negotiation. I have the feeling that something terribly important to us is slowly moving out of our reach and for reasons which are not fully clear.

What is it that is holding up approval by China? Has China insisted that there must be special arrangements to ensure that at least HK\$25 billion must be available in government financial reserves at July 1997? Has China demanded the right to be involved in the work of the Airport Authority, to an extent that will provide China

with an effective veto over all major decisions on development, financing, tendering and contracting? Does this mean that Beijing will have to be consulted at all stages of this massive development? Has China linked other demands to these related to the airport project, demands that the Hong Kong Government feels cannot possibly be accepted? What are these demands and how close are the negotiating positions?

We in this Council do not know with any certainty. We do not know basically because we have not been told and that is because of the need for secrecy while the negotiations are live and proceeding. However, now that negotiations on this important issue appear to be at best idling and at worst near deadlock, I think it is time for a great deal more hard information to be made available to this Council and to the people of Hong Kong who are very capable of judging for themselves what might be done to rescue the project.

Mr LU Ping is reported as having said that China would be happy to publish the latest Chinese proposals to the British Government. The British Government apparently does not wish China to do so and therefore the Hong Kong Government cannot release this vital information. Mr LU, on the other hand, may have offered to divulge the Chinese position as a negotiating tactic. If so, I would say he has certainly taken the high ground in public relations.

The purpose of this debate is to ask the Hong Kong Government to help bring about the disclosure of the Chinese position and allow us to assess for ourselves whether what the Chinese want is impossible for the time being or even after 1997. Negotiations often face situations which seem beyond solution. In such cases transparency is sometimes helpful. Might this not be the case with the negotiating sticking points affecting approval of our much needed airport? I also want to appeal directly to Mr LU Ping and to the Chinese authorities to issue information that will clarify their position. If what China is seeking goes far beyond the issue of the airport I would appeal to the Chinese Government to deal with the airport first and separate it from other possibly more contentious and difficult policy matters. Surely the two sovereign Governments have the breadth of vision and the will to consider the interest of the people of Hong Kong before their own longer-term interest. Let us have agreement on our airport this year.

Finally, Sir, let me say that this motion comes from my deep personal desire to see the Hong Kong that I love given the go-ahead from China. I think we must do all on our part to ensure that this project is not inordinately delayed and that the Hong

Kong people are made fully aware of the critical issues now holding up its approval. Thank you, Sir.

HIS EXCELLENCY THE PRESIDENT: I should warn Members that since I last gave the numbers I have one more Member who wishes to speak added to the list. So I have eight still to go before an official Member is called upon to reply.

MRS CHOW: Sir, this debate inevitably gives one a feeling of *deja vu* for it is only two and a half months ago that this Council debated at length the need for disclosure of information regarding negotiations between the British and Chinese Governments on the new airport. I was fortunate enough to have won the support of a majority of my colleagues in amending Mr Martin LEE's motion. The amended motion demanded that Hong Kong should be fully informed of any understanding reached between the two negotiating parties.

Since then, in spite of communications between the two sides in various forms, not much progress on the issue seemed to have been made. Impatience and frustration have been building up in our community, and the uncertainty cannot be helpful to our progress and development.

I believe that Hong Kong cannot and should not be kept in the dark much longer. However, that is not to say that information should be made public prematurely for I believe megaphone diplomacy is not conducive to good agreement. The procedure should be correct, so that the best interest of Hong Kong is served, and disclosing details of negotiations before any conclusive stage of an understanding or an agreement is reached is premature.

What we need now is certainty. Of course Hong Kong needs a new airport. And Hong Kong wants a new airport. And we are told that both China and Britain want it too. And by now, we realize that it would be unrealistic to expect that a new airport can be financed without the nod from China, for the undertaking is a huge investment that commits the present government as well as the future SAR Government.

Mr McGREGOR presupposes the Chinese Government has put forward counter proposals regarding the siting, development and financing of a new airport. Whether they have or not is in my view hardly the most important information that Hong Kong wants now.

It is rather the conclusion, positive or negative, of the negotiations with full details of the agreement if positive, and with full details of the respective positions if negative, that should be put to a Hong Kong that should not be kept waiting much longer.

MR CHAN (in Cantonese): Sir, I tend to agree with what the Honourable Jimmy McGREGOR said a moment ago. In fact when the Honourable Martin LEE moved a motion on the new airport on 17 April, I already indicated that I would prefer the Honourable PANG Chun-hoi's amendment motion, namely, to make public all the details of any proposed agreement in the airport negotiations.

At one time during the course of the negotiations, China intended to disclose unilaterally its proposal on the new airport but in the end refrained from doing so. This, I should say, is a positive step as it shows China's respect for the authority of the Hong Kong or United Kingdom Government as the final decision maker on Hong Kong affairs. A unilateral disclosure would somehow signal a breakdown in the talks and the showdown would add pressure on the Hong Kong Government. So any disclosure must first have the permission of both the Chinese and British Governments before it is made public by the Hong Kong Government. Moreover, because of the absence of public announcement, many unofficial reports as to China's proposals on the siting and financial arrangements of the airport have been circulating in the territory. It has even been suggested in some of these reports that government officials on the highest echelons of decision-making should take upon themselves the responsibility of the present stalemate. Be these rumours or not, they will inevitably undermine the effective administration of the Government. So I would rather prefer a disclosure of information.

The other reason why I support the disclosure is that Hong Kong people can, in my view, act as a mediator in the airport negotiations between China and Britain. As the airport project will stretch beyond 1997, China, acting on behalf of the SAR Government, believes that it should have a role to play. Britain, the sovereign state of Hong Kong, might feel that it is a challenge to its authority if it cannot even reject China's proposals. This inherent conflict and the disharmony between the two governments will only affect the well-being of the people of Hong Kong. In the absence of details on the airport project, any public views from the territory will only deepen the misunderstanding between the two governments. Only when the people of Hong Kong are well-informed of the project can they play their role in resolving

the conflict so that a decision can be reached as soon as possible and the airport project need no longer be kept in abeyance.

HIS EXCELLENCY THE PRESIDENT: Could I just remind Members that there is no motion by Mr McGREGOR being debated? The motion being debated is that the Council should adjourn which provides an opportunity for Members to express views on the matters raised by Mr McGREGOR.

MR CHUNG (in Cantonese): Sir, when the Excellency came back Hong Kong last Friday after having met the British Prime Minister Mr John MAJOR and Members of the Parliament in London, he said that the new airport projects would not be shelved.

This message has immediately brought an upsurge in the price of shares.

At present, both the Chinese and British Governments share the view of Hong Kong people that the new airport projects are essential for the prosperity and future development of the territory. The Chinese authority has reiterated their confidence that the negotiations on the issue between both sides will reach a satisfactory conclusion.

Strangely enough, while the two governments have achieved consensus on the importance of the projects and the Chinese authority has expressed confidence in tackling the problems through negotiation, there have been no definite dates so far for inviting tenders and commencement of the construction works.

As long as the infrastructural projects which will straddle two centuries are reaffirmed, temporary delays will not be a difficulty. The major problem is the uncertainties involved in the issue which have produced detrimental effect to the confidence of Hong Kong people and stability of the investment market. The Hong Kong Government should therefore make public the substance of the negotiations in detail and the various views from both sides at a time it thinks fit.

As a matter of fact, the sooner the projects get start the better. However, not knowing what is happening behind the scene, we can only make assessment on what have been commonly agreed by the both governments and have been brought to our knowledge with a view to working out effective ways to solve the problems and bring new

developments to the situation.

I believe that both sides should establish a new concept on a mutual beneficial and co-operative basis and avoid politicizing the issue concerning the infrastructural projects with the new airport scheme as far as possible. Rational "commercial decision" and practical arrangements should be made for the whole projects. I believe that these are the best ways to prevent further delays and to reach an agreement expeditiously for works to start. This does not mean that we show no regard for the current economic and political situation of Hong Kong.

Specifically, so long as the Chinese side sets a reasonable ceiling for the financial commitment concerning the budget of the new airport projects for Hong Kong which the British side can accept and agree on with China, there is no need to care about the financial support required by the projects and to worry whether the future Special Administrative Region Government will be tied down by its "airport partner" which has all along attached importance to the rule of law and international prestige. In so doing, basic problems can be ironed out.

As far as the designation of the rights and interests involved in the new airport projects is concerned, except for the basic agreement regarding the financial burden which may be dealt with separately, all rights and interests should be handled in accordance with the current franchise system and rules governing the share market in Hong Kong and contracts with reasonable terms should be drawn up for individual items. Designation of rights and interests of some major transport and information technology businesses has been decided by commercial organizations through a contract format of this nature and this format has been proved to be very successful.

I strongly believe that as long as the commercial decision in respect of the financial arrangement and designation of rights and interests for the new airport scheme is made in a fair manner, the political tangles that have caused delays to the projects should be entirely removed and agreement can be reached.

Sir, with these remarks, I express my support for the projects again and call upon both sides to resume negotiation at an earlier date.

MR MARTIN LEE: Sir, the new airport is to be built in Hong Kong and be paid for by the people of Hong Kong. Yet, now, we have reached the appalling stage where the

British Prime Minister will soon be called upon to make a decision in London, for high-level secret emissaries have already been sent from London to conduct secret talks in Beijing about the future of the territory, so secret that we would not even know of Sir Percy CRADDOCK's presence in Beijing but for the vigilance of a reporter from Hong Kong. Why such secrecy, one wonders! But while these secret talks are going on we in Hong Kong are not even consulted as to what we wish to see done with our own money in our own city.

I agree with Mr MCGREGOR that Hong Kong needs a new airport. If we are to remain the thriving heart of the Pacific Rim into the next century, then we will need to have first-rate infrastructure and an airport that can compete with others in the region. Yet, decisions about the airport have degenerated into a political struggle between the United Kingdom and the PRC with little concern for the views of the people of Hong Kong, and the refusal of the British Government to make public the latest proposals of the two sides is symbolic of this lack of respect for the opinions of people here.

During the early rounds of talks on the airport, we were consistently told by the colonial Government here that since the airport issue does not relate to defence or foreign affairs, it was a matter for the people of Hong Kong to decide. The Administration still maintains that position even though it has persistently refused to inform this Council and the public at large about vital aspects of the airport project, including the costs, its effects on our budget surplus, and projected economic benefits to Hong Kong. The refusal of the Government to release such vital information has made many in the territory sceptical about the contention that this is a matter for Hong Kong to decide.

Furthermore, while at least British colonial officials in Hong Kong were able to participate in the early rounds of the talks, they soon became bilateral discussions between Britain and China, with Hong Kong being frozen out of any role or even information as to what was happening. Just last week, Sir, you journeyed to London in order to discuss the matter with the British Prime Minister even though you had taken no time to consult the people of Hong Kong or Members of this Council for our opinions. Likewise upon your return, you have revealed no information to this Council or to the public as to what decisions have been reached in London.

Sir, I am particularly disturbed by the most recent turn of events. We now learn that Sir Percy CRADDOCK has secretly flown to Beijing to conduct private meetings

with the PRC Government along with Sir Robin McLAREN, the new British Ambassador in Beijing. No official from Hong Kong is to take part in these negotiations. I regret to have to say, Sir, that I cannot think of two people in whom I would have less confidence to negotiate on behalf of Hong Kong than Sir Percy and Sir Robin. These two emissaries owe no allegiance to Hong Kong, and they in no way represent us. And, I am afraid to say that the track records of these two honourable gentlemen in negotiating on behalf of Hong Kong in the past have not been such as to engender confidence that they will be betting for Hong Kong should there be any conflict of interest between the British Government and the people of Hong Kong.

I need hardly remind Honourable Members of the last trip that Sir Percy took to Beijing along with Sir Robin. In December of 1989 when this Council had unanimously agreed on the OMELCO model on democratization, Sir Percy and Sir Robin held unannounced negotiations with PRC leaders in advance of a critical meeting of the political sub-group of the Basic Law Drafting Committee. Either at this meeting or soon thereafter Britain secretly agreed with China to scrap the OMELCO consensus and settle for a system that denies democracy to Hong Kong.

Bearing in mind the presence of Hong Kong officials in earlier rounds of the talks, I call upon the Administration to explain today why there are no officials from Hong Kong participating in this current round of talks; for the absence of any Hong Kong representative inevitably causes suspicion that Britain is prepared to make yet another agreement that will sacrifice the interests of her last and remaining important colony.

In addition, I call upon the Government to make an open promise to this Council today that every agreement or understanding reached with the PRC over the new airport and all collateral matters will be made public in their entirety. During the debate in this Council in April, the Chief Secretary told us that "it is the Government's position that if an understanding on the airport project can be reached with the Chinese Government we would wish to tell this Council and the people of Hong Kong exactly what it contains". Such a wishy-washy statement is entirely unacceptable. A responsible administration does not "wish" to inform its legislature and its people of vital information; it tells them.

Sir, the reason why this issue has caused so much concern is due to past history of the British Government and its colonial administration here in striking deals with China over Hong Kong without the knowledge or consent of the people of the territory.

I have earlier referred to the secret deal struck last year by the British Government with the PRC Government to stymie the development of democracy. On that occasion we in Hong Kong only learnt about it after certain PRC officials had chosen to leak it to the press. It is no wonder that many in Hong Kong fear that there will be a secret deal struck on the airport, perhaps in addition to any publicly announced agreement. Therefore, it is of the utmost importance that the Government today state unequivocally that all details will be made public. If the Government refuses to make such a statement today, many in Hong Kong will be driven to believe that a secret agreement is being negotiated.

In conclusion, I urge the Government to change its current policy of secrecy and allow this Council and the people of the territory to make decisions about the internal affairs of Hong Kong, including the new airport. For, if the United Kingdom Government and its colonial administration here deny us the opportunity to exercise our autonomy before 1997, then what chance do we have to exercise that autonomy after 1997? Moreover, while I do not question that we need a new airport, I insist that any agreement reached on the new airport must be fully consistent with the Joint Declaration. For, if the British and Chinese Governments are willing to strike a new agreement by violating the Joint Declaration, what guarantee do we have that the Joint Declaration will not be broken again and again in the future? Or, indeed, what guarantee do we have that this new agreement itself will not be broken in the future if it would suit either Government or both Governments to do so?

MR PANG (in Cantonese): Sir, on 17 April, I put forward my amendment on the Port and Airport Development Strategy, urging the Government to make public all the details of any proposed agreement.

This afternoon, my fellow colleague, the Honourable J D McGREGOR, again moved a motion to urge the Hong Kong Government to publish, with the agreement of the British and Chinese Governments, details of the latest proposals by the Chinese Government on the new airport. Everyone would like to know the latest developments concerning the negotiations for the new airport.

Recently, the media reported that work had yet to be started after a Letter of Acceptance had been signed with regard to the contract for the reclamation work on the southern part of west Kowloon. It was also said that the contract had not been formally signed with the consortium concerned in order to avoid giving a wrong

impression to the Chinese side. It was also reported that the consortium was claiming compensation from the Government. I think it is high time the Government disclosed the latest information about the negotiations for the new airport to clear up the public's doubts.

Sir, with these few words, I support the Honourable J D McGREGOR's motion.

MR TAM (in Cantonese): Sir, the building of a new airport is a major project which will have a direct bearing on the economic development and social well being of Hong Kong. But the Chinese and United Kingdom Governments are keeping under wraps the contents of the negotiation they are holding over the new airport. More to that, this project has been given the go by the Administration without conducting extensive public consultation over it. I am of the view that this way of doing things is unfair to the people of Hong Kong.

Since the people of Hong Kong will have to pay a substantial part of the costs of building the new airport, they have a right to know the present progress of this project. The Chinese and United Kingdom Governments are currently at odds over certain aspects of the airport project and an agreement has yet to be reached. The people of Hong Kong could only speculate on what led to the loggerheads between the two negotiating parties. However, it is precisely this sort of speculation that would cause anxiety and unrest. I hope that the Sino-British negotiations over the new airport will take on greater transparency. I support the Honourable Jimmy McGREGOR's suggestion that once the Government has obtained the consent of the Chinese and United Kingdom Governments, it should make public the proposals of the Chinese Government as regards siting of the airport, development and financing. If it is possible, I hope that the full contents of the negotiations can be made public so that the people of Hong Kong would not need to wildly speculate and that they would know of what really transpired at the negotiating table and give their views on it.

Sir, I believe that from the point of view of economic development and environmental protection, Hong Kong really needs a new airport. However, to build a new airport will cost an enormous amount of money and this will have a great impact on the livelihood of the general public. If the Government should divert a substantial portion of its financial resources to the new airport project, it would not have sufficient resources left to effect improvements to other social services which have a more direct bearing on people's well-being and livelihood. Hong Kong

people would not fancy seeing medical, education and social services being curtailed in order to build a new airport. As a matter of fact, the Government has never explained to the people a number of major questions surrounding the new airport, such as the scale of the project and the speed with which to complete it. I feel that the public is entitled to know more details about the project and that the Government should extensively consult various sectors of society about it. In so doing, the Government will be giving the public a choice and will thus lessen public misgivings against itself.

I support the proposal of the Social Service Committee of the Hong Kong Federation of Trade Unions that the Government should draft a Green Paper on the new airport project which sets out in a gist form the scale of various project options, the timeframe for completion, financial implications and impact on social resources in general so that the people will know what impact the project will have on them before they make a choice. The Government could also through this Green Paper consult the public on the matter of the new airport so that the public would have a part to play in the decision-making process.

MR CHOW (in Cantonese): Sir, the Sino-British negotiations over the new airport have long exceeded the original scope of discussion. The present discussion is not solely with regard to the siting, financing and development of the new airport but has spilled over to include a Chinese request for the right of scrutiny over all major matters straddling 1997. I am therefore of the view that even if the Chinese proposals relating to the new airport are published with the consent of the Chinese and United Kingdom Governments, it will be of little help towards solving the present stalemate because what the two Governments are haggling over is the right of scrutiny.

Recently, reports are saying that the Government might shelve the new airport project if the Chinese and United Kingdom Governments fail to reach a consensus. Although the Government has indicated that at the current stage the present state of affairs is to be taken as a slippage rather than as an outright shelving, yet how long is this so-called slippage expected to last?

We will recall that when the Government first tried to "sell" this new airport project, it emphasized time and again the imperative and pressing need for a new airport. But now the Government is doing a volte face saying that it will have to be delayed. The vacillating attitude of the Government has given rise to doubt as

to whether the Government had been just giving us salesman's pep talk.

If the new airport project were to be shelved, the victim would not be the Chinese Government or the United Kingdom Government; it would be the 6 million Hong Kong people who would suffer a third confidence crisis in a row which would most probably extend beyond 1997.

A Chinese leader once let drop a remark which has by now become a celebrated saying: "No matter whether it be a black cat or white cat, if it catches mice, it is a good cat." Apparently, the Chinese leader has a profound understanding of cats. As far as England is concerned, knowledge or understanding of cats dates as far back as two thousand years. England has been a prolific breeding ground for some fine species of cats of superb pedigree.

According to a bi-weekly news periodical, the Chinese and British sides to the new airport negotiations are playing a cat-and-mouse game. I personally think that the Chinese and United Kingdom Governments are playing the cat while the Hong Kong Government is playing the hapless mouse. The two sovereign governments always boast of their regard and concern for Hong Kong people's interests. In actual fact, it is but a cat crying crocodile's tears over a mouse.

In fairness, it must be admitted that the Chinese Government indeed should have the right to know of major matters straddling 1997. However, this right does not amount to a right of scrutiny. The sovereignty theory cannot have unlimited application. Yet the United Kingdom, as the sovereign state of Hong Kong before 1997, should not lightly give up or shelve the new airport project just because it cannot reach agreement with the Chinese Government over the matter; nor should it let the matter be stalemated by indefinitely delaying it. The airport talks should be resumed as soon as possible; nothing less will suffice. Only face-to-face contact and communication will do away with misunderstanding or difference of opinion.

Finally, I would like to reiterate that success of the airport negotiations does not hinge on the practicability of the proposals put forward by either the Chinese or United Kingdom Government. It hinges on whether or not the two governments take Hong Kong people's interests as their prime consideration in working out arrangements for major matters straddling 1997 and in letting Hong Kong people know of the proposals put forward in the course of negotiations and the progress thereof. Only in so doing will the Chinese Communist Party ever hope to have any chance to bring to fruition the "one country two systems" formula it first conceived and propounded on the 70th

anniversary of its founding.

MR SIT (in Cantonese): Thank you, Sir. Could I ask how much time is left for me to deliver my speech?

HIS EXCELLENCY THE PRESIDENT: Mr SIT, you have until 7:19 pm and I will leave you to work out the difference. You do not have to use up the whole time, if you please.
(Laughter)

MR SIT (in Cantonese): I have spoken many times on the new airport and today I would like to quote a verse by a famous scholar in the Qing Dynasty to sum up my views on the project.

The wind, the rain, the recitation in the air,
The sound of which reaches my ear;
The family, the state, and world affair,
All are concerns that I share.

Today in Hong Kong, the new airport project has become so controversial that people cannot help feeling perplexed and worried. Are we going to have a new airport? How long will the delay be? The anxiety of the people of Hong Kong is clearly reflected in the stock exchange market. As to the question of concern about family, state and world affairs, I believe that there must first be the object before one can show concern for it. That is to say, if the Government refused to be more transparent in the airport talks, the people of Hong Kong, eager though they may be, could do nothing to help. So I am in favour of a disclosure, in whatever form, of the details of the airport negotiations and more transparency in the talks. This should be a sensible step as people would be more well informed and in a better position to express their views to help the Government in the construction of the new airport. It is on this premise, Sir, that I support the Honourable Jimmy McGREGOR's suggestion. Thank you.

7.05 pm

CHIEF SECRETARY: Sir, Members' comments have ranged widely over the airport issue

and some even wider this afternoon. I shall limit my comments to the words on the Order Paper. Mr McGREGOR refers to latest proposals by the Chinese Government on the siting, development and financing of a new airport for Hong Kong. The proposal which has been under discussion with the Chinese side is the PADS project, the details of which are well known to this Council and indeed to the people of Hong Kong.

Both sides agree that Hong Kong needs a new, cost-effective airport and efforts are continuing to try to achieve this.

At the motion debate in this Council on 17 April 1991, I made it clear that if an understanding on the airport project could be reached with the Chinese Government, the Government would tell this Council and the people of Hong Kong exactly what it contains.

In the meantime, as with most discussions between governments, both sides have agreed the details should be kept confidential. This is for the simple reason that, if at each stage, the differences still outstanding between the two sides were to be publicized it would obviously make the prospect of reaching a satisfactory agreement that much more difficult.

Sir, we are mindful of Members' views on this matter and I would reassure Members that we will make public the full contents of any agreement reached with the Chinese Government on the airport project.

Question on the adjournment proposed, put and agreed to.

Next sitting

HIS EXCELLENCY THE PRESIDENT: Since Members have either galloped or trotted, we have not taken up the full time of the adjournment debate. In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday 10 July 1991.

Adjourned accordingly at eight minutes past Seven o'clock.

Note: The short titles of the Bills/motions listed in the Hansard, with the exception of the Supplementary Appropriation (1990-91) Bill 1991 and the Private Bills Bill 1990, have been translated into Chinese for information and guidance only; they do not have authoritative effect in Chinese.