



DAILY INFORMATION BULLETIN

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CONTENTS

PAGE NO.

LEGISLATIVE COUNCIL MEETING:

FUTURE OF HK AND CHINA DEPENDS ON EACH OTHER	1
CALL TO SET UP SCIENCE AND TECHNOLOGY COUNCIL	3
CALL TO STRENGTHEN ECONOMIC LINK WITH CHINA	4
LONG-RANGE STRATEGIC PLAN NEEDED	5
IMPORTED LABOUR CAN HELP CURB INFLATION	7
COUNCILLOR CALLS FOR POLICY REVIEW ON MEDICAL AND HEALTH EXPENDITURES ...	8
HK MUST STRIVE TO KEEP ITS INTERNATIONAL STATUS	9
COMMITTEES ON PAY INCREASES SHOULD BE MERGED	10
SCRUTINY OF BUDGET SERVES NO PURPOSE	11
ALLOCATION FOR EDUCATION INSUFFICIENT	12
TAX INCENTIVES FOR MEDICAL INSURANCE A MUST	14
BUDGET PROPOSALS FUEL INFLATION	15
EMPLOYERS URGED TO PREVENT WAGE-LED INFLATION	16
BUDGET OFFERS LITTLE HELP IN CURBING INFLATION	17
44 MEMBERS SPEAK IN BUDGET DEBATE	18
DISTRICT BOARDS BRIEFED ON PHA REPORT	19
LADY WILSON VISITS NORTH POINT SCHOOLS	21
REAR STAIRCASES OF FOUR POST-WAR BUILDINGS DECLARED DANGEROUS	21
SPECIAL PRODUCTS TO COINCIDE WITH STAMP WORLD LONDON EXHIBITION	23
BOE VISITS EBENEZER SCHOOL FOR THE BLIND	24
CONSTRUCTION OF CHAI WAN PARK EXTENSION	25
DB COMMITTEE TO DISCUSS POLLUTION CAUSED BY INCINERATOR	25
DB COMMITTEE TO DISCUSS BUS SHELTER PROVISION PROGRAMME	26
THREE MALE II'S ARRESTED	26
URBAN CLEARWAY IN HUNG HOM	26

THURSDAY, APRIL 26, 1990

- 1 -

FUTURE OF HK AND CHINA DEPENDS ON EACH OTHER

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HONG KONG'S FUTURE IS NOW SO IRREVOCABLY LINKED TO THAT OF CHINA THAT HONG KONG PEOPLE SHOULD START LOOKING AT THE ECONOMIC GROWTH OF THE TWO PLACES IN TERMS OF A SINGLE ENTITY AND OF MUTUAL BENEFIT, OTHERWISE, BOTH WILL SINK TOGETHER - A SCENARIO THAT CANNOT BE IN THE TERRITORY'S INTEREST, THE HON STEPHEN CHEONG, SAID IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

SPEAKING IN THE BUDGET DEBATE, MR CHEONG URGED THE COMMUNITY TO RECOGNISE THE FACT THAT THE WELL-BEING OF HONG KONG PEOPLE DEPENDED TO A LARGE EXTENT ON THE PROSPERITY AND STABILITY OF CHINA.

HE NOTED THAT CHINA'S ECONOMY HAD NOW SOMEWHAT REGAINED ITS EQUILIBRIUM, AND NOTHING SHOULD BE DONE TO JEOPARDISE THIS.

"DISEQUILIBRIUM IMMEDIATELY MEANS SEVERE ADVERSE DISLOCATIONS IN OUR ENTREPOT TRADE; IN THE ACTIVITIES OF HONG KONG'S VITAL PRODUCTION SUPPORT BASE ACROSS THE BORDER.

"FURTHERMORE, DISEQUILIBRIUM MEANS A BIG DROP IN OUR RETAIL BUSINESS AND IN THE NUMBER OF TOURISTS COMING THROUGH HONG KONG. IN SHORT, PRACTICALLY ALL ECONOMIC ACTIVITIES IN HONG KONG WILL BE AFFECTED," MR CHEONG SAID.

HE EXPRESSED EXTREME CONCERN ABOUT THE KNOCK-ON EFFECTS THAT THE RECENT MOVES BY U.S. POLITICIANS TO USE THE MOST FAVOURED NATION STATUS AS A POSSIBLE SANCTION TOOL AGAINST CHINA WOULD HAVE ON HONG KONG'S ECONOMY.

HE URGED THE LOCAL BUSINESS COMMUNITY TO MAKE ITS CONCERN KNOWN TO ITS TRADING PARTNERS IN THE U.S. AND TRY TO PERSUADE ITS COUNTERPARTS IN THE U.S. TO LOBBY THEIR OWN POLITICIANS AGAINST THIS MOVE.

"TO THOSE HONG KONG PEOPLE WHO CLAMOUR FOR AND SUPPORT U.S. TRADE SANCTION AGAINST CHINA, MAY I RESPECTFULLY URGE THEM TO CLIMB DOWN FROM SUCH SENSELESS AND IRRESPONSIBLE BANDWAGON," HE SAID.

IF THEY WERE LOYAL TO HONG KONG AND CARING FOR ITS CITIZENS, THEY SHOULD PERSUADE THEIR POLITICAL FRIENDS IN THE U.S. CONGRESS TO ABANDON THE MOVE, HE ADDED.

COMMENTING ON THE BUDGET, MR CHEONG CRITICISED THE GOVERNMENT'S MOVE OF SETTING ASIDE BILLIONS OF DOLLARS FOR THE LAND FUND OF THE HKSAR AS AN EXPENDITURE ITEM.

HE POINTED OUT THAT IN SO DOING, THE MONEY HAD THEORETICALLY BEEN USED, AND COUPLED WITH CURRENT ARRANGEMENTS, THE FUTURE LEGISLATURE WOULD NOT BE ABLE TO OVERSEE THE DISBURSEMENTS OF THIS SUM.

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THIS WOULD DEPRIVE THE LEGISLATURE OF ITS PRINCIPAL TASK OF ENSURING THE PROPER USAGE OF PUBLIC FUNDS, HE NOTED.

MR CHEONG URGED THE GOVERNMENT TO MAKE IT CLEAR TO THE HONG KONG PEOPLE THAT THIS WAS NOT THE INTENTION OF BRITAIN AND CHINA.

HE STRESSED THE NEED FOR A MORE OPEN GOVERNMENT UNDER THE PRESENT CLIMATE.

"IF THE GOVERNMENT EXPECTS HONG KONG PEOPLE TO TRUST THEM, THEY SHOULD FIRST TAKE THE PEOPLE INTO THEIR TRUST. THIS MEANS IN THE FIRST INSTANCE THAT PEOPLE SHOULD BE TOLD AS MUCH AS POSSIBLE," HE SAID.

MR CHEONG'S OTHER WORRY WAS THE LONG-TERM INFLATIONARY AND UNSETTLING EFFECTS BROUGHT ABOUT BY THE RECENT SPATE OF WAGE AND PRICE HIKES. HE FEARED THAT THIS WOULD PROVOKE MORE FRUSTRATIONS IN THE COMMUNITY, RESULTING IN A HIGHER RATE OF EMIGRATION AND TENSE LABOUR-MANAGEMENT RELATIONS.

HE CAUTIONED THAT THE LATEST SALARY RISE FOR THE PUBLIC SERVICE WOULD STIMULATE HIGHER PAY DEMANDS IN THE PRIVATE SECTOR AND SPARK OFF AN ENDLESS SPIRAL OF WAGE INCREASES.

"PERHAPS GOVERNMENT SHOULD REVIEW THE PAY TREND SURVEY METHODS AND TRY TO ADOPT A MORE REALISTIC SAMPLE IN FEELING THE PULSE OF THE VARIOUS SECTORS OF THE ECONOMY," HE SAID.

HE ALSO ADVISED LABOUR LEADERS TO BE MINDFUL OF THE LONG-TERM DETRIMENTAL EFFECTS OF EXCESSIVE WAGE DEMANDS.

HE WARNED THAT CURRENT INDICATIONS WERE SUCH THAT HONG KONG WAS RUNNING A GREAT RISK OF PRICING ITSELF OUT OF THE MARKET.

"WE ARE ESPECIALLY VULNERABLE BECAUSE WE HAVE TO COMPETE IN THE WORLD MARKETS IN BOTH PRODUCTS AS WELL AS SERVICES," MR CHEONG SAID.

HE REMINDED THE GOVERNMENT THAT NO ECONOMY COULD SUSTAIN LONG TERM PROGRESS WITHOUT ADEQUATE SUPPLY OF RESOURCES, FINANCIAL, INFRASTRUCTURAL OR HUMAN; AND THAT PROLONGED SHORTAGE OF HUMAN RESOURCES IN HONG KONG WAS ALREADY TAKING ITS TOLL.

"SOMETHING NEEDS TO BE DONE BEFORE IT IS TOO LATE," HE SAID, AND URGED THE GOVERNMENT TO URGENTLY REVIEW THE NEED FOR MEASURES WHICH COULD EFFECTIVELY COMBAT THE ILL-EFFECTS OF SUCH PROLONGED SHORTAGE.

TURNING TO TAXATION, MR CHEONG WAS ADAMANT THAT HONG KONG SHOULD CONTINUE TO UPHOLD A LOW TAX POLICY IN ORDER TO MAINTAIN A FAVOURABLE ECONOMIC AND BUSINESS ENVIRONMENT IN THE RUN-UP TO 1997.

HE THEREFORE URGED THAT ALL EXISTING RESOURCES BE FULLY EXPLORED BEFORE PURSUING THE IDEA OF A SALES TAX WHICH WOULD BE RETROGRESSIVE AND WOULD HURT THE ORDINARY PEOPLE.

THURSDAY, APRIL 26, 1990

- 3 -

CALL TO SET UP SCIENCE AND TECHNOLOGY COUNCIL

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THE ENHANCEMENT OF SCIENCE AND TECHNOLOGY (S&T) IN HONG KONG WILL HELP MAINTAIN ITS LINKS WITH THE WESTERN WORLD AND ENSURE CHINA'S LONG-TERM RESPECT FOR THE TERRITORY, PROFESSOR THE HON POON CHUNG-KWONG, SAID IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

SPEAKING IN THE BUDGET DEBATE, PROF POON SUGGESTED THAT A SCIENCE AND TECHNOLOGY COUNCIL BE SET UP TO HELP THE TRANSFER AND DEVELOPMENT OF S&T CAPABILITIES MOST NEEDED BY HONG KONG AT PRESENT AS WELL AS THOSE NEEDED IN THE FUTURE.

"WE MUST INVEST NOW TO DEVELOP OUR OWN 'SOFT' INFRASTRUCTURE. IT MAY TAKE SOME TIME TO GATHER EXPERIENCE AND THERE MAY BE SOME RISK OF NOT GETTING THE BEST OUT OF THE INVESTMENT.

"HOWEVER, INACTION OR SOME PASSIVE AND UNCOORDINATED EFFORTS WILL BE EVEN MORE RISKY IN THE LONG TERM," HE SAID.

PROF POON SAID THAT AN IMPORTANT FACTOR TO ENSURE THE CONCEPT OF "ONE COUNTRY, TWO SYSTEMS" WOULD WORK AFTER 1997, WAS TO MAINTAIN HONG KONG'S PROSPERITY, PROGRESS AND USEFULNESS WITH RESPECT TO ITS NEIGHBOURS AND IN PARTICULAR TO CHINA.

"A PROSPEROUS AND STABLE HONG KONG WILL BENEFIT THE ENTIRE INTERNATIONAL COMMUNITY," HE SAID.

PROF POON NOTED THAT THE ABSENCE OF A FOCUS FOR S&T IN THE GOVERNMENT STRUCTURE REFLECTED THAT HONG KONG LACKED A COHERENT APPROACH TO S&T.

EVEN IF THERE WERE LIMITED EFFORTS, THEY WERE FRAGMENTED AND UNCOORDINATED, HE SAID.

HE SUGGESTED THAT THE S&T COUNCIL FORMULATE AND REVIEW POLICY ON SCIENCE AND TECHNOLOGY, OVERSEE THE PROMOTION AND DEVELOPMENT OF S&T, AND ACT AS THE FOCUS OF COORDINATION OF EFFORTS RELATING TO SCIENCE AND TECHNOLOGY BOTH WITHIN AND OUTSIDE GOVERNMENT.

HE ALSO SAID SUCH A COUNCIL SHOULD SERVE AS A CHANNEL FOR CONSULTATION FOR THE VARIOUS STAKE-HOLDERS HAVING AN INTEREST IN S&T, TO SEEK ADVICE FROM VARIOUS COMMITTEES AND AGENCIES, AND TO ALLOCATE FUNDING FOR VARIOUS PLANS AND PROGRAMMES.

PROF POON SUGGESTED THAT A LEVY SYSTEM SHOULD BE INTRODUCED ON INDUSTRY TO OBTAIN THE NECESSARY FUNDING FOR S&T DEVELOPMENT.

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CALL TO STRENGTHEN ECONOMIC LINK WITH CHINA

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THE DIRECTION AND STRATEGY LAID OUT IN THE BUDGET ARE GENERALLY SOUND, THE HON MARTIN BARROW, SAID IN THE LEGISLATIVE COUNCIL BUDGET DEBATE THIS (THURSDAY) AFTERNOON.

MR BARROW URGED THAT THE GOVERNMENT MUST CONTINUE TO CREATE AN ENVIRONMENT IN WHICH OUR OWN PEOPLE COULD HAVE CONFIDENCE OF SUCCEEDING WITHIN HONG KONG, AS WE DEVELOPED OUR ECONOMIC INTERDEPENDENCE WITH SOUTHERN CHINA.

"IT MUST BE SENSITIVE TO THE WAY OTHERS SEE US SO THAT OUTSIDERS WILL WANT TO TRADE WITH US, AND TO COME HERE AND WORK WITH US," HE SAID.

IN HIS VIEW, THE BUDGET IS THE PRODUCT OF AN ECONOMIC STRATEGY WHICH NEEDED FURTHER ADJUSTMENT - WITH REGARD TO INFLATION - IF SUCH AIMS WERE TO BE REALISED.

NOTING THAT THE INDIRECT TAX INCREASES IN THIS BUDGET HAD PROVOKED PUBLIC CRITICISM FOR BEING INFLATIONARY AND FOR AFFECTING THE LOWER INCOME GROUPS DISPROPORTIONATELY, HE SAID THAT THE CURRENT DIRECT/INDIRECT TAXATION BALANCE HAD PROBABLY MOVED AS FAR AS IT COULD AND IT WAS THE RIGHT DECISION NOT TO PROCEED WITH THE WHOLESALE TAX.

TO COUNTER INFLATION, HONG KONG'S INDUSTRIES SHOULD STRIVE TO REMAIN COMPETITIVE BY EVERY POSSIBLE MEANS INCLUDING - FOR THOSE ABLE TO DO SO - MAKING GOOD USE OF THE PRODUCTION BASE IN GUANGDONG, MR BARROW SAID.

BUT SUCH LOW-COST CUSHIONING IS NOT AVAILABLE TO THOSE WHOSE OPERATIONS ARE CONFINED TO HONG KONG. THE SERVICE INDUSTRIES ARE SUFFERING AS A RESULT OF THE HIGH WAGES AND STAFF SHORTAGES," HE SAID.

"BESIDES FUELLING INFLATION THIS IS HAVING UNDESIRABLE CONSEQUENCES FOR HONG KONG AS A WHOLE - FOR EXAMPLE, BY DECREASING OUR ATTRACTIVENESS AS A BASE FOR FOREIGN MULTINATIONAL HEADQUARTERS OPERATIONS AND BY ENDANGERING OUR REPUTATION FOR SERVICE IN TOURISM AND OTHER SECTORS," HE ADDED.

HOLDING THE VIEW THAT THE HEART OF THE SOLUTION IS THE REPLENISHMENT OF THE LABOUR SUPPLY, WHICH WOULD HAVE A DEFLATIONARY EFFECT BY LESSENING THE WIDE GAP THAT STILL EXISTS BETWEEN SUPPLY AND DEMAND, MR BARROW CALLED ON THE ADMINISTRATION TO ALLOW THE LIMITED IMPORTATION OF UNSKILLED AND SEMI-SKILLED LABOUR.

HE REITERATED THAT WHAT THE PRIVATE SECTOR HAD BEEN PROPOSING WAS A STRICTLY CONTROLLED SCHEME FOR IMPORTED LABOUR. "NO ONE WAS SUGGESTING MASS IMPORTATION TO MATCH EVERY VACANCY," HE ADDED.

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- 5 -

AGREEING WITH THE COMMENTS MADE YESTERDAY BY MANY MEMBERS IN SUPPORT OF MORE PRIVATISATION, MR BARROW SAID THE ADMINISTRATION SHOULD URGENTLY EXPLORE WHICH OTHER AREAS OF EXISTING INFRASTRUCTURE, OR OTHER SECTORS OF THE ECONOMY, COULD BE CONSIDERED FOR PRIVATISATION WHICH WOULD ALL HELP COMBAT INFLATION.

HE POINTED OUT THAT SOME OF THE CURRENT PROBLEMS - INFLATION, HIGH WAGES AND SCARCE LABOUR IN PARTICULAR - WERE CAUSING CONCERNS AMONGST OUR TRADING PARTNERS AND THE MULTINATIONALS BASED HERE OR CONTEMPLATING MOVING HERE.

THEREFORE, VIGOROUS PROMOTION THROUGH THE HONG KONG OVERSEAS GOVERNMENT OFFICES SHOULD BE STEPPED UP, WITH PROFESSIONAL HELP WHERE APPROPRIATE, HE SAID.

ABOVE ALL, HONG KONG MUST COMMIT ITSELF TO A COURSE OF ACTION AIMED AT MAINTAINING THE TERRITORY'S STATUS AS AN OPEN, INTERNATIONAL CITY - OPEN TO OUTSIDE IDEAS, INFLUENCES AND OPPORTUNITIES, AS WELL AS TO EVEN STRONGER GROWTH, HE REMARKED.

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LONG-RANGE STRATEGIC PLAN NEEDED

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THE HON PAUL CHENG, SUGGESTED TODAY (THURSDAY) THAT THE FUTURE BUDGET PROCESS SHOULD BE SHAPED TO PROVIDE A CLEARER PICTURE ON HONG KONG'S FINANCIAL PLANNING IN SUPPORT OF THE TERRITORY'S PRIORITIES FOR BUILDING CONFIDENCE.

HE URGED THE ADMINISTRATION TO CHANGE THE BUDGET PROCESS TO ALLOW LEGISLATORS TO DEVOTE THE VALUABLE TIME THEY SPENT IN SPECIAL BUDGET MEETINGS TO BE SPENT ON AN EXCHANGE OF STRATEGIC VIEWS, RATHER THAN ON THE USUAL LINE-BY-LINE "DICKERING".

SPEAKING DURING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, MR CHENG SAID HONG KONG URGENTLY NEEDED TO DEVELOP A LONGER-RANGE STRATEGIC PLAN.

"THE MEDIUM RANGE FORECAST PRODUCED BY THE COMPUTER IS SIMPLY TOO HYPOTHETICAL. HUMAN JUDGMENT AND ASSESSMENT OF WHAT HONG KONG NEEDS AND WHERE WE WANT TO BE IN FUTURE ARE CRUCIAL TO ONGOING SOCIAL AND ECONOMIC PROSPERITY," HE SAID.

MR CHENG SAID STRATEGIC INPUT WAS ALSO IMPORTANT TO BUILDING CONFIDENCE WITHIN THE BUSINESS COMMUNITY AS A CRUCIAL PART OF THE OVERALL CONFIDENCE-BUILDING POLICY.

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"CURRENTLY, HONG KONG ENJOYS WORLDWIDE BUSINESS CONFIDENCE; BUT IT IS 'SHAKY', AND IT IS BEING ERODED AS EVENTS IN CHINA AND EASTERN EUROPE UNFOLD AND AS OUR ASIAN PACIFIC NEIGHBOURS CONTINUE TO GROW AT THE FASTEST PACE IN THE WORLD.

"THE PROPOSED BUDGET MISSES THE STRATEGIC IMPLICATIONS OF THIS EROSION AND PROVIDES INADEQUATE FUNDING FOR THE ADMINISTRATION TO TAKE A CO-ORDINATED VIEW THAT WILL CIRCUMVENT NEGATIVE IMPACT ON HONG KONG," HE SAID.

ON TAXATION, MR CHENG BELIEVED THIS YEAR'S BUDGET HAD TAKEN A GOOD STEP IN BRINGING ABOUT A RELATIVE SHIFT FROM DIRECT TO INDIRECT TAXATION IN BROADENING THE TAX BASE DESPITE VALID WORRIES OVER INFLATION.

HE SUGGESTED THAT A TAX REVIEW COMMITTEE SHOULD BE FORMED TO GO BEYOND EXAMINING THE TENABILITY OF A WHOLESALERS TAX TO DEVISE FUTURE REVENUE STRATEGY AND GUIDELINES FOR FUTURE TAX POLICIES.

MR CHENG ALSO FOUND IT IMPORTANT TO ALLOCATE FUNDS TO PROMOTE HONG KONG'S IMAGE ABROAD TO REMIND OVERSEAS INVESTORS THAT THE TERRITORY WOULD CONTINUE TO PROSPER AFTER 1997.

LIKEWISE, HE ALSO CALLED FOR ADEQUATE RESOURCES TO COUNTER MOUNTING PRESSURE TO TAKE THE MOST FAVOURED NATION STATUS AWAY FROM CHINA AS IT WOULD SERIOUSLY HURT HONG KONG.

MR CHENG NOTED THAT ANOTHER IMPORTANT AREA OF STRATEGIC BUDGETARY PLANNING WAS IN THE HANDLING OF THE CIVIL SERVICE AND THE RESOURCES NEEDED TO ADMINISTER IT WELL.

HE CONSIDERED TIGHTER CONTROL ON RECURRENT EXPENDITURE BY REDUCING THE BASE FOR FUTURE EXPENDITURE A SKILFUL MANAGEMENT DECISION THAT SHOULD RECEIVE CAREFUL SCRUTINY IN FUTURE BUDGETS.

HE ALSO SUGGESTED THAT THE GOVERNMENT SHOULD RE-EXAMINE THE CIVIL SERVICE PAY STRUCTURE AND LOOK FOR NEW INCENTIVES FOR PRODUCTIVITY, AS WELL AS OTHER RECOMMENDATIONS TO STREAMLINE THE WORK OF THE CIVIL SERVICE.

MR CHENG SAID THE CIVIL SERVICE COULD ALSO PROVIDE THE LEADERSHIP TO HELP FOSTER CONFIDENCE AND TO LEAD HONG KONG IN CONTINUING PROSPERITY.

"LET ME CALL ON THE CIVIL SERVICE TO DEMONSTRATE LEADERSHIP BY EXAMPLE THROUGH SELF-RESTRAINT.

"I CALL UPON THEM TO BREAK THE VICIOUS CYCLE THAT HAD BEGUN ON DEMANDS FOR MAJOR SALARY INCREASES, INFLATIONARY PRESSURE AND INDUSTRIAL ACTION.

"BOTH THE PUBLIC AND PRIVATE SECTORS MUST NOW TEAM UP TO OVERCOME OUR SHORT-TERM PROBLEMS IN ORDER TO ACHIEVE OUR LONG-TERM VISION," HE SAID.

THURSDAY, APRIL 26, 1990

- 7 -

IMPORTED LABOUR CAN HELP CURB INFLATION

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THE ONLY WAY TO CURB INFLATION IN HONG KONG IS TO CURB EXCESSIVE WAGE INCREASE, WHICH CAN BE ACHIEVED THROUGH A WELL-PLANNED LABOUR IMPORTATION PROGRAMME, THE HON JAMES TIEN, SAID IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

SPEAKING IN THE BUDGET DEBATE, MR TIEN SAID THE LABOUR SHORTAGE SCENARIO HAD NOT CHANGED SINCE THE GOVERNMENT'S SCHEME TO IMPORT WORKERS WAS IMPLEMENTED.

THE ALLOTTED QUOTA OF 3,000 IMPORTED WORKERS WAS NOT TAKEN UP AND ONLY 1,600 WERE ACTUALLY WORKING IN HONG KONG, HE SAID.

"A MUCH LARGER NUMBER THAN THIS IS NEEDED. THE GOVERNMENT MUST BE MORE SINCERE AND DEDICATED IN ITS ATTEMPT TO TACKLE THIS VERY SERIOUS PROBLEM," HE ADDED.

MR TIEN SAID THE GOVERNMENT DID NOT REALISE THAT A STINGY LABOUR IMPORT PROGRAMME IN FACT HURT THE SAME WORKERS WHICH IT INTENDED TO PROTECT.

MANUFACTURERS, FRUSTRATED BY THE GOVERNMENT'S INABILITY TO SOLVE THIS PROBLEM, HAD SIMPLY MOVED THEIR FACTORIES OUT OF HONG KONG.

"ONCE A MANUFACTURER'S FIRST MOVE MEETS SUCCESS, THE TREND BECOMES IRREVERSIBLE. THE MANUFACTURER NO LONGER FEELS THE NEED TO PAY TOP DOLLARS TO KEEP HIS WORKERS. HE WILL MERELY CONTINUE TO SHIFT HIS PRODUCTION ELSEWHERE," HE NOTED.

MR TIEN SUGGESTED THAT THE GOVERNMENT LOOK TO SINGAPORE FOR INSPIRATION, AND NOTED THAT IT HAD RECENTLY TAKEN STEPS TO COUNTER ITS UNEMPLOYMENT RATE OF 2.2 PER CENT BY ALLOWING A HEFTY 10 PER CENT IMPORT LABOUR QUOTA PER SECTOR.

IN ORDER TO MAINTAIN OUR COMPETITIVENESS IN INDUSTRY AGAINST THE OTHER LITTLE DRAGONS, HE SAID THE GOVERNMENT SHOULD SERIOUSLY CONSIDER IMPLEMENTING A SIMILAR SCHEME WITH SOME DEGREE OF URGENCY.

MR TIEN WAS IN SUPPORT OF WIDENING THE TAX BASE.

HOLDING THAT INDIRECT TAXATION MUST BE IN EFFECT INCREASED IN FAIR AND DUE PROPORTION, HE SAID THE 30 PER CENT INCREASE IN FUEL TAX AND THE 25 PER CENT INCREASE IN PROPERTY RATES WAS THE FIRST STEP IN THE RIGHT DIRECTION TOWARDS THE WIDENING OF OUR NARROW TAX BASE.

"I HOPE THAT THIS WILL LEAD TO THE GRADUAL INTRODUCTION OF A WHOLESALE SALES TAX," HE ADDED.

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COUNCILLOR CALLS FOR POLICY REVIEW ON
MEDICAL AND HEALTH EXPENDITURES

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LEGISLATIVE COUNCILLOR, DR THE HON LEONG CHI-HUNG, TODAY (THURSDAY) CALLED ON THE GOVERNMENT TO REVAMP THE PRESENT FUNDING MECHANISM IN HEALTH SERVICES AND REVIEW THE MEDICAL ECONOMICS FOR THE HONG KONG COMMUNITY.

SPEAKING IN THE BUDGET DEBATE, DR LEONG POINTED OUT THAT A PROBLEMATIC AREA IN THE ANNUAL BUDGET WAS THE MECHANISM BY WHICH THE RESOURCE ALLOCATION WAS DECIDED OR ESTIMATED, I.E. "BY STALE AND STEREOTYPED PROJECTIONS".

HE SAID THAT THE INCREASE IN MONEY TERMS FOR HEALTH CARE SERVICES IN THIS YEAR'S BUDGET WOULD ONLY BE SUFFICIENT TO KEEP HEADS ABOVE WATER, LEAVING NO EXTRA MONEY FOR ANY MEANINGFUL IMPROVEMENT.

IN THE GROSS DOMESTIC PRODUCT (GDP), THE PERCENTAGE SPENT ON THE PUBLIC MEDICAL SERVICES IN THE PAST 15 YEARS HAD REMAINED FAIRLY STAGNANT - FLUCTUATING AROUND 1.2 PER CENT - WHILE THOSE OF INDUSTRIALISED COUNTRIES HAD, OVER THE PAST DECADE, SOARED BY FOUR TO FIVE FOLD, HE NOTED.

DR LEONG EXPLAINED THAT ALTHOUGH THE PERCENTAGE OF INCREASE WAS PEGGED TO THE GDP AND WAS THUS IN ACCORDANCE WITH THE ANNUAL INFLATION RATE AND THE RISING NEEDS OF SOCIETY, THIS INCREASE WAS FAR FROM ADEQUATE IN THE FIELD OF HEALTH CARE FOR MEDICAL COSTS INCREASED IN AN EXPONENTIAL DIRECTION.

"THE MEAGRE PERCENTAGE LEAP FOLLOWING THE GDP ANNUAL HOP WILL NEVER BE ABLE TO CATCH UP WITH THE COSTS!" HE SAID.

HE POINTED OUT THAT BECAUSE THE PRIVATE AND PUBLIC SECTORS OF HONG KONG'S MEDICAL AND HEALTH SYSTEM WERE FUNDED IN TWO TOTALLY DIFFERENT WAYS, PATIENTS HERE HAD TO CHOOSE BETWEEN TWO EXTREME RATES OF PAYMENT - \$29 A DAY CHARGED BY A PUBLIC HOSPITAL OR AN EXTREMELY HIGH PRICE FOR STAYING IN A PRIVATE HOSPITAL.

DR LEONG SUGGESTED THAT CONSIDERATION BE GIVEN TO INTRODUCING NATIONAL HEALTH CARE PROGRAMMES IN HONG KONG SIMILAR TO THOSE OF SOUTH KOREA, SINGAPORE AND TAIWAN.

HE ASKED IF HONG KONG SHOULD ALSO ENCOURAGE MORE PRIVATE INSURANCE SCHEMES, EXPLORE THE POSSIBILITY OF A COMBINED PRIVATE/PUBLIC INSURANCE POLICY, AND RECONSIDER THE PRACTICABILITY OF A MEDISAVE SCHEME BASED ON THE CONCEPT OF CENTRAL PROVIDENT FUND.

DR LEONG MAINTAINED THAT THE GOVERNMENT SHOULD ADOPT NEW APPROACHES TO FUND HONG KONG'S HEALTH CARE SERVICES PROVIDED THEY DID NOT GO AGAINST THE LOW TAX SYSTEM.

THE SETTING UP OF THE HOSPITAL AUTHORITY (H.A.) WAS, AT BEST, ONLY PART OF THE ANSWER TO SIGNIFICANTLY IMPROVING SERVICES, HE SAID.

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BUT THE HALF-HEARTED ATTITUDE OF THE GOVERNMENT TO THE PROVISIONAL HOSPITAL AUTHORITY (PHA) REPORT GAVE HONG KONG PEOPLE NO REASON FOR OPTIMISM ABOUT THE SUCCESS OF THE FUTURE H.A., HE ADDED.

HE POINTED OUT THAT EVEN IF THE H.A. WAS FORMED, IT WAS BUT A MANAGERIAL MACHINERY, AND A "COMPATIBLE POLICY BRANCH" WITH EXTRA MANPOWER WAS NEEDED TO UNDERTAKE LONG-TERM PLANNING WORK. MEDICAL PROFESSIONAL INPUT IN HIGH-LEVEL DECISION-MAKING WAS ALSO NECESSARY TO ASCERTAIN A MORE EFFECTIVE AND PRACTICAL MACHINERY.

"THERE IS AN UNDISPUTABLE NEED FOR AN INDEPENDENT SECRETARIAT TO DO RESEARCHES AND PAPERS. THIS WOULD ENSURE THAT THE ADVISORY BOARDS WOULD GET THE MAXIMUM BACK-UP IN THEIR WORK, TO MAKE SURE THAT THEIR ROLE AS "THINK TANKS", WITH RECRUITMENT OF LOCAL TALENTS TO EXAMINE THE POLICY AND ITS IMPLEMENTATION, BECOMES REALISTIC," HE ADDED.

DR LEONG CRITICISED THE GOVERNMENT FOR TURNING A DEAF EAR TO HIS SUGGESTION THAT MEDICAL AND DENTAL CARE EXPENSES INCURRED BY CIVIL SERVANTS SHOULD BE EXCLUDED FROM THE TOTAL PUBLIC EXPENDITURE ON MEDICAL AND HEALTH BUDGET.

SUCH EXPENDITURES SHOULD BE RECOVERED FROM OTHER RESPECTIVE GOVERNMENT DEPARTMENTS UNDER STAFF COSTS, AND THE MONEY SO RECOVERED BE PROPERLY SPENT ON THE PROVISION OF SERVICES TO THE GENERAL PUBLIC FOR WHICH THE BUDGET WAS SO ALLOTTED, HE SAID.

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HK MUST STRIVE TO KEEP ITS INTERNATIONAL STATUS

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THE PRIORITY FOR HONG KONG MUST BE TO STRENGTHEN, OR AT LEAST MAINTAIN, ITSELF AS AN INTERNATIONAL TRADING AND FINANCIAL CENTRE, THE HON MRS RITA FAN, SAID IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

SPEAKING IN THE BUDGET DEBATE, MRS FAN SAID THAT THE TERRITORY'S COMPETITIVE EDGE WAS BEING GRADUALLY ERODED BY HIGH RENTAL, SPIRALLING WAGES, BRAIN DRAIN AND HIGH STAFF TURNOVER.

SHE CALLED ON THE ADMINISTRATION TO MONITOR THE TREND OF INCREASED PUBLIC SPENDING VERY CLOSELY, AND BE FULLY AWARE OF ANY COMPETITIVE MEASURES TAKEN BY NEIGHBOURING COUNTRIES TO ATTRACT INVESTMENT, SO THAT HONG KONG WOULD NOT LOSE OUT DUE TO INTERNAL OVER-HEATING AND INFLATION.

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THURSDAY, APRIL 26, 1990

- 10 -

NOTING THAT SOME PEOPLE OVERSEAS HAD RATHER NEGATIVE AND LOP-SIDED PERCEPTION OF HONG KONG FOLLOWING THE TIANANMEN SQUARE INCIDENT IN CHINA, MRS FAN SAID THAT THE ADMINISTRATION AND QUASI-GOVERNMENTAL ORGANISATIONS WITH OVERSEAS OFFICES SHOULD MAKE A CONCERTED EFFORT IN PROMOTING THE IMAGE OF HONG KONG.

"I SUGGEST THAT THE ADMINISTRATION SHOULD CONSIDER SERIOUSLY THE POSSIBILITY OF A SUBTLE CAMPAIGN AIMED AT GETTING THE MESSAGE 'HONG KONG IS THE PLACE TO BE IN IN ASIA' ACROSS TO AN INTERNATIONAL AUDIENCE," SHE SAID.

TURNING TO THE GROWTH IN CIVIL SERVICE, MRS FAN SAID THAT WHILE THE CREATION OF NEW POSTS WAS UNAVOIDABLE, IT WAS NECESSARY TO EXAMINE WHICH OF THE EXISTING SERVICES WAS NO LONGER APPROPRIATE TO OUR PRESENT REQUIREMENTS.

SHE SAID THAT HEADS OF DEPARTMENTS SHOULD BE ENCOURAGED TO CUT DOWN ON UNNECESSARY SERVICES AND WORK. IN RETURN, SOME INCENTIVE SHOULD BE AWARDED FOR BETTER USE OF RESOURCES, FOR EXAMPLE, BY ALLOWING THE DEPARTMENT'S REQUESTS FOR ADDITIONAL FUNDS TO HAVE A HIGHER PRIORITY RATING.

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COMMITTEES ON PAY INCREASES SHOULD BE MERGED

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THE HON CHENG HON-KWAN, TODAY (THURSDAY) CALLED FOR THE MERGER OF THE TWO COMMITTEES RESPONSIBLE FOR RECOMMENDING CIVIL SERVANTS' PAY INCREASE.

HE SAID THE MERGER OF THE STANDING COMMITTEE ON DIRECTORATE SALARIES AND CONDITIONS OF SERVICE AND THE STANDING COMMISSION ON CIVIL SERVICE SALARIES AND CONDITIONS OF SERVICE, WOULD ENSURE A UNIFIED ADJUSTMENT AND IN TURN, HELP PROJECT AN IMAGE OF FAIRNESS AND IMPARTIALITY.

SPEAKING IN THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, MR CHENG SAID THE MERGER WOULD ALSO HELP CLEAR UP MISCONCEPTIONS BY THE LOWER GRADE CIVIL SERVANTS THAT THEY HAD RECEIVED UNFAIR TREATMENT IN TERMS OF PAY RISE, WHICH WOULD HELP BOOST CIVIL SERVICE MORALE.

"WHAT HONG KONG NEEDS MOST TO BOOST STABILITY AT THIS POINT IN TIME IS PERHAPS UNITY AND I URGE THE GOVERNMENT TO TAKE THE LEAD TO INTRODUCE MEASURES WHEN AWARDED PAY RISE WHICH WILL BRING ABOUT A UNIFIED CIVIL SERVICE," HE SAID.

ON EDUCATION, MR CHENG SAID WHILE IT WAS PLEASING TO NOTE THE GOVERNMENT'S PLAN TO EXPAND IN THE AREA OF TERTIARY EDUCATION IN THE YEARS AHEAD, MUCH COULD BE ACHIEVED AT THE PRESENT STAGE BY EXPANDING THE EXISTING RESOURCES OF THE TERTIARY INSTITUTIONS.

/"THE GOVERNMENT

THURSDAY, APRIL 26, 1990

- 11 -

"THE GOVERNMENT NEEDS TO ADOPT A FLEXIBLE ATTITUDE IN THE ALLOCATION OF DEGREE COURSES AND SUB-DEGREE COURSES. IF ANY OF THE TERTIARY INSTITUTIONS HAVE THE ABILITY AND FACILITIES TO ACCOMMODATE MORE STUDENTS AND TO PROVIDE DEGREE COURSES COST-EFFECTIVELY, SUCH ALLOCATION SHOULD BE GRANTED AS REQUESTED," HE SAID.

HE FOUND THE PROPOSAL THAT THE VOCATIONAL TRAINING COUNCIL SHOULD TAKE OVER A MAJOR PORTION OF THE WORK AT HIGHER DIPLOMA LEVEL "ATTRACTIVE" AND "COST EFFECTIVE".

HE ALSO SUGGESTED THAT THE GOVERNMENT ATTACH MORE WEIGHT TO PRE-PRIMARY EDUCATION.

"IT IS DESIRABLE FOR THE GOVERNMENT TO SUBSIDISE KINDERGARTENS IN ORDER TO ATTRACT TEACHERS WITH HIGHER QUALIFICATIONS TO TEACH OUR YOUNG CHILDREN.

MR CHENG EXPRESSED CONCERN OVER INFLATION AND "HEFTY" INCREASES IN TAXATION ON CONSUMER ITEMS SUCH AS CARS, PETROL, AS WELL AS RATES ON PROPERTY, WHICH "WILL DO NOTHING TO LOWER INFLATION".

HE ASKED THE GOVERNMENT TO BE CAUTIOUS IN INCREASING INDIRECT TAXATION IN ORDER NOT TO IMPOSE EXTRA PRESSURE ON THE PUBLIC.

NOTING THAT IT WAS GRATIFYING TO SEE THAT THE FINANCIAL SECRETARY HAD NOT TAKEN FURTHER THE IDEA OF INTRODUCING WHOLESALE TAX, HE SAID HE STRONGLY BELIEVED THAT THE IMPOSITION OF SUCH A TAX WOULD INEVITABLY LEAD TO HIGHER INFLATION AND WOULD HIT PEOPLE'S LIVELIHOOD.

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SCRUTINY OF BUDGET SERVES NO PURPOSE

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THE SCRUTINY OF THE BUDGET IS MEANINGFUL ONLY IF THE BUDGETARY PROVISIONS CAN BE ADJUSTED AS SEEN FIT BY THE LEGISLATIVE COUNCIL, THE HON DAVID CHEUNG SAID TODAY (THURSDAY).

SPEAKING IN THE BUDGET DEBATE, HE SAID: "UNDER THE PRESENT ARRANGEMENT, THE NOISES WE MAKE, HOWEVER LOUD, HAVE NO EFFECT; EVEN IF THEY DO, CHANGES WILL NOT TAKE ANY EFFECT UNTIL 12 MONTHS AFTERWARDS."

MR CHEUNG SUGGESTED THAT BEFORE THE CONTROLLING OFFICERS MADE THEIR FINAL SUBMISSIONS TO THE FINANCIAL SECRETARY, THEIR PRELIMINARY BUDGETS SHOULD BE SUBJECTED TO SCRUTINY BY LEGISLATORS SO THAT AT LEAST SOME READJUSTMENTS AND REALLOCATION OF RESOURCES COULD BE RECOMMENDED.

"THEN AND ONLY THEN WILL THE SCRUTINY OF THE BUDGET BE USEFUL," HE SAID.

/QUESTIONING THE

QUESTIONING THE USEFULNESS OF THE SPECIAL FINANCE COMMITTEE MEETINGS, HE SAID IN CRUDE TERMS, IT WAS THE FINANCIAL SECRETARY WHO REALLY CONTROLLED THE PURSE STRINGS AND WHEN HE HAD MADE UP HIS MIND, THAT WAS THE END OF THE STORY.

ON TAXATION, MR CHEUNG STRESSED THAT HE FOUND THE 30 PER CENT INCREASE IN THE DUTY RATE ON PETROL AND DIESEL OIL UNACCEPTABLE, AS IT WAS BOUND TO AFFECT THE COST OF TRANSPORTATION FOR ALL SECTORS OF THE COMMUNITY.

TO MR CHEUNG, THE INCREASE IN RATES ON PROPERTY WAS EQUALLY UNACCEPTABLE, AS IT WAS A FURTHER SQUEEZE ON THE ORDINARY PEOPLE WHO WORKED HARD PAINSTAKINGLY TO OWN THEIR OWN SMALL FLATS.

TURNING TO EDUCATION, MR CHEUNG SAID THAT THE PROPOSED PROVISION OF \$10 MILLION SUBSIDY TO KINDERGARTENS WAS FAR FROM ADEQUATE.

"IF IT IS, NOT GOVERNMENT'S INTENTION TO PROVIDE FULL SUBSIDY TO KINDERGARTENS, THE ANTICIPATED SUBSTANTIAL INCREASE IN FEES BY KINDERGARTENS MUST BE MET BY CORRESPONDING INCREASES IN THE AIDS TO NEEDY FAMILIES," HE SAID.

MR CHEUNG ALSO CRITICISED GOVERNMENT BUREAUCRACY IN THE PROVISION OF PHOTOCOPIERS AND COMPUTERS FOR LOCAL SCHOOLS.

ON THE REVIVAL OF UNISESSIONAL PRIMARY SCHOOLS, HE SAID HE WAS UTTERLY DISMAYED TO SEE THAT THERE WOULD BE NO FINANCIAL PROVISION TOWARDS THIS AIM UNTIL 1992-93.

LASTLY, ON THE CIVIL SERVICE, MR CHEUNG CAUTIONED AGAINST ANOTHER PROPOSAL TO INCREASE THE SALARIES OF SENIOR CIVIL SERVANTS IN THE COURSE OF THE YEAR, AND URGED THAT CIVIL SERVANTS TAKE MORE PRIDE IN THEIR SERVICE AND PLACE LESS EMPHASIS ON MONETARY REMUNERATIONS.

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ALLOCATION FOR EDUCATION INSUFFICIENT

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THE HON MIRIAM LAU, TODAY (THURSDAY) CRITICISED THE BUDGET FOR FAILING TO MEET THE SET POLICY OF ALLOCATING MORE RESOURCES FOR BETTER EDUCATION.

SPEAKING DURING THE BUDGET DEBATE IN THE LEGISLATIVE COUNCIL, MRS LAU POINTED OUT THAT THIS YEAR'S BUDGET ALLOCATION FOR EDUCATION WAS 13.8 PER CENT OF THE TOTAL RECURRENT EXPENDITURE, COMPARED WITH 15.1 PER CENT LAST YEAR.

/THE AMOUNT

THE AMOUNT ALLOCATED WAS AN INCREASE OF ONLY \$371 MILLION OR 4.3 PER CENT OVER THE REVISED ESTIMATE FOR LAST YEAR, SHE SAID.

SHE ALSO CRITICISED THAT THE RATE OF ADOPTING WHOLE-DAY SCHOOL FOR ALL PRIMARY CLASSES WAS TOO SLOW, WITH THE ADDITION OF ONE SCHOOL IN 1989 WHEN EXPENDITURE ON PRIMARY EDUCATION HAD INCREASED BY 15 PER CENT OVER THE PREVIOUS YEAR.

SHE NOTED THAT THE TARGET FOR THIS YEAR WAS TO INCREASE THE NUMBER OF WHOLE-DAY PRIMARY SCHOOLS FROM LAST YEAR'S 120 TO 179 BUT THE ALLOCATION FOR PRIMARY EDUCATION FOR THIS YEAR WOULD BE INCREASED BY ONLY THREE PER CENT.

"IF WE HAVE ONLY BEEN ABLE TO ACHIEVE AN ADDITION OF ONE WHOLE-DAY SCHOOL LAST YEAR DESPITE A GOOD 15 PER CENT INCREASE IN EXPENDITURE, I AM INDEED SKEPTICAL THAT WITH A MERE THREE PER CENT INCREASE IN EXPENDITURE THIS YEAR, THE TARGET OF 179 WHOLE-DAY SCHOOLS CAN BE MET," SHE SAID.

MRS LAU SUPPORTED THE POLICY OBJECTIVE TO IMPROVE AND EXPAND TERTIARY EDUCATION IN THE NEXT FEW YEARS BUT URGED THAT FULFILMENT OF IT SHOULD NOT BE AT THE EXPENSE OF OTHER AREAS OF EDUCATION.

SHE ALSO URGED THE GOVERNMENT TO STEP UP ITS ASSISTANCE TO PRE-PRIMARY EDUCATION BECAUSE THE FACT THAT 87 PER CENT OF CHILDREN IN THE RELEVANT AGE GROUP OF 3-5 YEARS WERE PLACED IN KINDERGARTENS CLEARLY SHOWED THAT PARENTS DID NOT CONSIDER PRE-PRIMARY EDUCATION AS SIMPLY DESIRABLE, BUT AS REALLY ESSENTIAL.

MRS LAU AGREED WITH THE FINANCIAL SECRETARY THAT THERE WAS A NEED TO BROADEN THE TAX BASE TO MAKE HONG KONG LESS VULNERABLE TO ECONOMIC FLUCTUATION.

BUT SHE WOULD PREFER THE FINANCIAL SECRETARY TO COME FORWARD WITH A SOLID AND COMPREHENSIVE INDIRECT TAX PROPOSAL RATHER THAN THE PRESENT PIECEMEAL RESOURCE DIGGING EFFORT.

"I BELIEVE THAT THE PRINCIPLE OF GOOD TAXATION MUST BE THAT IT SHOULD BE JUST AND EQUITABLE, AND THAT IT MUST NOT UPSET THE BASIC LIVELIHOOD OF THE PEOPLE. UNFORTUNATELY THE FINANCIAL SECRETARY DOES NOT SEEM TO GIVE SUFFICIENT REGARD TO THIS PRINCIPLE," SHE SAID.

SUGGESTING THAT THE INCREASE ON RATES WOULD BE INFLATORY, MRS LAU SAID THE FINANCIAL SECRETARY COULD CONSIDER REDUCING THE PERCENTAGE CHARGES OF RATES WHEN THE RATEABLE VALUES WERE REVISED SO THAT NO ONE WOULD BE REQUIRED TO PAY MORE THAN THE PRESENT CHARGES.

OTHER OPTIONS COULD INCLUDE THE GRANTING OF RELIEF TO SMALL TENEMENTS OR POSTPONE THE REVISION OF RATEABLE VALUES FOR ONE OR TWO YEARS, SHE ADDED.

MRS LAU ALSO URGED THE GOVERNMENT TO REVIEW STAFF ESTABLISHMENTS AND TO CONTROL THE SIZE OF THE CIVIL SERVICE TO CURB THE GROWTH IN PUBLIC SECTOR EXPENDITURE.

SHE SUGGESTED THAT THE RECENT DEMANDS ON PAY RISE FROM CIVIL SERVANTS UNIONS COULD HAVE STEMMED FROM A LACK OF CONFIDENCE IN THE TERRITORY, AND MEASURES WERE NEEDED TO STOP THE TREND IN THE INTEREST OF HONG KONG AS A WHOLE.

"I RECOGNISE THE IMPORTANCE OF MAINTAINING A DEDICATED AND EFFICIENT CIVIL SERVICE, PARTICULARLY DURING THESE SENSITIVE YEARS OF TRANSITION. AND I ALSO BELIEVE IN RENUMERATING THE CIVIL SERVICE FAIRLY AND ADEQUATELY.

"BUT I DO NOT BELIEVE IN HAVING TO BUY DEDICATION WITH MONEY AND CIVIL SERVANTS ARE SUPPOSED TO BE EFFICIENT ANYWAY OTHERWISE THEY WOULD NOT HAVE BEEN ENGAGED IN THE FIRST INSTANCE," SHE SAID.

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TAX INCENTIVES FOR MEDICAL INSURANCE A MUST
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LEGISLATIVE COUNCILLOR, DR THE HON HENRIETTA IP, TODAY (THURSDAY) PRESSED THE GOVERNMENT FOR AN EARLY DECISION TO INTRODUCE TAX INCENTIVES TO ENCOURAGE MEDICAL INSURANCE.

SPEAKING IN THE LEGISLATIVE COUNCIL DURING THE BUDGET DEBATE, DR IP SAID: "IF GOVERNMENT OFFERS TAX EXEMPTION FOR THE PURCHASE OF HOSPITAL INSURANCE UP TO A CERTAIN LIMIT, SAY OF \$1,000 PER ANNUM PER PERSON, MANY MORE WHO TAKE UP SUCH AN OPTION CAN PAY THROUGH THEIR INSURANCE COMPANY."

SHE FAILED TO SEE ANY TECHNICAL DIFFICULTIES IN THIS MEASURE SINCE GOVERNMENT ALREADY ALLOWED TAX EXEMPTION OF UP TO A MAXIMUM OF 10 PER CENT OF ONE'S ANNUAL INCOME TO ANYONE WHO DONATED TO A RECOGNISED CHARITY.

ON THE OTHER HAND, SHE NOTED, THERE WERE DEFINITE ADVANTAGES.

SHE SAID: "IN RETURN FOR THE SMALL AMOUNT GOVERNMENT LOSES IN TAX, IT GAINS FAR MORE IN HOSPITAL REVENUE. IT WILL ALSO CREATE A SPIRALLING EFFECT TO ENCOURAGE PRIVATE MEDICAL INSURANCE."

"IN ESSENCE, FOR EVERY ONE PERSON HOUSED IN A PRIVATE HOSPITAL, THERE WILL BE ONE LESS IN A PUBLIC ONE," SHE ADDED.

COMMENTING ON THE INTENTION OF THE FUTURE HOSPITAL AUTHORITY TO CHARGE AROUND 20 PER CENT OF THE COST OF MEDICAL CARE FOR THIRD CLASS HOSPITAL ADMISSIONS, DR IP SAID: "IN ORDER TO ALLOW THIS POLICY TO WORK IN RAISING SOME FUNDS TO BE PLOUGHED BACK TO IMPROVE MEDICAL SERVICES FURTHER, WE MUST ENSURE THAT MORE CAN AFFORD TO PAY FOR THEIR OWN HOSPITAL STAY."

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BUDGET PROPOSALS FUEL INFLATION

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THE 15 PER CENT RISE IN CIVIL SERVANTS' SALARY, A SUBSTANTIAL INCREASE IN TAX ON HYDRO-CARBON OIL AND THE EXCESSIVE LEVY ON RATES WILL ALL FUEL INFLATION, THE HON TAI CHIN-WAH, SAID IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

SPEAKING IN THE BUDGET DEBATE, MR TAI ASKED WHETHER THERE WERE OTHER ALTERNATIVES TO RAISING REVENUE FROM OTHER SOURCES WHICH WOULD HAVE LESS EFFECT ON INFLATION.

HE CITED A HIGHER AIRPORT DEPARTURE TAX AS AN EXAMPLE, NOTING THAT THE GOVERNMENT HAD SPENT A TREMENDOUS AMOUNT IN IMPROVING THE FACILITIES PROVIDED IN THE EXISTING AIRPORT AND IN PLANS TO BUILD A BETTER ONE.

ON THE AIRPORT AND PORT PROGRAMMES, MR TAI ANTICIPATED A NEED FOR A LARGE AMOUNT OF INFRASTRUCTURAL SUPPORT WHICH COULD BE SERIOUSLY HANDICAPPED BY A LACK OF MANPOWER AND AGGRAVATED BY ECONOMIC UNCERTAINTIES IN THE YEARS AHEAD.

HE SAID HE WAS NOT CONVINCED THAT THE PORTS AND AIRFIELD HAD TO BE BUILT BY 1997.

ON HEALTH AND HOSPITAL SERVICES, MR TAI NOTED THAT DESPITE REPEATED REQUESTS FROM MEMBERS TO IMPROVE THE STANDARD, VERY LITTLE PROGRESS HAD BEEN MADE.

HE SAID WHILE HE DID NOT AGREE TO THE PRESENT POLICY OF A NON-CONTRIBUTORY SYSTEM FOR THOSE USING THE SERVICE, HE FELT THAT THE GOVERNMENT'S PROPOSAL TO ASK THE HOSPITAL AUTHORITY TO RECOVER 20 PER CENT OF THE MEDICAL COSTS THEY INCURRED WOULD BE TOO DRASTIC.

"IF WE ARE GOING TO MAKE OUR CLASS B BEDS A SUCCESS, WE SHOULD AGAIN THINK OF MEDICAL INSURANCE, AND GOVERNMENT SHOULD TAKE A LEAD TO SUPPORT IT," HE SAID.

MR TAI ALSO SAID THAT DENTAL CARE SERVICES TO THE PUBLIC SHOULD BE IMPROVED AND EXTENDED GRADUALLY.

HE CALLED ON THE GOVERNMENT TO RECONSIDER AND DELAY THE PROPOSED CLOSURE OF THE LANTAU HOSPITAL, UNTIL LANTAU ISLAND WAS DEVELOPED WITH THE OPENING OF THE NEW AIRPORT.

TURNING TO TRANSPORTATION, MR TAI SAID THAT WITH MASSIVE DEVELOPMENT IN RECENT YEARS, THE GOVERNMENT SHOULD RE-EXAMINE THE EFFECTIVENESS OF THE PROFIT CONTROL SCHEMES UNDER WHICH MAJOR TRANSPORTATION COMPANIES OPERATED, AND TACKLE THE INHERENT DRAWBACKS ASSOCIATED WITH THE SCHEME.

MR TAI ALSO CALLED ON THE GOVERNMENT TO DEVELOP MORE USABLE AND FALLOW LAND FOR AGRICULTURAL AND FISHERY PRODUCTION, AND TO INVEST IN THE BASIC INFRASTRUCTURE IN THE NEW TERRITORIES.

EMPLOYERS URGED TO PREVENT WAGE-LED INFLATION
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BOTH THE PUBLIC AND THE PRIVATE SECTORS HAVE A DUTY TO PREVENT THE SPIRAL OF WAGE-LED INFLATION, THE HON ROSANNA TAM, SAID IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

"I HOPE EMPLOYERS WILL RESIST THE TEMPTATION TO ATTRACT AND RETAIN THEIR LABOUR FORCE SIMPLY BY GIVING MORE AND BIGGER SALARY INCREASES, WHICH ARE IN ANY CASE, OF LITTLE BENEFIT IF THEY SIMPLY INCREASE THE INFLATION SPIRAL.

"IN THE LONG RUN WHAT WILL COUNT JUST AS MUCH AS WAGE INCREASES WILL BE IMPROVEMENTS IN THE WHOLE RANGE OF EMPLOYMENT CONDITIONS, SUCH AS TRAINING AND PROMOTION PROSPECTS, PROVIDENT AND PENSION SCHEMES," SHE SAID.

SPEAKING IN THE BUDGET DEBATE, MRS TAM SAID THE GOVERNMENT SHOULD INVEST IN THE SORT OF LONG TERM SOCIAL FRAMEWORK WITHIN WHICH THE POPULATION COULD FIND SECURITY AND SATISFACTION.

"THE GOVERNMENT MUST CREATE THE CLIMATE, BY LEGISLATION IF NECESSARY, IN WHICH PRIVATE EMPLOYERS, ENJOYING AS THEY DO THE BENEFIT OF RELATIVELY LOW TAXATION, PROVIDE IN GREATER MEASURE FOR THE WELFARE OF THEIR STAFF."

ON SOCIAL WELFARE, MRS TAM NOTED THAT THE ALLOCATION FOR SOCIAL SERVICES ACCOUNTED FOR 15.5 PER CENT OF TOTAL EXPENDITURE BUT WHEN HEALTH SERVICES EXPENDITURE WAS TAKEN AWAY FROM THE PURSE, SOCIAL WELFARE ALONE TOOK UP ONLY 6.1 PER CENT OF THE TOTAL.

ALTHOUGH SHE WOULD WISH THE ALLOCATION WERE MORE, SHE SAID THE MOST URGENT TASK NOW WAS TO ENSURE THAT THE MONEY THAT COULD BE SPENT ON SOCIAL WELFARE WAS WELL SPENT.

IN WELCOMING THE WHITE PAPER ON SOCIAL WELFARE, MRS TAM SAID IT WAS TIME TO FOCUS ATTENTION ON THE FUTURE DEVELOPMENT OF WELFARE PROVISIONS IN HONG KONG AND TO REASSESS THE REAL NEEDS FOR THE 1990S, AS OPPOSED TO A FOSSILISED PERCEPTION OF THOSE NEEDS, SO AS TO ENSURE THAT SERVICES WERE COST-EFFECTIVE.

"IT IS ALWAYS POSSIBLE TO SPEND MORE ON SOCIAL SERVICES: AS SOCIETY DEVELOPS, STANDARDS RISE AND EXPECTATIONS INCREASE. BUT A RATIONALISATION OF EXPENDITURE NEED NOT NECESSARILY LEAD TO VAST INCREASES IN EXPENDITURE," SHE SAID.

NOTING THE PLIGHT OF SINGLE-PARENT FAMILIES, MRS TAM SUGGESTED THAT PAYMENT OF A SUPPLEMENTARY ALLOWANCE FOR ALL CHILDREN OF FAMILIES IN RECEIPT OF PUBLIC ASSISTANCE SHOULD BE PROVIDED.

"THIS CHILDREN'S ALLOWANCE WILL BENEFIT THE POOREST OF OUR CHILDREN AND PROVIDE A PARTICULARLY WELCOME SAFETY NET FOR THE CHILDREN OF ONE-PARENT FAMILIES."

ON TAXATION, MRS TAM SAID SHE WELCOMED THE FACT THAT HONG KONG HAD MADE A MOVE TOWARDS BROADENING THE TAX BASE AND THAT TAX RELIEFS IN THIS BUDGET WERE DESIGNED TO HELP THE LEAST WELL-OFF AND THE MIDDLE-INCOME GROUP.

"I HOPE THE TREND IN THIS DIRECTION WILL CONTINUE. HOWEVER, I BELIEVE THAT THE PARTICULAR INDIRECT TAXES THAT HAVE BEEN INTRODUCED OR INCREASED THIS TIME, ESPECIALLY ON FUEL OILS, MAY WELL ERODE THE BENEFIT THAT THE 'SANDWICH CLASS' GAIN FROM LOWER SALARIES TAX.

"AND THESE INDIRECT TAXES WILL WORK THROUGH THE WHOLE ECONOMY AND PUT SOME BURDEN EVEN ON THE POOREST MEMBERS OF SOCIETY WHO PAY NO PERSONAL TAX AT ALL.

"SO AS NOT TO PENALISE THE POOR AND THE SANDWICH CLASS, I URGE THE FINANCIAL SECRETARY -- AS I HAVE DONE ON PREVIOUS OCCASIONS -- TO ENSURE THAT ANY INDIRECT TAXES HE PROPOSES TO LEVY IN THE FUTURE SHALL FALL MOST HEAVILY ON LUXURY GOODS AND THUS ON THOSE BEST ABLE TO AFFORD THEM," SHE SAID.

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BUDGET OFFERS LITTLE HELP IN CURBING INFLATION

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THE BUDGET OFFERS LITTLE BY WAY OF TANGIBLE SOLUTIONS TO OUR HIGH RATE OF INFLATION AND LONG TERM FINANCIAL PLANNING, THE HON PETER WONG, SAID IN THE LEGISLATIVE COUNCIL TODAY (THURSDAY).

SPEAKING IN THE BUDGET DEBATE, MR WONG EMPHASISED THAT ONLY BY PLANNING AHEAD WOULD WE BE ABLE TO DEMONSTRATE OUR FUTURE PROSPERITY ON WHICH PEOPLE'S CONFIDENCE WAS BASED.

HE SAID THE LACK OF EFFECTIVE FINANCIAL PLANNING WAS REFLECTED IN PUBLIC EXPENDITURE GROWTH, THE UNRESOLVED QUESTION OF CIVIL SERVICE PENSIONS AND THE FINANCING OF PUBLIC SERVICES.

NOTING THAT ARTICLE 107 OF THE BASIC LAW STATED THAT THE BUDGET OF THE HONG KONG SAR SHOULD BE KEPT COMMENSURATE WITH THE GROWTH RATE OF ITS GROSS DOMESTIC PRODUCT, MR WONG POINTED OUT THAT NEITHER THE BUDGET FOR THE CURRENT FINANCIAL YEAR NOR THE MEDIUM TERM FORECAST UP TO 1994 FOLLOWED THIS PRINCIPLE.

HE SAID EDUCATION, HEALTH, ENVIRONMENTAL PROTECTION AND INFRASTRUCTURE ARE ALL VITAL SERVICES THAT NEED SUBSTANTIAL INCREASES IN THE ALLOCATED AMOUNT OF RESOURCES, BUT IT IS NOT ACCEPTABLE FOR THE GOVERNMENT TO USE AN INCREASING SLICE OF HONG KONG'S INCOME TO GRANT CIVIL SERVICE WAGE INCREASES OVER AND ABOVE NATURAL INCREMENTS.

HE REMARKED THAT BY ACCEPTING THE CIVIL SERVICE'S WAGE DEMANDS, THE GOVERNMENT IS MERELY FUELLING FURTHER A DAMAGING INFLATIONARY WAGE SPIRAL. THESE WAGE INCREASES ARE HARDLY ACCEPTABLE ESPECIALLY WHEN THEY ARE FAR ABOVE THE RATE OF INFLATION AND ARE NOT WARRANTED ON THE GROUNDS OF INCREASED PRODUCTIVITY.

"IT IS NOW ALSO TIME THAT GOVERNMENT DO SOMETHING ABOUT THE CIVIL SERVICE SALARY STRUCTURE IN ORDER TO MINIMISE THE SEE-SAW EFFECT OF PAY TRENDS BETWEEN THE PUBLIC AND PRIVATE SECTORS," HE ADDED.

MR WONG WAS CONCERNED ABOUT THE "EXCEEDINGLY GENEROUS" FRINGE BENEFITS WHICH WERE NOT CLEARLY VISIBLE IN THE BUDGET AS REMUNERATION.

HE POINTED OUT THAT UNDER THE PRESENT CASH ACCOUNTING CONVENTION ADOPTED BY THE GOVERNMENT, DEFERRED PENSION BENEFITS HIDE THE TRUE COST OF THE PENSION SCHEME UNTIL A LATER DATE.

MR WONG SAID IT WAS ESTIMATED THAT THE PENSION PAYMENTS COULD ADD SOMETHING LIKE ONE THIRD TO THE STRAIGHT SALARY BILL, AND ADVOCATED THAT THE GOVERNMENT ADOPT A PLAN TO FUND THE CIVIL SERVICE PENSIONS OVER, SAY 10 YEARS, AND PRACTISE WHAT IT WAS ATTEMPTING TO PREACH TO THE PRIVATE SECTOR.

ON INFRASTRUCTURE DEVELOPMENT, MR WONG BELIEVED THAT THE PRIVATE SECTOR COULD CARRY OUT THE PROJECTS AT A MORE COST EFFECTIVE MANNER THAN THE PUBLIC SECTOR.

HOWEVER, HE NOTED THAT FOREIGN INVESTMENTS AND INTERNATIONAL FINANCING FOR THE PROJECTS DEPENDED TO A LARGE EXTENT ON THE POLITICAL CLIMATE WHICH WAS LARGELY BEYOND OUR CONTROL.

"ALL THIS GOVERNMENT CAN DO IS TO WORK HARD TO INCREASE HONG KONG'S ATTRACTION TO FOREIGN INVESTORS WHO WILL BE LURED TO TAKE PART IN THE CONSTRUCTION OF THE FUTURE HONG KONG," HE SAID.

ON THE SHORTAGE OF ACCOUNTANTS, MR WONG URGED THAT HIGHER PRIORITY BE GIVEN BY OUR TERTIARY AND VOCATIONAL TRAINING INSTITUTES TO THE ALLOCATION OF RESOURCES FOR ACCOUNTANCY TRAINING AS A MATTER OF URGENCY.

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44 MEMBERS SPEAK IN BUDGET DEBATE

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A TOTAL OF 44 MEMBERS HAVE SPOKEN ON THE APPROPRIATION BILL 1990 IN THE LEGISLATIVE COUNCIL IN THE PAST TWO DAYS.

THE DEBATE ON THE BILL WAS FURTHER ADJOURNED TODAY (THURSDAY) TO MAY 9 WHEN REPLIES ARE SCHEDULED TO BE GIVEN ON VARIOUS POINTS RAISED.

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THURSDAY, APRIL 26, 1990

- 19 -

DISTRICT BOARDS BRIEFED ON PHA REPORT

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NEW WAIVER ARRANGEMENTS AND IMPROVEMENTS IN HOSPITAL SERVICES SHOULD BE IN PLACE BEFORE ANY REAL INCREASE IN FEES IS CONTEMPLATED, THE DEPUTY SECRETARY FOR HEALTH AND WELFARE, MR NIGEL SHIPMAN, SAID TODAY (THURSDAY).

BRIEFING MEMBERS OF THE DISTRICT BOARDS ON THE REPORT BY THE PROVISIONAL HOSPITAL AUTHORITY (PHA) AT A MEETING AT THE CITY HALL, MR SHIPMAN SAID THE GOVERNMENT FELT IT SHOULD MODIFY THE PHA'S RECOMMENDATION FOR HIGHER FEES.

IN THE GOVERNMENT'S VIEW, THE FIRST NEED IS TO HAVE A BROAD STRATEGIC PLAN FOR FEE AND WAIVER ARRANGEMENTS, TO ENSURE THAT ALL THOSE WHO WOULD FIND DIFFICULTY IN PAYING A HIGHER LEVEL OF FEES ARE ADEQUATELY PROTECTED, HE SAID.

"ANY FEE INCREASES WOULD BE IMPLEMENTED GRADUALLY BY PHASES, AND WOULD NOT TAKE PLACE UNTIL SIGNIFICANT IMPROVEMENTS IN SERVICES HAVE BEEN MADE," HE SAID.

HE NOTED HOWEVER THAT THE PHA HAD GOOD REASON TO SUGGEST THAT A GREATER SHARE OF THE ADDITIONAL EXPENDITURE -- PERHAPS 15 PER CENT TO 20 PER CENT OF THE TOTAL COSTS -- SHOULD BE MET BY THOSE WHO BENEFIT FROM THE SERVICE.

"AT PRESENT, WHEN A PATIENT IS ADMITTED TO A PUBLIC WARD OF AN ACUTE HOSPITAL, HE PAYS ONLY \$29 A DAY. THIS COVERS ONLY THE COST OF HIS FOOD, BUT THE TRUE COST OF THE CARE AND ATTENTION HE RECEIVES IS AROUND \$1,300 A DAY," HE SAID, ADDING THAT THE DIFFERENCE WAS MET THROUGH THE VARIOUS DIRECT AND INDIRECT TAXES.

WHILE ON THE SUBJECT OF FEES AND CHARGES, MR SHIPMAN DISPELLED THE MISCONCEPTION THAT THE GOVERNMENT WAS AIMING TO RELINQUISH ITS RESPONSIBILITY FOR FINANCING PUBLIC HOSPITALS.

"NOTHING COULD BE FURTHER FROM THE TRUTH. GOVERNMENT EXPENDITURE ON PUBLIC HOSPITAL SERVICES HAS RISEN EVERY YEAR AND NOW STANDS AT SOME \$6 BILLION.

"SETTING UP THE HOSPITAL AUTHORITY MAY COST \$2 BILLION IN ADDITIONAL EXPENDITURE AND CASH OUTFLOW, AND FURTHER GROWTH IS FORECAST IN THE YEARS AHEAD.

"BUT IF WE ARE TO BRING TO OUR HOSPITAL PATIENTS THE HIGHEST STANDARDS OF CARE AND TO MAKE THEIR STAY MORE COMFORTABLE, COSTS MAY HAVE TO RISE EVEN FASTER," HE SAID.

"TO ENSURE THAT ANY INCREASE IN FEES IS FULLY JUSTIFIED AND ACCEPTABLE TO THE COMMUNITY, THE GOVERNMENT WILL RETAIN THE POWER TO GIVE DIRECTION TO THE AUTHORITY ON THE LEVEL OF FEES TO BE CHARGED," HE STRESSED.

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OUTLINING THE MAIN BENEFITS TO THE COMMUNITY IN ESTABLISHING THE HOSPITAL AUTHORITY ON THE LINES PROPOSED IN THE PHA REPORT, MR SHIPMAN SAID HE HOPED THAT CONCERNS OVER PARTICULAR ASPECTS SHOULD NOT LEAD US TO LOSE SIGHT OF THESE BENEFITS.

"TO ACHIEVE THESE BENEFITS IS THE REASON WHY WE ARE UNDERTAKING THIS MAJOR OVERHAUL OF OUR PUBLIC HOSPITALS, RATHER THAN TAKING THE EASIER COURSE OF ALLOWING THE EXISTING SYSTEM WITH ALL ITS IMPERFECTIONS TO CONTINUE," HE SAID.

HE POINTED OUT THAT THE HOSPITAL AUTHORITY WOULD PROVIDE A FRAMEWORK FOR BRINGING THE EXISTING GOVERNMENT AND SUBVENTED HOSPITALS TOGETHER IN AN INTEGRATED PUBLIC HOSPITAL SYSTEM, WHILE AT THE SAME TIME PRESERVING THE TRADITIONS AND CHARACTERISTICS OF INDIVIDUAL HOSPITALS.

"THIS MOVE WILL ENABLE THE BEST USE TO BE MADE OF EACH HOSPITAL'S FACILITIES, WITH BETTER CO-ORDINATION AND DEPLOYMENT OF MANPOWER AND RESOURCES.

"SINCE THE AUTHORITY WILL OFFER COMMON TERMS OF SERVICE TO ALL ITS STAFF, DIFFERENCES OVER FRINGE BENEFITS, WHICH HAVE BEEN A FREQUENT SOURCE OF COMPLAINT AMONG STAFF IN THE SUBVENTED SECTOR, WILL EVENTUALLY BE REMOVED," HE SAID.

MR SHIPMAN SAID THE SECOND BENEFIT TO THE COMMUNITY WOULD BE THE HOSPITAL AUTHORITY'S GREATER FLEXIBILITY AND A QUICKER RESPONSE TO CHANGING DEMANDS THAN WOULD OTHERWISE BE POSSIBLE IF CIVIL SERVICE REGULATIONS HAD TO APPLY.

"THE THIRD BENEFIT IS THAT A MORE EFFECTIVE MANAGEMENT SYSTEM WILL BE INTRODUCED, PROVIDING FOR GREATER DEVOLUTION OF AUTHORITY FROM THE CENTRAL TO THE OPERATIONAL LEVELS.

"THE NEW SYSTEM WILL SEEK TO DRAW UPON THE DIFFERENT SKILLS THAT VARIOUS GRADES OF STAFF CAN CONTRIBUTE AND ENGENDER A CO-OPERATIVE TEAM SPIRIT.

"STAFF WILL BE MORE CLEARLY ACCOUNTABLE FOR THE FUNCTIONS THEY SHOULD PERFORM AND THE TARGETS THEY SHOULD ACHIEVE, AND PARTICULARLY FOR THE USE OF RESOURCES.

"A BETTER-MANAGED HOSPITAL SHOULD BE CAPABLE OF OFFERING BETTER CARE AND COMFORT TO ITS PATIENTS," HE SAID.

REGARDING CONCERN EXPRESSED OVER THE ROLES TO BE ASSIGNED TO CERTAIN GRADES OF STAFF AND OVER THE REPORTING ARRANGEMENTS, MR SHIPMAN SAID THE GOVERNMENT HAS INVITED THE PHA TO RE-EXAMINE THOSE ASPECTS OF THE PROPOSED NEW HOSPITAL MANAGEMENT SYSTEM WHICH HAVE ATTRACTED CRITICISM FROM STAFF.

"DISCUSSIONS BETWEEN THE PHA AND THE MAIN NURSING ASSOCIATIONS WILL TAKE PLACE SHORTLY," HE SAID.

THURSDAY, APRIL 26, 1990

- 21 -

LADY WILSON VISITS NORTH POINT SCHOOLS

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CHILDREN AT A SCHOOL FOR THE MODERATELY MENTALLY HANDICAPPED HAVE BEEN ACTIVE IN COMMUNITY ACTIVITIES SUCH AS SERVING THE ELDERLY AND TAKING PART IN THE KEEP HONG KONG CLEAN CAMPAIGN.

LADY WILSON WAS TOLD THIS TODAY (THURSDAY) WHEN SHE VISITED THE PO LEUNG KUK YU LEE MO FAN MEMORIAL SCHOOL IN NORTH POINT.

ACCOMPANIED BY THE ASSISTANT DIRECTOR OF EDUCATION (SCHOOLS), MR LUCAS CHAN, THE GOVERNOR'S WIFE TOURED THE SCHOOL WHERE 78 PUPILS ARE STUDYING IN PRIMARY 1 TO 6 AND SECONDARY 1 AND 2 CLASSES ON A CURRICULUM WHICH INCLUDED SELF CARE, CHINESE LANGUAGE AND COMMUNICATION, SOCIAL COMPETENCE AND MUSIC AND HOME ECONOMICS.

LADY WILSON WAS TOLD THAT EMPHASIS IS PLACED ON BASIC COMMUNICATION AND PRACTICAL SKILLS TO ENABLE THE CHILDREN TO ASSUME A MORE PRODUCTIVE LIFE.

THE SCHOOL WILL HAVE COMPUTERS IN THE 1990 SCHOOL YEAR TO HELP PUPILS TO LEARN.

LADY WILSON LATER VISITED THE TUNG WAH GROUP OF HOSPITALS LEE CHING DEA MEMORIAL SCHOOL IN THE SAME DISTRICT WHERE SHE WATCHED SECONDARY STUDENTS AT WORK IN THEIR CLASSROOMS AND INSPECTED MINI-EXHIBITIONS OF EXTRA-CURRICULAR AND LIBRARY ACTIVITIES.

THE SCHOOL HAS 29 SECONDARY 1 TO 7 CLASSES ATTENDED BY 1,068 STUDENTS.

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REAR STAIRCASES OF FOUR POST-WAR BUILDINGS DECLARED DANGEROUS

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THE BUILDING AUTHORITY TODAY (THURSDAY) DECLARED THE EXTERNAL REAR STAIRCASES TO FOUR 33-YEAR-OLD BUILDINGS IN MONG KOK DANGEROUS.

IN A STATEMENT, THE PRINCIPAL GOVERNMENT BUILDING SURVEYOR ALSO DECLARED THE FOUR SEVEN-STOREY BUILDINGS, COMPRISING GROUND FLOOR SHOPS AND UPPER FLOORS DOMESTIC FLATS, LIABLE TO BECOME DANGEROUS.

THE BUILDINGS ARE LOCATED AT NOS. 26, 28, 30 AND 32 KAM FONG STREET. THEY ARE POST-WAR REINFORCED CONCRETE FRAMED BUILDINGS WITH REINFORCED CONCRETE FLOORS AND ROOFS AND BRICK INFILL PANEL WALLS.

THE EXTERNAL REAR STAIRCASES ARE IN AN ADVANCED STAGE OF DETERIORATION WITH SEVERELY SPALLED AND CRACKED REINFORCED CONCRETE MEMBERS.

/SUCH STAIRCASES

THURSDAY, APRIL 26, 1990

- 22 -

SUCH STAIRCASES ARE CONSIDERED TO BE BEYOND REASONABLE ECONOMIC REPAIR AND SHOULD THEREFORE BE CLOSED AND DEMOLISHED.

THERE ARE ALSO DEFECTIVE REINFORCED CONCRETE MEMBERS IN THE REAR PARTS OF ALMOST EVERY FLOOR OF THE BUILDINGS. LESS SERIOUS BUT SIMILAR DEFECTS WERE ALSO FOUND IN MOST OF THE FRONT PORTIONS OF THE BUILDINGS.

THE DEMOLITION OF THE REAR STAIRCASES WILL RENDER THE BUILDINGS DANGEROUS BY REASON OF LACK OF ADEQUATE MEANS OF ESCAPE AND THEREFORE THE BUILDINGS THEMSELVES SHOULD BE DEMOLISHED.

A BUILDING AUTHORITY SPOKESMAN SAID THE DEFECTS APPEAR TO HAVE BEEN CAUSED IN PART BY LACK OF ADEQUATE MAINTENANCE BY THE OWNERS OF THE BUILDINGS OVER THE YEARS.

WHILE THERE IS NO REQUIREMENT UNDER THE BUILDINGS ORDINANCE TO COMPEL OWNERS TO CONTINUALLY MAINTAIN THEIR BUILDINGS, HE SAID A PRUDENT OWNER WOULD DO SO IN ORDER TO SAFEGUARD THE VALUE OF HIS PROPERTY.

HE FURTHER ADVISED THAT SHOULD THE OWNERS WISH TO REBUILD THE REAR STAIRCASES, THE BUILDING AUTHORITY WOULD CONSIDER ANY FORMAL APPLICATIONS MADE IN THIS RESPECT.

HOWEVER, UNTIL SUCH TIME AS ALL REQUIRED WORKS TO MAKE THE BUILDINGS SAFE GENERALLY HAD BEEN SATISFACTORILY COMPLETED, THE BUILDINGS SHOULD REMAIN CLOSED.

THE SPOKESMAN ESTIMATED THAT APPROXIMATELY 150 PEOPLE WOULD BE AFFECTED BY THE CLOSURE OF THE BUILDINGS.

THIS CASE WAS DISCOVERED AS A RESULT OF THE INTENSIFIED ACTIVITIES OF THE DANGEROUS BUILDINGS SECTION OF THE BUILDINGS ORDINANCE OFFICE WHICH COMMENCED IN OCTOBER LAST YEAR.

NOTICE OF INTENTION TO APPLY FOR A CLOSURE ORDER IN HONG KONG DISTRICT COURT AT 9.30 AM ON JULY 26 WAS POSTED TODAY ON ALL FOUR BUILDINGS.

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/23

THURSDAY, APRIL 26, 1990

- 23 -

SPECIAL PRODUCTS TO COINCIDE WITH STAMP WORLD LONDON EXHIBITION

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THE HONG KONG POST OFFICE WILL PARTICIPATE IN STAMP WORLD LONDON '90 - AN INTERNATIONAL STAMP EXHIBITION TO BE HELD FROM MAY 3 TO 13 IN LONDON, THE POSTMASTER GENERAL, MR DOMINIC S.W. WONG, ANNOUNCED TODAY (THURSDAY).

TO MARK THE OCCASION, THE FOLLOWING STAMP PRODUCTS WILL BE ISSUED ON MAY 3:

SOUVENIR COVER

SPECIAL SOUVENIR COVERS, AFFIXED WITH A \$10 DEFINITIVE STAMP AND CANCELLED WITH A PICTORIAL DATESTAMP, WILL BE ON SALE AT \$13 EACH.

THE COVER BEARS A REPRODUCTION OF THE FIRST SET OF HONG KONG DEFINITIVE STAMPS (RELEASED IN 1862) AND DEPICTS THE EARLIEST KNOWN DATESTAMP INTRODUCED BY THE POST OFFICE IN 1841.

LUNAR NEW YEAR OF THE HORSE STAMP BOOKLET

STAMP BOOKLETS FOR THE YEAR OF THE HORSE OVERPRINTED WITH THE LOGO OF THE EXHIBITION WILL BE ON SALE AT \$15 EACH.

TO ENHANCE THE INTEREST OF COLLECTORS, THE BOOKLET WILL INCORPORATE A BLACK AND WHITE REPRODUCTION OF THE 60 CENT AND \$1.80 YEAR OF THE HORSE SPECIAL STAMPS. THESE "BLACK-PRINTS" ARE NOT VALID FOR PREPAYMENT OF POSTAGE.

THIS IS THE FIRST OCCASION ON WHICH THE HONG KONG POST OFFICE HAS ISSUED "BLACK-PRINTS" AND THEY ARE EXPECTED TO BE POPULAR AMONG PHILATELISTS.

PICTORIAL DATESTAMP AND CACHET

HAND-BACK SERVICE WILL BE PROVIDED ON MAY 3 WITH PICTORIAL DATESTAMP ON ANY PRIVATELY MADE SOUVENIR COVERS COMMEMORATING HONG KONG'S PARTICIPATION IN STAMP WORLD LONDON '90. IN ADDITION, A CACHET WILL ALSO BE INTRODUCED FOR GENERAL CANCELLATION PURPOSES.

THESE PRODUCTS AND HAND-BACK SERVICE WILL BE AVAILABLE AT THE PHILATELIC COUNTERS OF THE AIRPORT POST OFFICE, BEACONSFIELD HOUSE POST OFFICE, GENERAL POST OFFICE, GRANVILLE ROAD POST OFFICE, PEAK POST OFFICE, SHA TIN CENTRAL POST OFFICE AND TSIM SHA TSUI POST OFFICE.

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THURSDAY, APRIL 26, 1990

- 24 -

BOE VISITS EBENEZER SCHOOL FOR THE BLIND
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STUDENTS AT THE EBENEZER SCHOOL FOR THE BLIND, AFTER COMPLETING FORM 3 AND IF FOUND CAPABLE, ARE INTEGRATED INTO ORDINARY SCHOOLS, MEMBERS OF THE BOARD OF EDUCATION WERE TOLD THIS TODAY (THURSDAY).

TWENTY-FIVE OF THESE STUDENTS ARE NOW STUDYING IN NINE ORDINARY AIDED SCHOOLS.

THE BOARD MEMBERS VISITING THE SCHOOL WERE ALSO TOLD THAT OTHER STUDENTS WERE ENROLLED IN THE COURSES OFFERED BY THE KWUN TONG SKILLS CENTRE FOR THE DISABLED RUN BY THE TECHNICAL EDUCATION AND INDUSTRIAL TRAINING DEPARTMENT.

THE BOARD OF EDUCATION MEMBERS, COMPRISING MR CHAN YING-LUN, MRS MINNIE LAI AND MR TAM MAN-KWAN, WERE ACCOMPANIED BY THE ASSISTANT DIRECTOR OF EDUCATION (SERVICES), MRS GRACE YUNG.

THE EBENEZER SCHOOL FOR THE BLIND ORIGINATED IN 1897 AS A HOME FOR FIVE GIRLS IN WESTERN DISTRICT BUT IT MOVED TO TO KWA WAN FOUR YEARS LATER AS A SCHOOL FOUNDED BY THE HILDESHEIM MISSION OF GERMANY.

THE SCHOOL MOVED TO ITS PRESENT SITE IN 1930 AND WAS RENAMED THE EBENEZER SCHOOL AND HOME FOR THE BLIND. NINE YEARS LATER BOYS WERE ADMITTED.

IN 1956 THE SCHOOL WAS REGISTERED UNDER THE EDUCATION ORDINANCE AND IN 1962 THE NEW SCHOOL BUILDING WAS OFFICIALLY OPENED.

FROM ITS MODEST BEGINNING AS A HOME FOR FIVE GIRLS, THE EBENEZER SCHOOL FOR THE BLIND IN POK FU LAM TODAY HAS FACILITIES WHICH INCLUDE A GYMNASIUM, SWIMMING POOL, LIBRARY AND A MULTI-PURPOSE ROOM.

BOARD MEMBERS WERE TOLD THAT THE PUPILS FOLLOWED THE ORDINARY SCHOOL CURRICULUM AS FAR AS POSSIBLE WITH CHINESE AS THE MEDIUM OF TEACHING AND ENGLISH BEING TAUGHT AS A SECOND LANGUAGE.

PUPILS IN THE PRIMARY 1 TO 5 AND SECONDARY 1 TO 3 CLASSES LEARN BOTH CHINESE AND ENGLISH BRAILLE BUT THOSE WITH LOW VISION ARE ENCOURAGED TO USE THEIR SIGHT THROUGH THE USE OF MODERN AIDS.

THE VISITORS WERE TOLD MOBILITY TRAINING AND PHYSICAL EDUCATION ARE IMPORTANT SUBJECTS IN HELPING PUPILS ACHIEVE BETTER MOBILITY AND CONFIDENCE.

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CONSTRUCTION OF CHAI WAN PARK EXTENSION
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LOCAL RESIDENTS IN CHAI WAN WILL HAVE MORE LEISURE GROUND BY THE END OF NEXT YEAR.

CONSTRUCTION OF A 6.13 HECTARE EXTENSION TO THE CHAI WAN PARK WILL START NEXT WEEK.

FACILITIES WILL INCLUDE A SERVICE BLOCK HOUSING TOILETS, A BOOKING OFFICE AND A PUMPING STATION, TENNIS COURTS, GARDENS, AN OPEN-AIR THEATRE, POOLS AND A MINI-SOCCER PITCH.

THE PROJECT IS SCHEDULED TO BE COMPLETED BY DECEMBER NEXT YEAR.

MEANWHILE, THE ARCHITECTURAL SERVICES DEPARTMENT IS INVITING TENDERS FOR THE CONSTRUCTION OF A SITTING-OUT AREA AT GREIG ROAD IN QUARRY BAY.

FACILITIES AT THE 885 SQUARE METRE SITE WILL INCLUDE BENCHES, FLOWER BEDS AND A STORAGE BLOCK.

CONSTRUCTION WORK IS SCHEDULED TO START IN AUGUST AND BE COMPLETED IN JANUARY NEXT YEAR.

TENDERS MUST BE SUBMITTED TO THE PUBLIC WORKS TENDER BOARD BEFORE NOON ON MAY 11 THIS YEAR.

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DB COMMITTEE TO DISCUSS POLLUTION CAUSED BY INCINERATOR
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THE ISLANDS DISTRICT BOARD'S ENVIRONMENTAL IMPROVEMENT COMMITTEE WILL DISCUSS THE PROBLEM OF POLLUTION CAUSED BY AN INCINERATOR AT MUI WO ON LANTAU ISLAND AT ITS MEETING TOMORROW (FRIDAY).

A REPRESENTATIVE FROM THE ENVIRONMENTAL PROTECTION DEPARTMENT WILL ATTEND THE MEETING TO DISCUSS POSSIBLE SOLUTIONS TO THE PROBLEM.

MEMBERS WILL ALSO DISCUSS THE PROPOSED ENVIRONMENTAL IMPROVEMENT PROJECTS FOR 1990-91.

NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE ISLANDS DISTRICT BOARD'S ENVIRONMENTAL IMPROVEMENT COMMITTEE MEETING TO BE HELD TOMORROW (FRIDAY) IN THE DISTRICT OFFICE CONFERENCE ROOM, 20TH FLOOR, HARBOUR BUILDING, 38 PIER ROAD, CENTRAL.

THE MEETING WILL BEGIN AT 2.15 PM.

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DB COMMITTEE TO DISCUSS BUS SHELTER PROVISION PROGRAMME

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THE YUEN LONG DISTRICT BOARD'S TRAFFIC AND TRANSPORT COMMITTEE WILL DISCUSS THE BUS SHELTER PROVISION PROGRAMME FOR THE DISTRICT AT ITS MEETING TOMORROW (FRIDAY).

MEMBERS WILL ALSO BE CONSULTED ON THE PROPOSED DESIGN OF THE LONG PING FOOTBRIDGE EXTENSION ACROSS ON LING ROAD AND CASTLE PEAK ROAD.

NOTE TO EDITORS:

MEDIA REPRESENTATIVES ARE INVITED TO COVER THE MEETING OF THE YUEN LONG DISTRICT BOARD'S TRAFFIC AND TRANSPORT COMMITTEE TO BE HELD TOMORROW (FRIDAY) IN THE DB CONFERENCE ROOM, 13TH FLOOR, YUEN LONG GOVERNMENT OFFICES, 2 KIU LOK SQUARE, YUEN LONG.

THE MEETING WILL BEGIN AT 10 AM.

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THREE MALE II'S ARRESTED

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ACTING ON INFORMATION, IMMIGRATION INVESTIGATORS ARRESTED THREE MALE ILLEGAL IMMIGRANTS FROM CHINA YESTERDAY (WEDNESDAY).

THE THREE ILLEGAL IMMIGRANTS, AGED 17, 22 AND 29, WERE APPREHENDED AT A RESIDENTIAL FLAT IN TAI KOK TSUI. THEY ARE NATIVES OF CHIU CHOW AND CLAIMED TO HAVE SNEAKED INTO HONG KONG DURING THE PERIOD FROM FEBRUARY TO APRIL THIS YEAR.

A SPOKESMAN FOR THE IMMIGRATION DEPARTMENT REITERATED THAT THERE WILL BE NO AMNESTY FOR ILLEGAL IMMIGRANTS.

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URBAN CLEARWAY IN HUNG HOM

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THE TRANSPORT DEPARTMENT ANNOUNCES THAT FROM 10 AM ON SATURDAY (APRIL 28), THE SOUTHERN KERBSIDE LANE OF TAI WAN ROAD IN HUNG HOM, FROM ITS JUNCTION WITH MA TAU WAI ROAD TO A POINT ABOUT 97 METRES EAST OF THE SAME JUNCTION, WILL BE DESIGNATED A 24-HOUR DAILY URBAN CLEARWAY.

NO VEHICLES EXCEPT FRANCHISED BUSES WILL BE ALLOWED TO STOP FOR PASSENGERS OR GOODS THERE.

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