

# **OFFICIAL RECORD OF PROCEEDINGS**

**Saturday, 10 July 2004**

**The Council continued to meet at Nine o'clock**

## **MEMBERS PRESENT:**

THE PRESIDENT

THE HONOURABLE MRS RITA FAN HSU LAI-TAI, G.B.S., J.P.

THE HONOURABLE KENNETH TING WOO-SHOU, S.B.S., J.P.

DR THE HONOURABLE DAVID CHU YU-LIN, J.P.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE ALBERT HO CHUN-YAN

IR DR THE HONOURABLE RAYMOND HO CHUNG-TAI, J.P.

THE HONOURABLE LEE CHEUK-YAN

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

DR THE HONOURABLE ERIC LI KA-CHEUNG, G.B.S., J.P.

THE HONOURABLE FRED LI WAH-MING, J.P.

DR THE HONOURABLE LUI MING-WAH, J.P.

THE HONOURABLE NG LEUNG-SING, S.B.S., J.P.

THE HONOURABLE MARGARET NG

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, G.B.S., J.P.

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN KWOK-KEUNG, J.P.

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, J.P.

THE HONOURABLE CHAN KAM-LAM, J.P.

THE HONOURABLE MRS SOPHIE LEUNG LAU YAU-FUN, S.B.S., J.P.

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI, J.P.

THE HONOURABLE ANDREW WONG WANG-FAT, J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG, G.B.S.

THE HONOURABLE WONG YUNG-KAN, J.P.

THE HONOURABLE JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE HOWARD YOUNG, S.B.S., J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE YEUNG YIU-CHUNG, B.B.S., J.P.

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

THE HONOURABLE MIRIAM LAU KIN-YEE, G.B.S., J.P.

THE HONOURABLE AMBROSE LAU HON-CHUEN, G.B.S., J.P.

THE HONOURABLE EMILY LAU WAI-HING, J.P.

THE HONOURABLE CHOY SO-YUK

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE SZETO WAH

THE HONOURABLE TIMOTHY FOK TSUN-TING, G.B.S., J.P.

DR THE HONOURABLE LAW CHI-KWONG, J.P.

THE HONOURABLE TAM YIU-CHUNG, G.B.S., J.P.

DR THE HONOURABLE TANG SIU-TONG, J.P.

THE HONOURABLE ABRAHAM SHEK LAI-HIM, J.P.

THE HONOURABLE LI FUNG-YING, B.B.S., J.P.

THE HONOURABLE HENRY WU KING-CHEONG, B.B.S., J.P.

THE HONOURABLE TOMMY CHEUNG YU-YAN, J.P.

THE HONOURABLE MICHAEL MAK KWOK-FUNG

DR THE HONOURABLE LO WING-LOK, J.P.

THE HONOURABLE WONG SING-CHI

THE HONOURABLE FREDERICK FUNG KIN-KEE, J.P.

THE HONOURABLE IP KWOK-HIM, G.B.S., J.P.

THE HONOURABLE LAU PING-CHEUNG, S.B.S.

THE HONOURABLE AUDREY EU YUET-MEE, S.C., J.P.

THE HONOURABLE MA FUNG-KWOK, S.B.S., J.P.

**MEMBERS ABSENT:**

THE HONOURABLE JAMES TIEN PEI-CHUN, G.B.S., J.P.

DR THE HONOURABLE DAVID LI KWOK-PO, G.B.S., J.P.

THE HONOURABLE HUI CHEUNG-CHING, S.B.S., J.P.

THE HONOURABLE LAU WONG-FAT, G.B.S., J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE LEUNG FU-WAH, M.H., J.P.

**PUBLIC OFFICERS ATTENDING:**

THE HONOURABLE DONALD TSANG YAM-KUEN, G.B.M., J.P.  
THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE HENRY TANG YING-YEN, G.B.S., J.P.  
THE FINANCIAL SECRETARY

THE HONOURABLE ELSIE LEUNG OI-SIE, G.B.M., J.P.  
THE SECRETARY FOR JUSTICE

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.  
SECRETARY FOR HOUSING, PLANNING AND LANDS

THE HONOURABLE JOSEPH WONG WING-PING, G.B.S., J.P.  
SECRETARY FOR THE CIVIL SERVICE

**CLERKS IN ATTENDANCE:**

MR RICKY FUNG CHOI-CHEUNG, J.P., SECRETARY GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

## MEMBERS' MOTIONS

**PRESIDENT** (in Cantonese): Third motion: Big market and small government.

### BIG MARKET AND SMALL GOVERNMENT

**MR NG LEUNG-SING** (in Cantonese): Madam President, it is fortunate that the market is still here. At a time when Honourable colleagues are about to say goodbye, it gives me honour to introduce the last motion, namely, a motion on "big market and small government", a subject matter that concerns various trades and industries and deserves a lot of attention from the people and the Government. Hong Kong has always been regarded as one of the world's freest economies. With a free market long in operation, a commercial city vibrant with vigour has emerged, where various trades and industries have boomed. What is more, among the different trades and industries, small and medium enterprises carry a great weight in the entire economy, making up 90% of our local enterprises, and employing 60% of employees in the private sector. Not only have the various trades and industries played an important role in our economy, but they have for some time in the past also played a role at the primary level in electing the Election Committee (EC) in accordance with the law.

In moving my motion today, I would like to take the opportunity to mention the fact that Legislative Council Members returned by the EC have served the Legislative Council of the current term. The EC is composed of members from four sectors consisting of 38 sub-sectors, comprehensively representing various trades and industries of the economy. It can be said that the composition of the EC precisely reflects the characteristics of the operation of our big market economy. Representing different trades, industries and sectors, and making use of their respective expertise and experience, members of the EC have participated much in and contributed a lot to public affairs. With regard to the socio-economic development in the days to come, they probably want to see that Hong Kong, having laid a sound foundation, can maintain the advantage featuring balanced participation by every trade, every industry and every sector and allowing each to bring into play their respective strengths so as to propel various trades and industries with the massive driving force of the free market in order that the whole economy can keep on growing. I therefore take the

opportunity of this last meeting of the second term of the Legislative Council to propose this motion to urge the Government to conscientiously implement the "big market and small government" principle of governance so as to open up more room for development for the various trades and industries.

First, I would like to talk about the streamlining of operating structures and procedures for the enhancement of administrative efficiency. I am of the view that to implement the "big market and small government" principle of governance, attention should, first of all, be given to streamlining operating structures and procedures so as to enhance administrative efficiency. It has come to my notice that the Government has for quite some time done a lot in streamlining operating structures and procedures, with the establishment of the Civil Service having been trimmed from 198 000 as at the beginning of 2000 down to 170 600 as at 31 March 2004. Quite a few government departments have been merged. Some services have been contracted out. In addition, the Government has also launched the business facilitation scheme, with some 400 measures already brought into effect and the licensing and processing procedures of certain trades and industries also speeded up. These achievements ought to be acknowledged. In my opinion, the Government must continue with the task of enhancing administrative efficiency by streamlining operating structures and procedures. Furthermore, for legislative work relating to market operations, no matter whether it is the introduction of new legislation or whether it is a review of current principal ordinances and subsidiary legislation, the Government, in addition to giving consideration to policy objectives covering such matters as quality of corporate governance and the safety and protection of consumers and the community, should also pay attention to the question as to whether or not the relevant legislation is likely to pose unwarranted obstacles to business, be detrimental to the streamlining of procedures and unfavourably impact on the business environment. Rules and institutions relating to market operation should, as far as possible, be eliminated unless they are absolutely necessary. This should be beneficial to the market as well as to the streamlining of the set-up and procedures of the Government.

Furthermore, it is necessary to see to it that services provided by the public sector do not overlap with those offered by relevant trades and industries. Here, the first part is that it is necessary to exercise care in creating new services in the public sector. With regard to the implementation of the governance of "big market and small government", the emphasis should be on preventing

overlapping of functions in the provision of services by the public sector and by the relevant trades and industries. Services provided by the public sector should be gradually and systematically reduced in variety and scale. For individuals and enterprises, our society should promote self-reliance and a spirit of flexibility in dealing with changes instead of reliance on government assistance. The Government should not concede to the influence of pressure groups and become a mega parent catering for and looking after all matters. The size of the Government and the public resources consumed by it should not grow endlessly. Otherwise, there will be less room for the free market and the vigour and the creativity of individuals and enterprises will suffer. The provision of services by the public sector and the deployment of resources are always easy to let loose but difficult to cut back, and even tend to breed political inducement. So, in the future the Government should, it is hoped, adhere to its principle. When new services are to be provided by the public sector, care must be exercised, and both pros and cons weighed with reference to the market so as to "conscientiously implement big market and small government".

The second part is to review public services. The Government has to review the areas showing overlapping of functions in relation to the private market. The financial turmoil and the bursting of the property market bubble led the Government to re-align its housing policy, back out from the role of a developer, and reduce its interference in the market. At the same time, the Housing Authority handed back to the market the business operation of commercial properties, and contracted out operations like maintenance and management. These are trends worthy of acknowledgement. However, with regard to other areas, it is still necessary for the Government to carry out review as soon as possible so as to free more room for the private market in order that there can be participation by those in the private market, as well as more room for growth.

Take the public health care system as an example, which has undergone years of expansion and is still under discussion. With inexpensive, high-quality and comprehensive services, it has continually nibbled at the market of private health care. As a result, those who can well afford private health care all scramble for public health care. In my opinion, the Government should readjust the policy on public health care and match it with reforms in terms of medical financing so as to concentrate resources on the provision of essential basic services, and establish graded charges based on people's affordability. Those who can afford should be encouraged to seek private health care so as to

eventually promote the rejuvenation and growth of the private health care market.

Now on education services. Government policies should also encourage educational institutions in the private sector to offer schooling of varied types and emphases ranging from primary level to tertiary level. For instance, serious consideration should be given to the idea of adopting an education voucher system, so as to let the students choose their schools instead of relying totally on the Government to make endless commitment to foot the whole bill of education. Surely, I understand that education is important. However, given the economic restructuring of our society, the Government must make good use of resources to create useful conditions even though the Government has the obligation to invest in education continuously. Boosting the market of private schooling can complement the development, and thereby contribute to healthy interaction between the public and private sectors in terms of education services.

As a matter of fact, in the case of quite a few public services, even though they are on the whole essential, the Government still has to carefully review specific items and modes of delivery to see whether or not there is competition with the private sector for profits. For instance, it has been noted from certain comments that, in recent years, the exhibition business of the Trade Development Council (TDC) has been expanding in an assertive manner, bringing about unfair competition against those exhibitors in the private sector. I am of the view that on the premise of assuring our various trades and industries of business facilitation, the TDC should also adopt as its policy objective the promotion of exhibition business in the private sector. Operations should be prioritized so as to, as far as possible, hand back to the market whatever private exhibition operators can handle. Furthermore, there have been comments from people, including myself, that the broadcasting services provided by radio stations in the public sector warrant review. Efforts should be made to avoid engaging in competition with the broadcasting industry of the private sector with regard to the modes and contents of programming. The move, if well handled, can cut public expenses on the one hand and give the broadcasting industry of the private sector more room for long-term development on the other.

Thirdly, on reducing public expenditure and eliminating the fiscal deficit. The objective under the principle of implementing "big market and small government" is to effectively reduce public expenditure so as to provide the



essential conditions for the ultimate elimination of fiscal deficit. Currently, in the Budget for the year 2004-05, public expenditure is still at a high level, taking up 22.5% of our Gross Domestic Product. The Government has been caught in a fiscal deficit for some years too. Only keen efforts to shrink public expenditure and maintain the Government's fiscal health can be conducive to assuring a good credit standing for the whole market, and helping the various trades and industries in the long run in doing business. Otherwise, the Government might ultimately be forced to tax the public and the market more heavily and introduce more taxes, thus starting a vicious cycle, in which the Government would keep on growing whilst the market would keep on shrinking.

Madam President, Hong Kong, being one of the world's freest economies, has always been developing along a market-led course. There are long-standing remarkable achievements because of self-reliance and flexibility in dealing with changes on the part of individuals and enterprises. I am convinced that, regardless of the changes in the political environment in our society, there should be no change to the principle and spirit of "big market and small market". Only with that can prosperity and stability be guaranteed. With these remarks, I beg to move.

**Mr NG Leung-sing moved the following motion: (Translation)**

"That this Council urges the Government to conscientiously implement the "big market and small government" principle of governance, with a view to achieving the following objectives:

- (a) streamlining operating structures and procedures, enhancing administrative efficiency and creating a better business environment for the various trades and industries;
- (b) preventing overlapping of functions in the provision of services by the public sector and by the relevant industries, thereby increasing investment opportunities in the market; and
- (c) reducing public expenditure and eliminating the fiscal deficit."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr NG Leung-sing be passed.

**PRESIDENT** (in Cantonese): Mr SIN Chung-kai and Miss CHAN Yuen-han will move amendments to this motion respectively. The motion and the two amendments will now be debated together in a joint debate.

I will call upon Mr SIN Chung-kai to speak first.

**MR SIN CHUNG-KAI** (in Cantonese): Madam President, in principle, the Democratic Party supports the spirit of the original motion. However, with regard to reducing public expenditure, we have some comments.

In the first place, the Democratic Party has always been against government "squandering". However, the current standard of public services has been criticized by every quarter. Given the fact that the standard of the services is not satisfactory, a further cut on public expenditure will further affect basic services pertinent to people's livelihood. The Democratic Party cannot bear to see social conflicts arising due to the grassroots being subject to the pressure of living consequential upon cuts on public expenditure. So, the Democratic Party rephrases "reducing public expenditure" to become "ensuring that government departments make optimal use of resources, minimize wastage of public funds".

In fact, let us take a look at the Financial Secretary's Budget. His plan is to cut operating expenditure from \$218 billion of the present, that is, 2004, to \$200 billion by the year 2008-09. The drop amounts to \$18 billion; that is, about 10%. Such a reduction is not small as cuts in areas like wages, 6% at the most, are relatively smaller. Actually the Government probably will have to cut staff to reduce public services. Any further reduction of public expenditure on such basis will lead to social conflicts. We believe that this is not what Mr NG Leung-sing wants to see.

The original motion makes mention of "big market and small government". So, the emphasis of today's debate should be on the word "small". That is to say, the word "small" in the term "small government". I am of the belief that there is not much to discuss with regard to "big market". In Hong Kong, there are probably some anti-globalization supporters who do have some reservations about the word "big" in the term "big market". However, the Democratic Party has all along raised no objection to this. Hong

Kong economy has always been very much dependent on the market. To have the market expanded is the wish of the Democratic Party. It is also the responsibility of the Government.

However, we have in fact spent much time discussing the term "small government". In the political scenes of Europe and America, those supporting "small government" usually belong to right-wing parties, such as the Republican Party in the United States and the Conservative Party in England. Left-wing political parties, in particular the United States Democratic Party before the presidency of Bill CLINTON, the British Labour Party and the Socialist Party of Continental Europe, are on the whole not in favour of "small government". As a matter of fact, at the elections in Continental Europe, or Europe and America, the question as to whether or not to elect a political party supporting "small government" is often one of the core election issues.

Later on, after hearing me out on this motion debate, Mr Andrew WONG will surely rise to give his response and present us with a lecture. I am really looking forward to Master Andrew WONG doing that.

However, today we, the Democratic Party, are going to support the motion. If placed in the political spectrum of Europe, the Democratic Party might become a right-wing political party, a relatively right-wing political party, all because of its support for the so-called "small government". It is hoped that those from the industrial and business sectors, who are fewer here today, can understand that Hong Kong is, relatively speaking, a more right-wing society, that is, the entire society being taken as a whole. If all the political parties of Hong Kong are to survive, as far as a certain form is concerned, we would still be considered at the right-of-the-centre in the world's political spectrum. However, here in Hong Kong, the Democratic Party is a left-of-the-centre political party. But when we talk with political figures from European society, they tend to regard us as a right-wing political party in view of Democratic Party's objection to minimum wage and support for "small government". The Financial Secretary is staring at me. Would you also try to understand the case.

Surely, there have been some changes since the '90s. The CLINTON administration also presented to the Congress of the United States a small government budget. It can be said that, after that move, the historical image of the United States Democratic Party was changed. Tony BLAIR is also beginning to talk about the Third Way as well as workfare. The Democratic

Party today is not taking the side of the West. However, we think that our society should take a more middle-of-the road line. We support the principle of "small government". We also support a small government running on low tax rates. The Democratic Party agrees that "big market and small government" should be adopted as a principle. Every effort should be made to streamline the structures and eliminate unnecessary administrative procedures so as to avoid high overall operating costs and poor efficiency in the Government.

Regarding the elimination of fiscal deficit, Mr NG Leung-sing suggested relying mainly on reducing public expenditure to achieve it. I personally think this is quite difficult. With regard to the idea of achieving fiscal balance by resorting to reducing public expenditure, I am of the view that it cannot even make a cut of a fraction, not to say a cut of \$18 billion (even the Financial Secretary is shaking his head). Just think. How can this reduce expenditure and balance the budget? In fact, this is not a practical approach. However, I am also not in favour of the sales tax mentioned by the Financial Secretary in his Budget. Even though the Government supports it, the fact is that most parties in this Chamber, at least including the three major parties, namely, the Liberal Party, the Democratic Alliance for Betterment of Hong Kong and the Democratic Party, oppose sales tax. They, of course, oppose it for different reasons.

Here I would like to make a response. Standard & Poor's, or Moody's, have expressed the concern that after the Legislative Council elections of September, the Legislative Council might obstruct the Government's determination to eliminate fiscal deficit. Let us take a look at the actual situation. All tax items that former Financial Secretary Antony LEUNG sought to increase have already been increased, including salaries tax and profits tax. If the elimination of fiscal deficit is to be achieved by means of tax hikes or additional taxes, the main option now open can only be one thing, namely, sales tax. It has nothing to do with the Legislative Council elections nor the situation preceding or following the elections. Unless it turns out that the Liberal Party supports the introduction of sales tax after the elections, otherwise the Legislative Council will oppose the introduction of sales tax both before and after the elections. So it can be said that this has nothing to do with the elections. Next week I am going to make it clear to the credit rating agencies concerned and ask them to look at the issue fairly.

Is there a need for Hong Kong to introduce sales tax? This is worth debating. I have never ruled out the possibility of bringing in sales tax

sometime in the future. However, at present the Democratic Party does not support the introduction of such a tax. There are two reasons for such a stand, one from an angle on the left and one from an angle on the right. From the angle on the left, sales tax is a form of regressive taxation. It is, in words often used by Dr YEUNG Sum, unfair to the lower and middle classes. The angle on the right represents the views held by some Chicago School economists, who believe that some people oppose sales tax for the reason that the Government can bring in new tax items with sales tax. In brief, if a family gets an additional "water tap", family members will turn it on whenever they are short of money. A "small government" will thus become a "big government." This will run counter to the "small government" that Mr NG Leung-sing seeks to support. According to the Chicago School, the crucial point is to have the "water tap" turned off. So long as the Government has no money, nothing can make it become "big". So, both the angle on the left and the angle on the right can be used to oppose the introduction of sales tax. Members of the Democratic Party, of course, have consensus among themselves. They will still oppose the introduction of sales tax even though they have different reasons for that.

It is a pity that Ms Emily LAU is not here today. It would be nice if she were present. The reason is that with regard to "small government", the Democratic Party also has a little story. When I prepared an internal budget for the Democratic Party in 1999 (I am in fact disclosing party secrets), TO Kwan-hang, a former member of our Central Committee, objected to the term "small government" used in the budget. According to him, conventional left-wing political figures were, to be honest, against "small government". Later, I, being a member of the Democratic Party, compromised and rephrased "small government" to become "efficient government". The reason is that "efficient government" could gain the support of all parties, no matter the left, the middle or the right. Is it right? So, those words were rephrased. Now TO Kwan-hang, a Young Turk of ours at that time, has left our party and joined The Frontier. The Frontier now probably is not against "small government". I wonder if it is due to the good teaching given to TO Kwan-hang by Ms Emily LAU or if it is because TO Kwan-hang has changed. However, it is probably for different reasons that we today support the motion.

Finally, I would like to speak on the elimination of fiscal deficit. I want to say a few words on it while the Financial Secretary is still here. If we cannot bring in sales tax, or if the reality is that all major parties in the Legislative

Council are not in favour of bringing in the said tax, there is one point which the Democratic Party has to bring up. It was in fact once raised by Mr James TIEN of the Liberal Party. It is about the apportionment of the investment earnings of our Exchange Fund. I hope it is time for the Financial Secretary to again carefully review the matter. The Democratic Party has already submitted a detailed report. In brief, according to our observation, over the years between 1998 and now, its investment earnings, on the average, amounts to some \$41 billion a year. This is the average figure for the years in the past. We believe that such earnings of \$41 billion, after the deduction of expenditure, will accumulate indefinitely. Must the Government maintain such a huge amount in the Exchange Fund? The Democratic Party holds that this portion, say to be capped at \$30 billion, could somehow be accounted as government revenue. This should immensely improve the situation of fiscal deficit, and yet it is not going to have any unfavourable impact on the Exchange Fund capital. It is hoped that the Financial Secretary will consider our view. We originally proposed the figure of \$10 billion. However, given the current situation, it is our hope that the Government can act boldly and try to see if it is possible to cap that portion at \$30 billion.

With these remarks, I support the original motion.

**MISS CHAN YUEN-HAN** (in Cantonese): Madam President, it is really nice to listen to such a frank and adorable speech by Mr SIN Chung-kai. According to Mr SIN Chung-kai's definition, he belongs to the angle on the right. If so, my forthcoming amendment belongs to the angle on the left. Earlier on, our Master WONG also said that I belonged to the angle on the left. Rightly said indeed.

In recent years, the Government has developed a habit of always telling the people to "wait for the coming of luck". Take the problem of unemployment as an example. According to the Government, the problem of unemployment will improve as economic growth improves. In the face of economic restructuring, the Government also says that not much can be done. Under such a narrow market theory, the people are willing to respond only to market signs. All that they can do is to wait. Wait for rescue and solutions for problems from the market.

Both the Government and major consortia tell the people to believe in "big market". I really doubt if the market is indeed omnipotent. According to my observation in recent years, the Government, in compliance with the general trend of globalization, wants to corporatize or privatize government departments. Government services have been, one after another, contracted out to the market. Following the total withdrawal of the Government, problems have cropped up one after another in the aftermath.

Here is an example. The Housing Department (HD) has contracted out the cleansing and management services, awarding contracts to contractors at low prices. As a result, wages for cleansing workers and watchmen are very low. In the HD, there has been an employment contract offering a pay as low as about \$2,000. The working hours usually last as long as 12 hours. According to the Director of Housing, the Department's work target in the future is to proceed in the direction of "small government and big market". So, the Department is going to achieve the target by contracting out services. According to the Director, it is not necessary to set minimum wage and maximum working hours for contracting-out agreements. These are the words of a government official.

The HD lately has been thinking of hiving off its malls and car parks, thus drawing strong objection from shop operators. The groups concerned have complained to this Council. According to certain health care organizations, health care is no commodity, it is society's commitment to the residents. It is especially so in the case of physicians practising in public housing estates. They are often closely bound up with the residents. If a certain consortium successfully tenders for the operation of government malls, my estimate is that the manipulation of rent affecting each individual physician is bound to be even stronger, which is not at all good for our people. I am of the view that if the HD puts shop units in malls (clinics included) up for tendering in the market, all business operators, with the exception of physicians, but including small businessmen, can hardly compete with any mega groups. In some public housing estates, there are some small malls with very special features. We do not deny that they are being very poorly run by the HD. However, that does not mean that it is necessary to release them to mega groups for their monopolistic operation. If such remaining vitality is taken away from these small businessmen step by step in this way, then I think this so-called "big market and small government" mode is totally unacceptable.

Lately, several dozens of those working for the Food and Environmental Hygiene Department (FEHD) in the New Territories as cleansing workers on contractual terms have complained to me. They have been with the FEHD for six or seven years. In fact, the FEHD does have some tasks requiring continued service from them. However, the Department has not renewed the contracts with them because the Department considers contract workers to be costly and costs can be cut by means of outsourcing. Several dozens of workers and I made an appointment to meet with the Assistant Director of the Department to voice their problems.

Madam President, given the present market, we are saying at a time when the labour market is out of balance, if the Government still "unthinkingly" presses on with "big market and small government" regardless of the current market environment, it can be said that there just are not enough grass-roots labour posts to go around. Whilst the workers' bargaining power is poor and the Government is contracting out services, the market of grass-roots workers, one that is already out of balance, is likely to be pushed into an even more difficult position.

Recently, there have been many such cases. People who have been providing the Government with services such as those non-civil service contract staff with the Lands Department are facing a similar fate. Every other week, I went with them to meet with Mr TUNG to express their grievances, that they have so far been unable to find employment even though they are skilled workers. It can be noticed from the above examples that the administrative philosophy of "big market and small government" advocated by the Government, one that gradually reduces government commitment in respect of different items of social expenditure, is further jeopardizing the employment situation of our grass-roots labourers and skilled workers. Even though the general atmosphere has improved following the implementation of the Individual Visit Scheme and CEPA last October, our grassroots do not feel that they are able to benefit from the economic recovery. What does it mean? It means that the Government's policies in certain area just do not work.

Madam President, the idea of "small government and big market" under neo-liberalism is entirely based on the concept that "big market" is a perfectly competitive market. Many scholars have already pointed out that even though marketization indeed does bring in competition, not all can have direct participation and survive in the "big market". Moreover, with the globalization



of world economy, the situation is one in which market information changes drastically in a split of a second, capital is being monopolized and the jungle rule prevails. It is hard for those operating with small capital and those not in the mainstream of the economy to compete. Cases of market failure are very common.

Granting that New York of the United States is the model of "big market", many people hold that we should draw on their experience of a market out of balance as reference. New York, the largest metropolitan city in the United States, can provide a lot of economic gains. However, its wealth gap also ranks the first in the United States.

Many people believe in free market economy. It seems that past experience is telling us that a government is far likely to err than the market is. So, there are those who are willing to bear the pains engendered by the malfunction of the mechanism of self-adjustment. They do not want to see problems being compounded by government intervention. What is more, they do not want the Government to influence the people's own actions. It is especially so now, when the people have neither confidence nor trust in the SAR Government. Whenever they learn of big moves by the Government, they will be so frightened as to, in words used by many, plead for no action on the part of the Government. So, I believe that advocacy of "big market and small government" does enjoy some sort of support.

However, in my opinion, in reversing such an ideology, which is close to a form of "market fundamentalism", and in which all matters are market-oriented, any suggestion involving even the slightest government involvement is bound to draw strong reaction. Surely, many suggestions making mention of the role of the Government do not inevitably mean going against the logic or the rules of the market. The point is to give consideration to the possibility of finding ways to trigger changes. It is especially so at a time when we are facing a situation in which neighbouring places are all using some government actions to assure themselves of leading positions in competition. I find it totally unacceptable for the whole government to remain in a mentality dogged with the rigid fundamentalism of "big market and small government".

I am moving an amendment today. Some people say that I am advocating planned economy and promoting "big government". In fact, it is not so. In the first place, I agree with Mr NG Leung-sing's suggestion to streamline the

administrative procedures of the Government. I also support Mr SIN Chung-kai's suggestion that it is necessary to ensure that government departments make optimal use of resources and minimize wastage of public funds. However, I think that even under a "small government", the Government still has to ensure that the establishment of the Civil Service is not affected. The Lands Department is a typical example. Hong Kong is plagued by mosquitoes. It is because the Lands Department has not got the manpower to carry out land resumption. Let there be no land resumption for the time being, the Government said. According to the Government, there is a need for downsizing. Because of such an inflexible attitude, which is close to fundamentalism, the Government is prepared to "unthinkingly" withhold many services. Madam President, such a move affects civil servants' establishment as well as their morale, seriously jeopardizing their careers. I also have to reiterate my warning. The Government has, in this way, again and again thrown the grass-roots labour market off the balance. Also, in formulating policies on employment and job security for the purpose of enabling grass-roots workers to earn their own living and live with dignity, the Government should play the role properly. In my opinion, this does not mean taking charge of nothing under "big market and small government".

The Government in fact does have a definite role. However, I do not want to go round and round within the limits of these two simplistic frames of government and market, and yet, after beating about the bushes, go back to square one still with the conviction that delivery comes from confidence in the market.

The reason is that, in my opinion, apart from the Government and the market, the third sector can be one of the alternatives capable of redressing market dislocation in place of government intervention. In his policy address of 2000, the Chief Executive considered the third sector to be "the non-profit-making and voluntary services, which are outside the ambit of the market and the Government," "and can often find solutions to problems that appear intractable to both the market and the Government." I have finished reading the original text. These are the words said by the Chief Executive then, that is, in the year 2000. However, the Government has done nothing in this respect over the past four years.

At that time I was overjoyed, but it was for nothing. I even approached our Secretary — the Secretary for Health, Welfare and Food, who has now

resigned. According to him, those in the business sector would be encouraged to extend help to our dislocated labour market so as to overcome the crisis jointly. The Government did nothing but one, namely, the establishment of the Community Investment and Inclusion Fund. With only a very small sum, the Fund obviously has not been able to galvanize our business sector. It is not like the case in the United States, where it is possible to give incentive to the business sector by way of the taxation system and, thereby, help the disadvantaged in society.

With the globalization of world economy, the third sector has been growing up in Europe and America, one after another. Throughout the entire United States, there are 76 colleges and universities offering master degree courses focusing on the management of non-profit-making organizations. In the United States, foundation funds are supported either by the Government or by the business sector on encouragement from government policies, allowing non-governmental bodies to apply in order to provide services and making it possible for the people to rebuild the economy of the community and create employment opportunities.

Madam President, around the year 2001, I went to the United States for a month-long visit. I saw many such foundation funds and those in the third sector helping the disadvantaged in society and ethnic minorities break away from their plights. The third sector has yet to emerge in Hong Kong. If such words are used in total disregard of the predicaments now facing grassroots, then I wonder if support should be given to such an idea of "big market and small government".

Let us get out of the discussion on the dualism of "big market and small government". I think the Government and private enterprises should not just stand by as onlookers. They should help the third sector in terms of policies, resources and actual operations to develop community services and create employment opportunities. Thank you, Madam President.

**MR KENNETH TING** (in Cantonese): Madam President, the Liberal Party all along advocates "big market and small government". We are of the view that to implement "small government" by means of streamlining government structures can produce two results. In the first place, the Government's efficiency can be enhanced, and bureaucracy reduced. In the second place, the Government will

be more restrained on public expenditure, and thus find it less necessary to resort to measures disturbing to the people, such as tax hikes and fee increases.

Therefore it is hoped that the Government can honour the pledge made in the Budget of the current year, namely, to downsize government establishment to 160 000 by the year 2005-06. The reason is that, when compared with those of other countries, the SAR establishment is quite high. For instance, as disclosed last year by Mr KWOK Kwok-chuen, a Specialist Adviser of the "Hong Kong 2030" study, each civil servant in England is required to serve 120 citizens. However, the ratio in Hong Kong is just one third of its English counterpart, that is, each civil servant here serves 40 citizens. What is more, in Hong Kong, civil servants need not deal with duties of national defence and diplomacy. Our ratio is really surprisingly low.

It is the hope of the Liberal Party that once it has downsized its structures, the Government will reduce public expenditure to a reasonable level as scheduled, say reducing it from the current level of 23% of the Gross Domestic Product to below 20%, before it is consistent with the concept of "small government". Surely, we are not in favour of slashing the staff establishment "across the board". Each department should be required to carefully review needs in making the decision to increase or reduce its establishment. We do not want to see the morale of the Civil Service being affected as a result of this.

Madam President, to create the favourable environment of "big market", the Government also should introduce policies that encourage investment and business ventures, step up efforts to attract foreign investors to Hong Kong and create employment opportunities. In legislation to be launched by the Government, there is still considerable restriction on the business environment, which is tantamount to higher business costs, and adds to the difficulties of business operation.

For instance, the Environment, Transport and Works Bureau is going to increase Trade Effluent Surcharge by as much as 30%, which is bound to sharply increase business costs. What is more, at present the relevant appeal mechanism has yet to be perfected. Consequently, those pursuing the appeal course must at least spend a lot of money on collecting water samples for laboratory tests. Given the high standard and complicated requirements of the test, members of the industries find it most difficult to lodge appeals. They even have to tolerate this in silence. For industries consuming a lot of water, including the manufacturing industry and catering industry, this is very unfair.

In November 2001, I moved a motion on "improving the business environment", requesting the Government to assess the possible impact on the market before introducing new legislation. As a result of persistent lobbying by the Liberal Party, the Government at last set up a high-level Economic and Employment Council this year. Also formed is a unit charged with improving business operation in order to rid the market of barriers. It is my hope that the unit will review existing and forthcoming measures and legislation to fully assess the ambit and extent of the impact so as to effect improvement. Furthermore, to address the existing cumbersome licensing regime, we again call upon the Government to set up a centralized licensing mechanism. Only this will facilitate business operation to a greater extent.

In addition, we are also in favour of bringing in the strength of the private sector to carry out more infrastructure projects. For instance, the Government may consider adopting BOT (build, operate and transfer), and PPP (public private partnership), that is, government departments co-operating with the private sector, or even DBFO (design, build, finance, operate) so as to improve the efficiency of infrastructure and public services delivery and give the market more opportunities to take part in public services.

As a matter of fact, both making good use of public funds and reducing public expenditure have long been the Liberal Party's aspirations. So we support both the original motion and the amendment of Mr SIN Chung-kai.

Turning now to Miss CHAN Yuen-han's amendment, she asks the Government to see to it that the establishment of the Civil Service is not affected. So, it can be deduced that it is just not possible to streamline government structures in this way, not to mention eliminating the fiscal deficit as scheduled. This is totally different from the idea of the original motion. So we have to oppose this amendment.

Now coming to the issue of formulating labour protection policies, in fact labour protection in Hong Kong is something already well done. There are provisions protecting women's maternity leave, limiting overtime work, and banning child labour. The recent Occupational Safety and Health (Display Screen Equipment) Regulation further protects the safety of employees.

Finally, it is our hope that all people can live with dignity. To this end, members of the labour force have got to be self-reliant. Of course, this means

giving them job opportunities. It is believed that in order to achieve such a goal, it is absolutely necessary to improve the business environment and promote investment.

Madam President, I so submit.

**MR CHAN KAM-LAM** (in Cantonese): Madam President, Hong Kong's past success was dependent on the concept of free market, with the market directing economic activities and the Government playing the role of promotion and support. However, in the face of depression in the market and the economic restructuring, in recent years the Government's involvement in market activities has somewhat deviated from the position originally set. Last year's policy address proposed the "big market and small government" principle of governance. The Budget of the same year also set down three principles for the implementation of the principle, thus reaffirming the market-oriented course being taken by the development of our economy.

The development of economy needs the support of a business-friendly environment. The foremost requirement of a business-friendly environment is business facilitation. Cutting red tape and obsolete requirements, and streamlining workflow precisely constitute one of the policies for the implementation of the "big market and small government" principle. The Helping Business Programme has, over the past eight years since its launch in 1996, put into effect 370 measures to improve the business environment. However, still being criticized by the people is the fact that government departments are overstaffed, and their operating procedures are complicated and fastidious.

The problem is still with us. In the final analysis, there is a communication gap among government departments, as a result of which administrative efficiency is being unfavourably impacted as it is just not possible to simplify or streamline overlapping or unnecessary work procedures. To create a better business environment, it is, first of all, necessary to improve the co-ordination among different government departments. Only in this way can practicability be achieved, every piece of business legislation perfected, the processing procedures of every business licence simplified, and all barriers affecting business operation removed.

The attractiveness of our business environment lies in the fact that the Government, instead of competing with the people for profits, only seeks to be supportive in making policies without direct participation in market activities. This was repeatedly affirmed in last year's Budget. It is also for reason of this line of thinking that the Government is planning to gradually privatize the public sector.

Public and private sectors co-operating in partnership can, on the one hand, make full use of the market mechanism to increase investment opportunities. On the other hand, business efficiency can also be improved through the simplification of the policy-making procedures. It can be considered a win-win strategy for both the Government and the business sector. This has been well exemplified by the postal service and mechanical and electrical engineering services. Take education as an example. Hong Kong does have quite a few high-quality and well-experienced educational institutions. Then there is support coming from demand of the massive market on the Mainland. The conditions are there to turn education into an industry. What is lacking now is a manager. What the Government has to do is not just to directly allocate funds to build schools. Instead, loans should be offered to educational institutions to encourage them to set up international boarding schools so as to expand our educational industry by starting with the mainland market of self-financing students.

Co-operation between public and private sectors is also applicable to the tourist industry, for example, the operation and management of different kinds of museums. Surely, in the case of museums with educational or historic value, they should continue to be subsidized by the Government and operated on a non-profit-making basis provided that they are worth preserving even though it is not justifiable commercially. In the case of museums of interest, they should be developed as items for cultural tourism. The co-operation of private and commercial organizations should be drawn in so as to bring into the development of cultural work commercial and private resources and usher in operation based on commercial principles. For reason of the "big market and small government" principle, the Government's role in it should be just a supporter and promoter of tourism.

As noted in the motion, one of the targets for the implementation of "big market and small government" is to prevent overlapping of functions in the provision of services by the Government and by service providers in the private

sector. We understand that in the case of certain trade and industries, in order to promote development, services must indeed be provided by the Government. However, it is absolutely necessary not to compete with the people for profits. The recent criticism levelled by some of those in the exhibition industry against the Trade Development Council's exhibition work well exemplifies this. We call upon the Government to learn from the past, and refrain from competing with the people for profits while promoting the growth of the trades and industries. In addition, matters must be weighed carefully so as to strike a balance. Liaison with the industries concerned should also be stepped up so as to strengthen mutual understanding and, thereby, induce more harmony in our business environment.

Madam President, we are also concerned that the Government often implements policies with a crude "big market and small government" principle. It has recently come to our notice that the Government has decided to bring in private sector participation for the construction and management of recreational and cultural facilities. We do agree that such an approach is more flexible, and capable of giving greater variety and glamour to cultural and recreational activities. However, we also worry that the Government, for the purpose of putting such a crude concept into effect, might drastically reduce social services under its responsibility, and consequently jeopardize the healthy development of the people's lives and their basic cultural needs. It is discernible that at present some of our recreational and sports services and activities are basically in a quandary. On the one hand, there is no financial support from the Government. On the other hand, there is also no financial support from the business sector, whose members can see no gains in offering financial support. So, here the Government is duty-bound to take up the responsibility, and offer financial support.

Thank you, Madam President.

**DR YEUNG SUM** (in Cantonese): Madam President, today we are very grateful to Mr NG Leung-sing for proposing a motion on "big market and small government", which gives the Democratic Party an opportunity to present our views on these social and economic policies.

First of all, the Democratic Party is in the process of gradual transformation; so is society. In the past Hong Kong was a very mobile society,



where many grassroots could enter universities to obtain professional knowledge through their own efforts, and then move on to become members of the middle class. Therefore, in Hong Kong, middle-class families are basically self-sufficient. Relying on their own efforts, and working through competition in the market and opportunities for advancement in the community, they improve their conditions of living, being full of confidence in Hong Kong and very proud of their life. However, there have been changes. As a result of globalization, wherever the cost is low, there goes the capital.

Hong Kong is also affected by globalization. In the face of economic restructuring, many middle-class families are experiencing a situation in which both employment and income are not secure. Social mobility is beginning to change fundamentally. The Democratic Party is aware of this structural social change, and so our political positioning is gradually changing to adapt to this social change in order to properly serve the grassroots and the middle class.

In the past, the middle class supported the Democratic Party for our political ideology, which covers human rights, liberty, fair competition and self-reliance. With regard to society and economy, they relied on their own efforts and required very little of the Government. However, as a result of globalization and economic restructuring, their employment is becoming rather shaky. What they require of the Democratic Party also becomes rather complicated, or should we say, rather profuse. Apart from political ideology, they also request the Democratic Party to take care of their interests too in terms of socio-economic policies. The Democratic Party is aware of such a change. So, over the past year, we have been making every effort to reposition our party's positioning, slowly moving from the left to the centre. As mentioned by Mr SIN Chung-kai, our spokesman on economic affairs, at present our political and economic policies can be said to be the left-of-the-centre. Why to the left? It is because, after all, we do care for the disadvantaged in society. This is our political ideology. Why do we move to the centre? It is because of the need to care for those in the middle class.

In addition to caring for those in the middle class, we are also aware that the Government has only very limited capability, which is due to the taxation system. The Democratic Party is in favour of low tax rates and a simple tax regime, both being the fundamentals for the survival of Hong Kong and embodying its foundation. Our economic competitiveness is being so maintained, especially so at a time of globalization just mentioned by me. Our

competitiveness must not be weakened. We must safeguard low tax rates and the simple tax regime at all costs. Given the onslaught of globalization, there will be, I believe, a great crisis in our economy when there come a lot of capital transfers consequent upon the debilitation of our competitiveness. In addition to the consideration of our competitiveness, there is also the challenge from globalization. So, the Democratic Party is very supportive of low tax rates and the simple tax regime.

Secondly, the Democratic Party supports eliminating the fiscal deficit. It is against the Basic Law not to support the elimination of fiscal deficit, is it not? Given the requirement to maintain the system of low taxes, eliminating fiscal deficit in fact means that the Government has only limited capacity. If social services keep on growing, so will the Government's burden and the fiscal deficit. We just do not want the Government to live on loans. We, therefore, support eliminating the fiscal deficit. We, however, have just one worry, namely, political and social stability. We once told the Financial Secretary that we were in favour of eliminating the fiscal deficit, but we asked him if the schedule to eliminate the fiscal deficit could be slowed down. At that time, we asked if it was possible to have a timeframe of three years. The Financial Secretary will not start to eliminate the fiscal deficit until two and a half years from now, which is close to our idea. So we have given our support to the current Budget.

It can be recalled that it was the Democratic Party that first suggested to the Government to issue bonds. The reason is that at that time interest rate was so low that bank deposits just earned nothing. The Government has many surplus-earning assets, such as tunnels, airport and malls. Basically a lot of surplus is being brought in for the Government. We stated that there definitely would be a market if bonds were issued on them. Facts have confirmed our view. We are co-operating closely with Financial Secretary Henry TANG. We believe that in future our co-operation with Mr TANG in this respect should not be a problem.

Thirdly, on welfarism. The Democratic Party unequivocally opposes free lunch. Both The Chinese University of Hong Kong and the University of Hong Kong have conducted numerous surveys to ask a very simple question seeking to know how the people find a way out when in trouble. 70% of those surveyed said they would rely on themselves. 20% would turn to family members. Less than 10% of them said they would turn to the Government. In other words, even after society has become stable as a result of the development

of many social services in the '70s, the people still attach much weight to self-reliance. The Democratic Party has, therefore, also put forward the concept of the so-called workfare. That is to say, we are to receive social welfare when in need, but we ought to repay society when we are in a position to do so. I think this idea on welfare and responsibility fits Hong Kong very well.

Fourthly, on public private partnership, namely, the so-called PPP issue. Market has its own merits, and higher efficiency. There are some aspects that are, however, beyond the market and have to be provided for by the Government. How can PPP be effected? Here we, in fact, can further look into it in detail. We are prepared to support a certain degree of privatization as it can take care of both the merits of the Government and inadequacies of the market.

Finally, time is almost up. I give full support to Mr NG Leung-sing's motion.

**MR ABRAHAM SHEK:** Madam President, as early as the mid-18th century, the English economist Adam SMITH had been advocating free trade and market economy in his pioneering book *The Wealth of Nations*. According to his theory, the lesser a government interferes with private business, the more prosperous a nation will be. In retrospect, the economist's concept of free enterprise capitalism has proven to be the cornerstone of many prosperous cities and nations around the world.

Hong Kong was once very close to this ideal economic promised land advocated by Adam SMITH. That was in the pre-handover years when the then colonial Government consistently adopted an active non-intervention approach and promoted a favourable business environment. The same Government also strived to defend Hong Kong's core values which are prerequisites for our present success. What are these values? They are fair governance, rule of law, fairness and justice, the maintenance of a level economic playing field, and a stable and benevolent government. While pro-market policies have established a firm foundation for Hong Kong's prosperity, these core values and sound principles of governance, together with resilience of its people, have also helped us to overcome economic difficulties over the years. Together, they have created an intervention-free environment where intrepid individuals can achieve

their personal goals as well as contribute towards the city's collective prosperity. In the short span of few decades, Hong Kong has matured into one of the world's major economic centres. The colonial Government must be credited with making Hong Kong an economic miracle, a role model for free enterprise capitalism which has captured the imagination of many renowned economists and more importantly, that of the late patriarch DENG Xiaoping, the architect of our present "one country, two systems" principle.

Madam President, the principle of "big market, small government" is therefore not a new concept to Hongkongers. Precisely, because of our deep understanding of it, many of us have grave concerns about the current status of governance. The question we keep asking is: Will the SAR Government practise what it preaches? Despite our Chief Executive repeatedly giving support to maintaining a small government in his policy speeches, many here would agree that his active non-intervention policies have increasingly given way to positive intervention. The Administration has increasingly engaged itself as a big, bureaucratic and omnipresent government. But with the Financial Secretary in place now, having the experience of handling Hong Kong's economy, we are hopeful that we will not see a "大政府、小市場".

The economic slump of the last six years caught many by surprise. At the same time, the financial difficulties have brought a new political awakening, driving many citizens to demand universal suffrage in future elections. This has facilitated the growth of a strong opposition voice in the Legislative Council. Instead of winning these Members through co-operation, negotiation and persuasion, the Administration has at times subconsciously sought their appeasement by, at times unknowingly, forsaking the principles of non-intervention in business policies, deviating from its sound financial and management practices. In doing so, they are buying short-term peace at the expense of long-term prosperity. Knowingly or unknowingly, they have disrupted normal market operations.

Madam President, now I would like to substantiate my argument by giving concrete examples. In the housing sector, the setting of an arbitrary supply target of 85 000 flats a year has been a form of absolute, direct intervention. That created a market collapse, plunging property values by more than 60%. Over 1 million homeowners have lost their wealth overnight. The supply of Home Ownership Scheme (HOS) flats is another case in point. The rationale

for HOS — which uses taxpayer money to subsidize private home ownership — is no longer justifiable in the rapidly changing social environment of the post-handover years. The Government in its wisdom has eventually dropped these anti-market policy initiatives, highlighting and confirming its commitment to market growth and market economy.

Furthermore, the Government has handed out a substantial amount of valuable land to the Mass Transit Railway, Kowloon-Canton Railway, the Airport Authority, the Cyberport and the Science Park, through private treaties grants. These then become backdoor routes for more land to be released into the market, breaking up and weakening the established supply and demand chain through competitive bidding. What is worse is that there is no effective public scrutiny of land subsidy for these commercially operated companies' infrastructural projects. But the ultimate tragedy is that when the market's supply and demand of land is upset by this current "backdoor" policy, and the real property investors find that their investment plans are derailed and the value of their capital destroyed, the whole market sinks.

In the area of public transport, the policy of making railways the backbone of the transport network has been in practice for 20 years. But it is now time that the Government should review the effectiveness of the policy which has resulted in an imbalance between the railway companies and the other forms of transport. Should the Government not give commuters a choice in the matter and let the market forces play?

Similarly, in financial development, too often, regulatory practices from overseas are introduced to our local securities and financial markets in the name of keeping our corporate governance in line with international standards. However, these rules do not always fit our system. Rather, they end up scaring away potential investors. Certainly, in my opinion, the Government has adopted an over-stringent approach in regulating a wide variety of market activities. A favourable market environment is not created just by regulations. In addition to the role of a regulator, the Government needs to play the part of a facilitator, too.

A small government should instead focus on policies facilitating market growth and development, and on the provision of essential services and infrastructures for economic and social developments. The construction sector

has a jobless rate as high as 30% presently. Has the Government genuinely listened to the sector's urgent demand for a wider practice of the public private partnership scheme to create more jobs and employment?

All in all, a small government should not have a heavy hand in controlling the market. It should know where its limitations are. It is not the Government's job to tinker with the market or guide prices, however tempting that may be. Instead, it should defend the real core values we commonly share. With these words, I support the motion.

**MR TAM YIU-CHUNG** (in Cantonese): Madam President, in this year's Budget, the Financial Secretary introduced a new theme, namely, "Market Leads, Government Facilitates." This is entirely a concept of "big market and small government". We support the concept of "small government", out of hope for the Government to make effective use of public funds so as not to waste, and not to compete with the people for profits. At the same time, we expect the Government to provide us with proper basic social and economic facilities, such as those for security, transport, environmental protection, education and health care. It is, therefore, not acceptable for the Government to drastically slash basic public services on the pretext of "small government" which may have serious effects on the establishment and job security of civil servants, thus affecting the people's livelihood.

To elaborate on these few aspects, let me cite a few examples. Firstly, it is about the civilianization of the disciplined services. As we all know, law and order in society has to be maintained by the disciplined services. A professional, unbiased and efficient disciplined service is a cornerstone securing the stability of our society. However, early this year, the Government's Efficiency Unit conducted a review on the civilianization of five disciplined service departments, namely, the Hong Kong Police Force, the Correctional Services Department, the Immigration Department, the Customs and Excise Department and the Fire Services Department, arousing great reactions in each of the services, driving the staff into a state of great anxiety, and badly upsetting staff morale.

In fact, over the past few years, all disciplined service departments have already implemented a few money-saving measures such as contracting out or civilianizing some of their non-core duties in a bid to achieve the objective of

optimal use of resources. These reforms have been carried out gradually and in an orderly manner, with consideration being given to a lot of views from the staff side as well as to operational needs. So the results have been good. However, on this occasion the Efficiency Unit gave people the impression of being too sweeping, as a result of which members of the staff have been wondering if the Government is using the review as a pretext to slash departmental resources and deprive the staff of their rights and privileges by resorting to extraordinary tactics.

The performance of the disciplined services depends very much on two paramount factors, namely, team spirit and the ability to offer support during emergencies. If the "civilianization" of the disciplined services is taken forward too fast and too excessively, these two important factors might be ruined. In a disciplined service department, team spirit is always important; ranks are well defined; and division of labour is clear-cut. If a lot of jobs are transferred from the ranks of disciplined to civilian staff, it can become difficult for the two different cultures and traditions to effect integration. It may even upset the co-operative relationship between the two groups, and disrupt team spirit, thus seriously affecting the standard of their service to the entire community. Secondly, it is often necessary for disciplined services to face emergencies and cope with sudden work upsurge. When a disciplined service is unitary, the departmental head may have the flexibility to deploy manpower to deal with the situation. As the saying goes: "Feed the soldiers for a thousand day, use them for one day." If a large number of logistic posts in disciplined services are manned by civilian staff, they will definitely be weakened logistically. In the event of emergency, it is going to be difficult to arrange adequate staff deployment to deal with the situation. Social order will be out of control, with serious consequences.

The maintenance of social stability and order is not only a basic prerequisite for the people to live and work in peace and contentment. It is also a key factor for drawing in more foreign investors and tourists and maintaining our status as a major metropolitan city. No matter how serious is our fiscal deficit, the Government still should not apply drastic "civilianizing" measures to the disciplined services. Every effort should be made to maintain their professionalism and stability.

The next example concerns water supply. Water is the most essential need of the people. Safe and stable water supply constitutes the life spring of

the community. To us, it is totally not acceptable for the Government to sacrifice water safety for the purpose of downsizing the establishment. Recently, the Government proposed reprovisioning the Sha Tin Water Treatment Works (STWTW) through public private partnership (PPP), with a similar approach for the supply and distribution of water, and the provision of customer services. Being our largest water treatment works, the STWTW supplies more than 1.2 million cu m of water to 3 million residents daily. It accounts for 40% of our total demand. Surely, with a PPP project, 800 posts in the Water Supplies Department can be eliminated. However, in some countries, such as the United States, Australia and the Philippines, many cases of joint ventures of water supply have ended in failure. In some cases, people's lives and health were even jeopardized. If our water supply becomes dependent on private companies, then I wonder if the Government can have adequate monitoring muscle to ensure the safety and affordability of our water.

Another example that I want to talk about is road management. Route 3 is one of the main roads linking New Territories West with the urban area, aligned from south to north. On account of the fact that the operating company charges exorbitant tunnel tolls, it has not been able to bring into full play its traffic-diverting function. Route 3 has little vehicular traffic while offering a lot of road surface. Yet Tuen Mun Road is so jam-packed that there is often too much vehicular traffic for the road surface available. The situation has maintained for years. The Government just cannot find any solution to that problem. Right before us is the opening of the Deep Bay Link to vehicular traffic. The Secretary concerned still does not know how to address the problem. This definitely is not the consequence of a "small government" that we want to see.

Madam President, we do support the "big market and small government" principle of governance. However, this absolutely should not be achieved at the expense of basic public services. With these remarks, I support Miss CHAN Yuen-han's amendment.

**DR RAYMOND HO:** Madam President, for the past seven years, I have been making remarks in this Chamber on a wide range of issues relating to the Government's governance and its role in our economy. I have been asking the Government to continue to practise free market economy. I have been asking it to promote fair market competition. I have been asking it to create a better



business environment for the private sector by cutting red tape and streamlining its procedures. I have been asking it to remove unnecessary rules and regulations which may stifle the vitality of the private sector. All these are fundamental to the "big market and small government" principle.

I am not going to repeat these points. But I must comment on the Government's misguided policies on the Civil Service which are advanced under the pretext of "big market and small government", and are driven by its obsession with reducing fiscal deficit.

Indeed, a team of clean and efficient civil servants has always been considered as one of the four pillars of Hong Kong. Unfortunately, the Government has been trying different approaches in the past years to enforce pay cuts and even downsizing of the Civil Service in order to achieve its objective of controlling expenditure on the Civil Service. All these actions have been taken without the slightest regard to the morale of the Civil Service.

Instead of consulting the staff side, the Government has politicized the pay issue and manipulated public opinion to its favour in order to push through the pay reduction legislation in 2002 to which I strongly objected. Its action has totally shattered the trust and co-operating spirit built over the years between the staff side and the management. Moreover, the pay reduction controversy has caused a rift between the public and the civil servants. Nevertheless, the worries of the Civil Service do not stop here. The Government is still pondering ways to make further cuts to the fringe benefits of the civil servants. While the civil servants' pay levels and fringe benefits usually fall behind their private sector counterparts during booming times, it is most unfair that their pay and fringe benefits have to be cut in bad times, following the trend of the private sector.

Downsizing of the Government is a bigger concern of the Civil Service. I have no objection if the size of the Civil Service is to be reduced by voluntary retirement schemes and natural attrition. However, the Government has opted to take a more drastic action. For example, in the works departments which I am more familiar with, many young engineers who have undergone training in these departments failed to get their contracts renewed upon expiry. Such employment policy which focuses only on cost consideration is very shortsighted. Sooner or later, these works departments will suffer from serious

succession problem in professional grades with a clear absence of new recruits for an extended period. As we all know, stability and continuity are the key to an efficient and reliable team of the Civil Service.

While I do not agree with the Government regarding its policy on the Civil Service, I must say that the Government is taking a right direction in seeking an active role in the Pan-Pearl River Delta regional co-operation and development framework. The Pan-Pearl River Delta (PPRD) Region which is also known as "9+2" includes nine provinces — Fujian, Jiangxi, Hunan, Guangdong, Guangxi, Hainan, Sichuan, Guizhou, Yunnan as well as the Hong Kong and Macao Special Administrative Regions. As the Chief Executive TUNG Chee-hwa said earlier, economic co-operation and development in the PPRD Region can greatly expand our economic hinterland and enhance our business opportunities.

Together with the benefits offered by CEPA, it has positive implications in many sectors of Hong Kong, including logistics, investment, tourism and professional services.

Talking about professional services, including the engineering sector, I deeply believe that the huge mainland market offers huge potential as long as the high entry threshold set for Hong Kong firms and the problem of mutual recognition of professional qualifications can eventually be sorted out, the sooner the better. In this respect, the Government should continue to play an active role.

Economically speaking, the prime role of a government is to create a better business environment for the business sector. Madam President, we should not be asking too much if the HKSAR Government is expected to do the same for Hong Kong businesses to thrive not only in Hong Kong, but also in markets outside Hong Kong, including the Mainland. With these remarks, I so submit.

Thank you.

**MR LEE CHEUK-YAN** (in Cantonese): Madam President, many Members have spoken in favour of "big market and small government". In order that there can be a debate, let me speak against it. However, as a matter of fact, opposing it is meaningless; so is supporting it. Why? It is because what is

meant by "big" and what is meant by "small"? Take the international yardstick. In a situation like that of Sweden, where more than 50% of the Gross Domestic Product (GDP) is government-run, it can indeed be regarded as "big" as public expenditure takes up more than 50% of the GDP. In the case of Hong Kong, it currently stands at 22%, actually going down to 21%. It will drop further in the days to come. At present, in Hong Kong the portion constitutes 21% only. Even if it might rise to 25% in the future, is it not really big? 25% can still be regarded as "big market and small government". It is, therefore, actually meaningless to discuss whether or not to support "big market and small government". It just depends on what is "big" and what is "small".

(THE PRESIDENT'S DEPUTY, MRS MIRIAM LAU, took the Chair)

In my opinion, Hong Kong is now very "small". It is very "small" by international standard. The question for discussion today should be whether or not to let one that is already so "small" become "smaller." We had better focus our discussion on this issue. As the debate goes on, many of us will be telling the Government not to do this and not to do that. If this is not to be done and that is not to be done, then there is, to a certain extent, an impression that we should not let the Government grow any "smaller".

My standpoint is very clear. The Government is now "small" enough. It should not become "smaller". There is actually room for it to grow "bigger". It is just this simple. Why am I holding such a standpoint? I noticed that when discussing with the Government the details of each policy, Members tend to ask the Government to do more work on certain matters. If the Government is indeed to be asked to do more work, then it is not permissible to support the Government to become "smaller" and "smaller". Let me quote a few examples for Members' consideration.

In the first place, which approach can be said to be the one making it become "smaller"? The Government has made itself very clear. It only has a few means at its disposal. The first is to reduce the number of civil servants so as to downsize the structure of the entire Civil Service. The second is very clear. It is to cut back on all expenses. A very clear timetable is now available. By the time around 2008, expenses will be reduced to \$200 billion. Let us do some calculation. If expenditure in 2008 amounts to \$200 billion,

then by that time our public expenditure will have taken up about 17% of our GDP, that is, back to the level of 1997.

Let us reflect on it. Can our community still hold out when it is as small as that? Will there be a situation in which "the people shoulder heavy burdens whilst the market is big and the Government is small"? Even though I so ask, my conclusion is in fact very clear. It is in the affirmative. If it is not so, whence comes the money? Does it grow on trees? No, of course. Finally, if the Government is to be "small" and expenditure is to be cut, services will have to be reduced or the people will be obliged to pay more. One of these approaches has to be adopted.

All along we have been suggesting some rather realistic examples, for instance, the expenditure on education, an area drawing most attention from the people of Hong Kong. Now on education. Again, some teachers are going to stage a hunger strike this afternoon. They go on a hunger strike for reasons concerning reduction of classes and surplus teachers. I always say that there is in fact some margin for hiring more teachers if small-class teaching is implemented. If more teachers are hired and small-class teaching is implemented, then I wonder how "small government" can be implemented. The only way is complete privatization. However, does privatization not mean what I just said, that is, asking the people to shoulder heavy burdens? That is to say, equal opportunity will not be available, will it?

In fact, Direct Subsidy Scheme schools are now taking this course. I think it is acceptable for some schools to go that way. The reason is that though not all can afford high tuition fees, they do provide the people with an option. However, those without money should not get fewer chances for reason of that. With regard to education, I wonder if we should reduce the expenditure on education.

As for health care, the expenditure on health care is being reduced too. There is even the likelihood for medical financing to come up for consideration in the future. The people will then have to pay more. Health care is indeed becoming more and more expensive. It is likely that ultimately the people will be required to pay more. Where should the bottomline of the cut be set? Should the cut continue forever? I know of some patients who have to pay more than \$10,000 each for their medication every month. The Hospital Authority is not prepared to foot the bill. Just think about it. For a sum amounting to more

than \$10,000 a month, a patient taking that drug has to pay more than \$180,000 per annum. I also know a man whose wife died because he had no money. I asked him why he had not made any application through a medical social worker. According to him, that was not possible as that drug was not covered by the public sector.

Do we want the Hong Kong community to come to such a stage? Social welfare is in a similar situation. When the Tin Shui Wai incident was brought up, there was an uproar seeking to boost family services. The uproar was well justified. However, we have got to be consistent after the uproar. We should not support the Government in reducing expenditure as well as welfare, continually.

Now on the Civil Service. If it goes on like that, those with secure employment are going to be subject to more and more insecurity. The succession problem in the civil service ranks is deteriorating. To arbitrarily set the strength of the Civil Service at 160 000 can create those succession problems. There will be employment problems too. Many Members often voice the demand that the Government should solve the problem of unemployment. How can we, on the one hand, support resolving the unemployment problem and, on the other, support the Government cutting jobs? Here is a problem concerning both non-civil service contract staff and civil servants.

Moreover, how does the Government usually streamline its structures? It relies on outsourcing. However, outsourcing is another issue. Every two years after an outsourcing exercise, there is a case of winding-up. There is then wage cut every two years. This has become an obvious trend of development. As a result, the wage level just keeps on dropping. Do we want to see such a Government? Should the Government keep on downsizing itself in this way? So, I must say categorically that I disapprove of the Government downsizing itself in this way. It is also my belief that if the fiscal deficit is to be eliminated, then consideration should be given to the idea of asking those who can afford to pay more. It should not rely solely on reduction. Areas of expenditure where there is wastage must of course be cut. Events like the Harbour Fest are certainly not tolerable. It is hoped that the Government can exercise discretion.

Finally, on welfarism. I want to respond to one term, namely, free lunch. It is a term much abused. As a matter of fact, minimum wage is not free lunch. It is just pay with dignity. Thank you, Madam Deputy.

**DR TANG SIU-TONG** (in Cantonese): Madam Deputy, I have all along endorsed and supported the proposition of "big market and small government". I have criticized time and again the Government of the Hong Kong Special Administrative Region (SAR) of taking others' jobs into its own hands, constantly formulating policies, and consequently obstructing the free operation of the market. The real cause is that the Government has all along been unable to understand the role it ought to play. When it is supposed to play the role of the leading actor, it often takes up the role of the leading actress as well, or even that of a supporting actor or the major supporting actor, or that of "movie-extras". How can a movie turn out to be good if produced in this way? It is time for the Government to do some unloading and devote itself to the full discharge of its due responsibilities.

If the SAR Government operates according to the principle of "small government", strictly refrains from neglecting its proper duties and making whimsical interventions in the market, and, as far as possible, gives a free hand to members of the industries, there will be more investment opportunities in the market. At present, Hong Kong has some 300 000 small and medium enterprises (SMEs) which employ 95% of our total labour force. Proprietors of SMEs are mostly members of the middle class. The Government often makes it known that it is prepared to help the middle class. Yet it deprives them of investment opportunities behind their backs, thus making the people doubt the Government's sincerity to help. I am of the view that so long as the Government makes fewer intervention, and leaves business opportunities to members of the industries, especially those of the SMEs, members of the middle class will be able to benefit from it. What is more, because of increased jobs, even members of the labour force will benefit from it too.

In the past, our economy was able to make giant strides, which had much to do with the Government's adherence to the policy of free trade and its stand on positive non-intervention. In my opinion, the SAR Government should follow the tradition of the past and devote itself to playing the role of economy promoter by spending main efforts on drawing up effective policies to create for the business sector a business-friendly platform, help them lower operation costs, and remove unnecessary restraints. However, when we look at the many trades and industries in Hong Kong, such as the catering industry, the entertainment business, and the hotel industry, we notice that many have run into a lot of problems in connection with licensing and operation. For instance, it takes a long time to apply for licences, the procedures are full of twists and turns, and

the conditions are harsh. The Government should indeed streamline its operating structures and enhance its administrative efficiency to create a satisfactory policy platform so as to help the development of various trades and industries. It is apparent that not enough work has been done in this respect, and there is room for further improvement.

As a matter of fact, in making recommendations for the current year's Budget, the Hong Kong Progressive Alliance proposed that certain potentially profitable high-quality infrastructure projects be handed over to the market for operation and construction so as to give full expression to the "big market and small government" principle. Paragraph 94 of the Budget responded to that positively. It is hoped that the Government can be as good as its word.

Madam Deputy, when we look at the existing structure of the Hong Kong Government, we notice that it is indeed too "obese". So, adherence to the mode of "small government" is like giving the Government some "slimming treatment". It is conducive to enhancing administrative efficiency as well as to saving public funds. Singapore, our competitor, has a population of 3 million. It employs some 60 000 civil servants. Hong Kong has a population of 7 million but keeps a Civil Service of 170 000, which is about three times that of Singapore's. It has been estimated that by the year 2006-07, its size can only be reduced to 160 000. I am of the view that, to streamline its structures and enhance efficiency, the Government should involve itself less in matters beyond its ambit of governance provided that the quality of existing public services is assured.

However, observing the principle of "small government" does not mean that the Government may relinquish certain social responsibilities, such as looking after the disadvantaged in the community and providing those in genuine need with subsistence security. These are irrefutable social responsibilities on the part of the Government. In order not to affect those needy, the Government should not reduce assistance whimsically on the pretext of implementing the "small government" principle.

Madam Deputy, I so submit.

**MR BERNARD CHAN:** Madam Deputy, although Hong Kong has a reputation for having a "big market and a small government", it is not really true. Nearly

half the population depends on the public sector for housing — far more than in any capitalist economy. More than 90% of hospital care is provided by the public sector. And, of course, the Government is easily the biggest employer in town.

In recent years, we have seen the Government taking on a bigger and bigger role in the economy, and spending more and more of our money. In some cases, they are for good reasons. During the difficult economic times in recent years, the Government does need to step in, for example, to assist those who cannot help themselves.

However, we have also seen the Government getting more and more involved in areas which should be left to market forces and the private sector. An obvious example is the attempt first to bring property prices down, then to push them back up. Official interference made things worse. All the Administration had to do was nothing. The volatility in our property market and the impact of deflation would probably have been far less, if the Administration had simply stood aside.

Another example is the Government's attempt to allocate resources more efficiently than market forces. It decided to grant expensive land at low prices to encourage hi-tech, science and tourism. So, we have Cyberport and the Science Park. But there is no evidence that Hong Kong has a comparative advantage in these sectors. The Government should simply auction land off to the highest private sector bidders, and let them decide what to do with it. They will not waste it on something which loses money or brings low returns.

The Government has gone into business as a money lender and venture capitalist, offering funds to small and medium enterprises, the film industry and technology developers. The returns on this financing are terrible. The Applied Research Fund has lost \$200 million. The Innovation and Technology Fund has spent \$1.4 billion on projects, most of which are useless. If this wealth had been left with the people who created it in the first place, it would have been used far more productively.

These are just a few of the ways in which the public sector competes with private enterprises or overrides market forces. It wastes resources. It deprives the private sector of opportunities. It sends a very bad message to the



people of Hong Kong. It tells them that the Government runs the economy — it plans it, it steers it, and it controls it. This is a dangerous message to send out.

It might even be against the Basic Law. After all, the word for this sort of system is "socialism". Article 5 of Chapter 1 of the Basic Law says "The socialist system and policies shall not be practised" in Hong Kong. The Government needs to stop trying to manage market forces and participating in commercial activities.

We will see whether the Government can keep out of the market when the question of a centralized employees compensation insurance system comes along in the future.

Lots of people like the sound of this idea. Employers think it will be cheaper. Labour organizations think it will be more dependable. It has been tried overseas. In the only places where it has worked, centralized employees coverage has ended up costing consumers more than a competitive, private sector system. All the evidence is that competing insurance providers are the best at pricing and managing risk, and offering competitive prices to customers. There is also evidence that the private sector, driven by the profit motive, does a better job at pressuring employers into improving safety in the workplace.

Madam Deputy, I am sure most of my Honourable colleagues in this Council will be voting in favour of this motion, and for the principle of "big market and small government". I hope many of them will still be here after the election in September. I expect they will take an interest in the issue of a central employees compensation scheme. I am sure when that time comes, they will be consistent and they will vote in accordance with their small government principles.

Just a couple of weeks ago, the Census and Statistics Department issued the results of its annual survey of social and economic trends. The survey provides a very interesting picture of the development of our economy. It showed that the manufacturing sector's share of the Gross Domestic Product declined from 13.5% in 1992 to just 4.6% in 2002. Over the same period, our services sector grew from 78.8% to 87.7%. This trend is continuing. In the three years to 2002, net output in all our service sectors grew at an average rate of 2.4% a year, while net output in our manufacturing sector fell by 9.2% a year.

Some people may find this alarming, but there is nothing unusual about it. There are few, if any, factories left in London or New York City. Like us, they have become major trading centres and exporters of high value-added financial and business services. Of course, Hong Kong owns a huge manufacturing sector, but it is on the other side of the border where it is economically viable, and provides a lot of business for our service sectors.

If Hong Kong investors wish to build factories on this side of the border, then I wish them the best of luck. But I do hope they will not be expecting any subsidies or other concessions from the rest of us — the part of the economy which makes profits, pays tax and creates jobs.

If the manufacturing sector is not viable here without some sort of handouts, then let us just keep it that way. Thank you, Madam Deputy.

**MR JASPER TSANG** (in Cantonese): Madam Deputy, the phrase "big market and small government", like many slogan-styled principles, are imbued with the same problem. More often than not, people are prepared to support something abstract. However, when it comes to actual implementation, controversy may arise.

I do not quite agree with what Mr LEE Cheuk-yan said. However, with regard to the speech he just made, I very much agree with what he said at the beginning. Even if all of us agree that we should adopt and implement the policy of "big market and small government", it does not mean that the Government will implement this policy. Should the Government implement that policy? With regard to the question as to what matters the Government should or should not take charge of, we will, on the basis of these five words, agree that the answer is in the negative. This point has been made clear by in the speeches just delivered by Miss CHAN Yuen-han and Mr TAM Yiu-chung.

Both Miss CHAN Yuen-han and Mr TAM Yiu-chung are in favour of the original motion. According to Mr LEE Cheuk-yan, he opposes it in order that there can be a debate. However, I totally understand his reasoning. But I think it is risky. It is very risky for us to take these four words "big market, small government" like a scientific rule, a rigidly defined formula, and use it as a yardstick to decide whether or not the Government should do a certain thing.

On the other hand, in many cases we might use such a slogan in the light of the political or economic environment of a certain period. For instance, in the '80s of the previous century, this so-called "small government" theory was very popular. We can see that at that time in the United States as well as in some European countries, the conservative force was dominant. All government policies leaned to the right. As the situation was like that then, the "small government" theory was very popular.

I remember that shortly after the recovery of sovereignty over Hong Kong, I attended a seminar, which was probably hosted by the business sector. Some prominent British political figures in charge of privatization were invited to explain the success of privatization. People were impressed by their speeches and gave them rounds of applause. However, I recall that earlier this year, this Council also received a prominent figure from the business sector of England. He said to us, "No, it has come to our notice that privatization is not sound in many aspects. We in England are having a fresh debate, and also conducting a review. For instance, railway services do not seem to have improved after privatization. Perhaps there are still many problems." We were thinking of privatizing our railways, I said in response. So, the development of matters in the world is often like the swing of a pendulum. Sometimes it is necessary to ride on the situation to put forward "big market and small government". That is to say, when the Government's intervention has gone so far as to distort market order or obstruct economic development, or when the burden shouldered by the Government is so heavy that members of the community consider it to be unaffordable, then surely such a concept of "big market and small government" is probably reasonable, and represents clear-headedness. But on the other hand, if a crude market order has brought to the community a lot of unfair phenomena such as a wide gap between the rich and the poor and the presence of monopoly, upsetting *bona fide* free competition; and if the Government still adheres to a "big market" and refuses to intervene, then it will inevitably bring to the community a lot of hardship and give rise to a lot of conflicts. So, whether or not we support these words is not the most important point. It is ascertaining from our current environment the definition of "small government" and "big market" that really counts.

I find the comments just made by a Member or two quite questionable. Take the case of Mr Abraham SHEK as an example, who is not here now. The "big market and small government" principle, he said, in fact was established

way back at the time of the previous Government — in the '70s and '80s, and positive non-intervention was wonderful as our remarkable economic success depended on that principle. The point, it seems, is that we were in trouble over the past few years because the SAR Government had violated the principle. However, I find the contents of his speech somewhat contradictory. Here is an example. Mr SHEK naturally made mention of the property market. The property market is the area where the previous Government intervened most. Who dare to say that the previous (that is, Hong Kong British) Government had adopted a policy of non-intervention towards the property market?

Mr Abraham SHEK also criticized the public housing programme. The housing programme has always been there. The previous Government also took under its care the housing need of many grass-roots families. Because of that, the Government could afford to be very thrifty or more "tight-fisted" with regard to the spending on other areas of welfare. The reason is that the housing problem was solved. Similarly, on account of government policy on real estate, in the past proceeds from land sales constituted a major source of the Treasury's revenue. We, therefore, have been able to maintain relatively low tax rates for so long. That was it.

As noted by some economists, although many people think that the tax rates in Hong Kong are low, there are some hidden taxes, for instance, the spending on housing. We, therefore, should not just look at the surface and say that there was no intervention in the past and that, on the contrary, the public housing policy should now be scrapped and consideration given to corporatizing the two railways. In fact it is time to proceed in the direction of "big market".

Thank you, Madam Deputy.

**MR LEUNG YIU-CHUNG** (in Cantonese): Madam Deputy, under discussion today is the topic on "big market and small government". After listening to the speeches delivered by several Members, it is now my turn to speak. I feel that I am in trouble. For I know not what to say. Why? The reason is that what I just heard, especially the remarks of Mr LEE Cheuk-yan and Mr Jasper TSANG, are very close to what I am going to say. The same is true of the examples cited.

When we talk of "big market and small government" or "small market and big government", we are just making mention of some abstract concepts with no significant meanings. In fact, I find this very real, and do agree with it. It is because very often we have to focus on the facts as well as the objective situation. It is not possible to proceed on simple reliance on one single principle. When we speak of "big market", how "big" should it be? Turning now to "small government," how "small" should it be? There is just no standard. To make mention of these visionary and abstract matters that have no standard is indeed not at all meaningful.

Let us dial the clock back. For instance, when we particularly talk about the concept of "big market and small government" today, definitely there is a concept. What concept is it? We must have had something like "small market and big government" in the past. If it is certain that we did have "small market and big government" in the past, then we must ask one question constantly. Regarding the economy of Hong Kong in the past, was it bad all the time? If we look a little deeper, it does not appear so. We have had a bad economy only in the last few years. In the past, that is to say, before 1997, people all felt that our economy was booming and expanding continuously. We were even named one of the Four Little Dragons.

If we say that it is now time to proceed in the direction of "big market and small government", then are not we saying that the course taken in the past was wrong? If the past course was wrong, then how could we have been able to rank among the Four Little Dragons, and continuously improved the entire economic development as well as people's living standard and productivity? Why? I, therefore, sometimes feel that it is meaningless or even ridiculous to say such words or make such proposals for we are unable to look at things realistically. For instance, I agree with what Mr Jasper TSANG just said. Take a look at the '60s, or '70s or even the '80s. What were the main reasons for the prosperity and development of our economy? It was due not mainly to "big market and small government". What was the main reason then? It was precisely because of the availability of a cheap labour market. Why was there a cheap labour market? It was because of the provision of public housing. Because of such a cycle, our competitiveness was strengthened, which rendered it possible for us to access other international markets. This is one of the reasons bringing about the development of Hong Kong. We cannot refute this fact, nor can we refute this part of our history.

Was it really a time of "big market and small government" then? No. At that time, there were intervention and participation by the Government. Otherwise, today would have been different. So, we think this is impossible. It happened not just in Hong Kong. It also happened in the United States. The United States experienced the Great Depression in the '30s. United States President Franklin D. ROOSEVELT then launched a so-called new policy, whereby the Government got involved in society. That reversed the economic downturn of the United States. Had the United States Government not done so then, the United States economy would not have taken off in the '60s. So, can it really be said that our approach in the past is indeed not sound?

Furthermore, let us take a look at the countries of northern Europe, such as Denmark and Netherlands. Their economies are very well developed. However, as just stated by one Member, as far as these countries are concerned, government involvement is in fact not smaller than that in Hong Kong. However, they rank very high internationally in terms of economic growth. Is it true that they can make it whilst we cannot? Must we change ourselves? After all, I believe that "to be big" or "to be small" does not carry much meaning. Whether or not the system is good counts most. If the system is bad, then it is meaningless to speak of "being big" or "being small". How to define a good or a bad system? Here is an example. If it allows the formulation of fair policies providing for fair competition and monitoring, then it is a better system. Ever since the reunification in 1997, there have been incidents of monopolization in many areas. Because of favouritism, competition has not been fair. These, right under our eyes today, are being constantly criticized by us. Many matters have not been able to develop satisfactorily and public wrath and grudges have been growing incessantly. These are most undesirable.

So, today we should not just talk about the question of a big or small market. To be more practical, we have to see to it that our Government draws up policies in line with the current development in areas like social matters, economic matters, political matters and the people's livelihood.

Surely, many people will wonder if we are going to bring in government involvement in the market in taking this course. However, in my opinion, involvement is not an issue about a principle being correct or not. The issue is on the principle itself. It depends on the manner and the appropriateness of

involvement at the time it is effected. Here is a simple example. Lately, we have seen many acts of involvement by the Government. Just now Mr LEE Cheuk-yan also gave us one example. The Government got involved in the Harbour Fest and invested in the activities. Is that correct? We all know very well. We know clearly whether or not it is good. Such involvement is bad involvement.

However, I think that there are matters worthy of involvement. For instance, in the past, with the unemployment rate growing incessantly, we continuously put to the Government the question that some jobs should be made available so as to provide employment to middle-aged workers having difficulty in finding jobs because of their lack of skills. This sort of involvement is necessary, otherwise, our unemployment rate will keep on growing, and the situation will deteriorate. So, I think it is definitely necessary to look at the issue in this respect. I again wonder if the Government can see what the people's needs are, and where to effect involvement. The Government should not consider just some abstract principles. The original motion seeks to enhance administrative efficiency. I think nobody is going to object to this. The original motion, however, also seeks to reduce public expenditure. I am of the view that there is a need to be thrifty if the Government is spendthrift. However, it is, in my opinion, faulty if expenditure is to be reduced just for the sake of reducing expenditure and in total disregard of all other considerations or the people's needs. This aspect, therefore, warrants careful studies.

Although our economy is now recovering .....*(The buzzer sounded)*

**DEPUTY PRESIDENT** (in Cantonese): Mr LEUNG Yiu-chung, your time is up.

**MR LEUNG YIU-CHUNG** (in Cantonese): .....the people do not feel it. Thus we should not just say something so abstract.

**DR PHILIP WONG** (in Cantonese): Madam Deputy, today's topic on "big market and small government" gives people the impression that the two are related. That is to say, it is an equation. It is, however, not bound to be so in reality. It cannot be said that the bigger the Government is, the smaller the

market will be. I think we all understand that they are not directly related. Surely, we all want to fight for a big market. In order that the market can be big, small and medium enterprises must, I believe, grasp the so-called current trend of the globalization of world economy and get themselves properly equipped. Only then can they enjoy the benefits of the globalization of world economy. With regard to the question as to whether or not the Government is small, I think this is very subjective. I do not think the Government should be excessively big. Talking of the extent to which trimming is to be made, I think the judgement should be left to the Government.

I would like to say one more thing. Just now Mr NG Leung-sing made mention of the point that, by taking part in various exhibitions every year, the Trade Development Council (TDC) appears to be competing with private agencies unfairly. Please take note of the fact that exhibitions organized by the TDC every year have been growing in number year after year. The problem is that some participating merchants, for various reasons, have not been able to avail themselves of the opportunities. In reality, private organizers capable of rendering good services do, I believe, pose some competition too. It is, therefore, hoped that the Financial Secretary later can explain clearly to Members the role being played by the TDC as, apart from Mr NG LEUNG-sing, the Democratic Alliance for Betterment of Hong Kong probably also has some misunderstanding about the role of the TDC. Thank you.

**MRS SOPHIE LEUNG** (in Cantonese): Madam Deputy, this is our second last motion today. I also would like to say a few words. The Liberal Party holds that "big market and small government" has always been the concept we adore. In reality, the fact that Hong Kong maintains "big market and small government" is one of the factors contributing to our success. Let me try to talk about the perspective of the so-called "big market". We are now in the 21st century. How are we to boost the market to make it even bigger — alternatively, should we take a look at this "small government" from a standpoint on how the Government should contribute to the market, and whether or not the Government should create what I often call an enabling environment? I have spoken on this subject time and again in other panels.

Nevertheless, today I would like to speak on the Government's undertaking to downsize its establishment to 160 000 by the year 2005-06. I



must sound a warning in advance. It may be necessary to go through a slimming process which is bound to be very painful. Today some newspaper reports already said that we had "the Legislative Council deluged" yesterday. It is my hope that during the process in the days to come, we need not have "the Legislative Council deluged" again on account of the pains from the process. I am of the view that in going through the process, we must realize in advance that such a process is bound to be painful, and should make preparations to seek to minimize the pains. We ought to have already taken this into consideration. In my opinion, the Government, especially the department in charge of the Civil Service, should understand this, and know how to introduce and emphasize in the course the culture of management and governance. It is also necessary to lead the entire force to think from such a perspective. Only by so doing can the impact be minimized. It is hoped that Mr LEE Cheuk-yan and members of the Hong Kong Federation of Trade Unions can think from this perspective. We in the Liberal Party are prepared to work with those within the political system to accomplish the task.

In fact, with regard to this management culture, I want to give it more promotion in the community, not leaving it just among civil servants. The kind of commitment in question, that is the extent to which each individual should go in his commitment, should be taken as an act of honour, not that he is being forced to do so. The reason is that if it is forced commitment, the pain will be even greater. What I have said sounds rather abstract, but I trust that Mr LEE Cheuk-yan well understands what I mean with reference to his work relating to labour movement. There is going to be a lot of work requiring our joint efforts in the days to come. Such spirit ought to be set in motion by the entire community. The reason is that by now several persons once with commitment have already stepped down. Public opinions are varied. This is, in fact, a form of honourable commitment. If we can see things from the perspective of honourable commitment, then everybody will remain far more unruffled, and there will be no discord. I think we should reflect on this.

Let me come back to the necessary reflection on the establishment. Should we start with savings within the structure? Yes, we should think from this angle, instead of thinking from the angle of keeping posts and jobs. Furthermore, it is hoped that everybody can act with the perspective of "big market" in mind in promoting the market in order to open the market even further. Then the economy will thrive so that there will be a big welcoming

hand outside to welcome the 20 000 people who have to leave the service. This is the perspective of the "big market". This, I think, is precisely what we should reflect upon.

Finally I also want to say a few words on the question as to why the "small government" long pursued by us in the past could do so well. As a matter of fact, we should not forget that in the past, in addition to the Government's statutory structure, there was also an advisory structure. That one was non-statutory, but it was full of vitality. However, I now notice that it has become something like a lame duck. Why? Because the Government used to make its picks from one tier down to the next tier in that advisory structure. However, nowadays, the next tier seems to have disappeared. That tier being not available, it is very hard to attract talents to the advisory structure. This is a case of interaction. It is also hoped that upon our return in the next term we can make concerted efforts to look into the inadequacies within these bodies and see how improvement can be made.

Madam Deputy, it can be seen that the Government's process to downsize its establishment is going to be very painful. Our colleagues at every level are very worried. I myself can feel that too. How are we to drum them up? First of all, we have to be more balanced psychologically. Secondly, society has to be more receptive to them. Thirdly, also the most important one, when the economy becomes more thriving and more vibrant, the market will be very happy to absorb talents from all levels. There is no need to wait till the next term. Even right from today, I am only too willing to talk with anyone from any part of the Civil Service. It is not wise to leave that sort of pressure till the last minute to tackle with. It is especially so after yesterday's "deluge". It is hoped that concerted efforts can be made with everybody to work on this right from the start. Thank you, Madam Deputy.

**MISS CHOY SO-YUK** (in Cantonese): Madam Deputy, the Government of the Hong Kong Special Administrative Region (SAR) has on different occasions stated that Hong Kong is pursuing the course of "small government", stressing that in market economy, an important ingredient of prosperity is private sector market. So, "more support and less intervention" is the Government's fundamental philosophy. Is it really so?

At least as far as the environmental protection issue is concerned, it is not so. There are many examples. To present my view, today I just use waste disposal as a typical example in the area of environmental protection.

Madam Deputy, as reiterated by me in my speeches delivered in this Council in the past, insofar as the efforts on work ranging from reducing garbage to finding ways to deal with waste disposal are concerned, the methods used by the SAR Government are very much different from those of developed countries or cities, even running totally counter to the "big market and small government" principle.

In the first place, the SAR Government has blindly adhered to rigid policies and dogmas, firmly refusing to accept the request unanimously made by members of the industry, environmental protection groups and Members, and all along saying no to a way of "using a small gadget to jack up a heavy load" by providing the environmental protection industries with a business-friendly environment so as to bring in the strength of private enterprises to undo the fast knot of refuse incessantly piling up. On the contrary, it insists on taking charge of almost all the waste disposal work. Given the lack of incentive and the little value in recycling refuse, it is naturally difficult to raise the recycling rate effectively. As a result, the effectiveness of our waste recycling has long been far inferior to that of neighbouring cities.

Such top down approach is not efficient on the one hand, and makes it necessary to set up a huge monitoring structure on the other. What is more, it wastes a lot of public funds.

Madam Deputy, it is estimated that for the current year, landfills alone are going to cost \$1.1 billion. If collection, transportation, and other expenses are all taken into account, the annual expenditure on waste disposal amounts to \$5.5 billion. Even though last week this Council gave approval to levy construction waste landfill charges, this is just a tiny drop in the ocean if public expenditure is ever to be reduced.

We really find it unfathomable. To alleviate the problem of unemployment among young people, the Chief Executive in his policy address agreed to set aside \$1.2 billion to implement three employment initiatives. Yet the Administration is unwilling to provide the environmental protection

industries with some real help through some flexible measures like policies and tax concessions even though these industries are equally capable of creating lots of jobs.

The problem now is only too apparent. We practically lack a set of clear and specific policy to encourage private enterprises to bring into play market force to share the massive task of waste management. On the contrary, the old way is still in practice, with the Government taking charge of all the bits and pieces. If the situation goes on like that, it is certain that even though a lot of resources are being put in, this is just like a clay ox going into the sea. Only half can be done with twice the efforts. This is the main reason for the long-standing absence of an effective solution to the refuse problem, and landfills are being filled up ever faster.

Furthermore, even though environmental protection has never been meant to create wealth, the fact remains that once the wrong policy direction is reversed, the Government can save an expenditure amounting to more than \$5 billion a year in waste disposal and create lots of jobs at the same time. In addition, this will help the environmental protection industries grow sturdy. The economic benefits thereby created will amount to several billion dollars. All the calculations will add up to a difference of \$10 billion and more.

Experts have identified the green industry as a leading industry of the 21st century. On the Mainland, the green industry grows by more than 15% per annum on average. On the basis of just this, it is certain that this will be one of the most promising new growing points of the economy. Granting that Hong Kong only acquires 1% of the turnover, that is already a rather handsome figure. What is more, many jobs may be created at the same time.

In fact, being well aware of the situation, I once moved in this Council a motion on reviewing the waste management policy in early 1999, urging the Government to formulate a set of support policy to help Hong Kong develop the green industry so as to take advantage of such a big business opportunity. There have also been different suggestions from different quarters on ways to help the environmental protection industries, including the setting up of an environmental protection industries fund, the offer of low-interest or interest-free loans to members of the industries, the granting of industrial land at low prices

for use by the environmental protection industries, and the conversion of vacant factory buildings into environmental protection industries centres. It is a pity that so far there has been no response from the Government.

Taking the opportunity of this last meeting of the current term, I again call upon the Government to bring in the market mechanism for our environmental protection industries and waste disposal with an open attitude in order that the environmental protection industries, especially the waste recovery and recycling industries, need not fall into the vicious cycle of starting and perishing on their own. Otherwise, our Hong Kong, our environment and our people will have to be sacrificed ultimately.

Madam Deputy, I so submit.

**MR ALBERT HO** (in Cantonese): Madam Deputy, I very much agree with the views just presented by Mr LEE Cheuk-yan and Mr Jasper TSANG, that is, the concept of "small government and big market" is very vague and general. The meanings of "big" and "small" are both concepts of relativity. If there are not figures or standards for analysis, then the debate is going to be vague and general.

What I want to stress is that today's topic in fact involves a discussion on some fundamental and interesting political and social philosophies and policies. The major premise is where lies the boundary between government and market. In other words, it is about the roles and functions played by a government in a market or in the economy. In reality, those less contentious social functions in most free markets and capitalist societies now include matters like managing market order to ensure the operation of free market, ensuring fair competition, the removal of trade barriers by the government and ensuring that there is no unfair monopolies in the market. In the past, the Legislative Council formulated for the Government legislation on many policies, such as those regulating the financial markets. From time to time, there are people calling that excessive regulating. Notwithstanding this, there is, on the whole, a consensus, that is, we have to ensure that there are proper supervision, adequate disclosure, transparency and fairness of competition to ensure that competition is fair.

Here is another point. The Government's intervention is for the protection of public interest, an area for the care of which those in the market are usually unwilling to pay out of their pockets. In this aspect are matters like environmental protection, industrial safety, food safety, and consumers' rights. Of course, there is occasionally some disagreement on these. How far should the protection go? Where should the boundary of public interest be drawn? However, on the whole, there is little dispute about this function of the Government.

In addition, the Government of course has to maintain basic social services and keep up their quality. There are many tasks that have to be performed by the Government, for example, public order, security, public hygiene, infrastructure, and public transport. But recently there has been a line of thinking to the effect that some tasks can be outsourced. Just now Mr Jasper TSANG made mention of a seminar that we had attended. Some British experts came here to give presentation on what and how to outsource. According to them, all matters under the sun, with no exception, can be outsourced. Even prison management and certain functions of disciplined services can be outsourced. I remember that I put up my hand and asked them: "Is it possible to outsource the administration of a government? What about concessions of a country?" In my memory, their answer was not that clear. This, however, is rather crucial. To what extent can we outsource? Surely, this will be a very philosophical and hypothetical debate. The Government has not said that it is necessary to outsource the police work, or that it is going to outsource every task. It is not like that. However, the fact is that there is indeed a debate about the extent to which outsourcing may go. Is it necessary to outsource even water treatment? Just now reference was made to water treatment. One more point was mentioned too. For instance, for the West Kowloon project, should the management of the whole piece of land be granted to one consortium for overall planning? This is going to be rather controversial. We oppose to it. I do not think it should go that far. Certainly, there is not enough time today for detailed discussion. There is, however, one point that must be noted. In outsourcing, the Government still has one irrefutable duty, namely, to ensure that outsourced services do reach the standards required by us.

It can be recalled that regarding the piling scandal of public housing estates, we did study the issue. Could the Government be excused for outsourced work? Could it wash its hands of the matter? The select committee concluded that it could not. In my opinion, the Government ultimately agreed that it could not either. They ought to assume a supervisory

role to ensure that the operation and standard of the services provided should live up to expectations.

Surely, there is still one point, namely, the factor of policy considerations. In carrying out privatization, it is also necessary to take into account the social environment and the overall social situation. I agree with what Mr Jasper TSANG just said. Sometimes there may be changes. Under certain circumstances, it is, for reason of political considerations, necessary not to press too hard with privatization. It might be even necessary to bring privatization to a halt. This probably has something to do with the fact that the Government does have a certain proactive role to play in economy. This is, just as an example, to ensure that unemployment rate will not soar again. Furthermore, in many matters, it is necessary to learn from operations. In fact, we still have a lot to find out in the capitalist market. To believe that privatization and the policy of outsourcing are profitable, conducive to "big market" and capable of cutting public expenditure is not a viewpoint absolutely correct, and we have reservations about this.

The final point I wish to mention is the role of the Government. It has an important role, namely, the management or even the deployment of public resources. There are two aspects here. In the first place, it has the function of stabilizing society, for example, looking after the disadvantaged in the community, ensuring equal opportunities and assuring the protection of basic human rights. In the second place, it is the Government's responsibility to promote and expand the market. As mentioned by the Financial Secretary, the Government has the function of market promotion. We have not all along objected to the Government adopting policies attractive to foreign capital, or even offering, with great caution, preferential tax rates to draw in certain special industries by means of cheap land policy when appropriate. In this way, many jobs can be created. The Democratic Party all along has no objection to all these, but holds that great care has to be exercised in doing so. Do not give people the impression that there are problems of partiality and wastefulness. So, let there be no more controversies like those arising from the industrial estates lately.

Regarding public finance, it is important to eliminate the fiscal deficit but we have to remember that inappropriate or hasty acts might bring about high unemployment, economic depression and social instability.

**DEPUTY PRESIDENT** (in Cantonese): Does any other Members wish to speak?

(No Member indicated a wish to speak)

**DEPUTY PRESIDENT** (in Cantonese): Mr NG Leung-sing, you may now speak on the two amendments. You have five minutes.

**MR NG LEUNG-SING** (in Cantonese): Madam Deputy, this motion on "big market and small government" has attracted two amendments that are neither big nor small. I, with goodwill and an open mind, invite Honourable colleagues to vote on the amendments after due consideration.

Mr SIN Chung-kai's amendment changes the words "reducing public expenditure" in my original motion to become "ensuring that government departments make optimum use of resources, minimize wastage of public funds". With regard to this, I think the amendment is, to a certain extent, not indispensable. The reason is that wording used in a motion brought up in this Council should, as far as possible, be precise and concise. In the original motion, the phrase "reducing expenditure" precisely means making optimum use of resources and minimizing wastage. It is not asking the Government to make cuts blindly or to cut down expenditure aimlessly. In addition, I must also point out that the reduction mentioned in my original motion is on public expenditure, which covers government expenditure, trading funds expenditure and the spending of the Housing Authority. The wording of Mr SIN's amendment gives people the impression that attention is only being given to government expenditure, thus easily misleading people to the belief that no consideration has been given to the question as to whether or not it is necessary to make optimum use of resources and minimize wastage even in the overall public expenditure. In reality, the Government's public finance management currently has two goals, namely, to eliminate the fiscal deficit and to limit the portion of economy taken up by public expenditure to not more than 25%. To achieve these two goals, it is necessary for government departments to work hard. What is more, organizations running on public funds must at the same time also uniformly expend resources on services effectively serving the people so as to minimize wastage. So, in my opinion, the wording of the original motion is very clear and accurate in making a comprehensive appeal urging the Government to



ultimately bring into effect the "big market and small government" spirit of governance.

(THE PRESIDENT resumed the Chair)

The wording of the amendment moved by Miss CHAN Yuen-han is somewhat puzzling. There are the words "expending public funds in a reasonable manner". However, there is no specific mention of reducing expenditure. It is hard to inspire people with confidence with regard to the elimination of the fiscal deficit. There is reference to the point on ensuring no impact on the establishment and job security of civil servants. To me, this is understandable. Miss CHAN is representing the staff side. It is only natural for her to raise this point. However, this is very much in conflict with the Government's expenditure cuts. I am of the view that both civil servants and employees of private enterprises must work hard, add value and be competitive if they hope to have job security. However, this alone is not enough. In order that this can be effective as a whole, it ultimately has to rely on the absorption of manpower by a thriving "big market" as well as reliable financial management by a "small government" in the long run. I do agree that the Government should put in efforts to help improve the competitiveness of our manpower resources, and provide the needy with basic assurance of living. However, excessive intervention in the labour market is not advisable. Even worse are interventions relating to pay levels or the establishment of protective systems such as one offering people the "iron rice bowls". If the labour market is unable to operate with maximum freedom, it will conversely drive away investors. As a result, there will be fewer jobs, or even fewer sources of revenue. Ultimately, the interests of wage earners will have to suffer just the same.

Thank you, Madam President.

**FINANCIAL SECRETARY** (in Cantonese): Madam President, I am grateful to Mr NG Leung-sing for moving this motion and to Mr SIN Chung-kai and Miss CHAN Yuen-han for their amendments. I am also grateful to Members for having offered their valuable views. At this time, when this Legislative Session is coming to an end, I wish to take this opportunity to give an account of what we have done under the principle of "big market and small government".

We believe that governance according to the principle "big market and small government" is the bed-rock of success and prosperous development for Hong Kong, since this policy will enable the more effective allocation and utilization of resources, foster creativity, provide economic impetus and create employment opportunities. The Government will intervene actively only when the market cannot function effectively or it is necessary to protect public safety.

Under the principle of market-led economy, the Government strives to create a better environment for business and increase the confidence of foreign businesses in investing in Hong Kong. To this end, we have continually upheld the rule of law, maintained an effective executive-led Government, sustained an efficient and clean Civil Service, continuously upgraded the quality of the overall workforce, and fostered free enterprise and free trade. We also make sure that there are free flow of information, a robust fiscal system and a sound financial system, adherence to a prudent public fiscal policy and the operation of simple and clear tax regime with low tax rates.

At the level of businesses, the Government has implemented a Helping Business Programme since 1996 with the aim of ensuring that Hong Kong provides a favourable business environment and maintains its position as being the most business-friendly area. The main area of work involved in this scheme is the elimination of over-regulation or outdated regulation and the streamlining and speeding up of the procedures in the Government's issue of licences and other procedures affecting business operation. So far, we have conducted about 110 studies and reviews to facilitate business operation and implemented over 400 improvement initiatives under this scheme.

In order to further intensify the work in this regard, the Government established the Economic and Employment Council in January this year. Furthermore, a Subgroup on Business Facilitation was established under this Council. The Subgroup will give priority to conducting helping business studies on the construction industry, the real estate industry, the entertainment industry and the retail industry. These studies will try to understand, from the viewpoint of users, the effects of regulation on these sectors, so as to formulate more effective measures, streamline operating structures and procedures, enhance administrative efficiency and create a better environment for business.

One important aspect in improving the business environment is to continually enhance the operational efficiency of public organizations and the quality of management services. In this connection, the Government is actively implementing a number of reform initiatives which include:

- streamlining the structure;
- promoting private sector participation in providing public service; and
- reforming the mode of service delivery.

On streamlining the structure, after the implementation of the Accountability System for Principal Officials, the Directors of Bureaux have reviewed the organizational framework of bureaux and departments and put into practice a series of re-engineering programmes, with a view to better utilizing resources and providing better services. These re-engineering programmes include:

- the merger of the Education and Manpower Bureau with the Education Department;
- the merger of the former Housing Bureau with the Housing Department; and
- the merger of the Government Land Transport Agency, Government Supplies Department and Printing Department into the Government Logistics Department.

On promoting private sector participation in the provision of public services, the Government has had such experience for some years. This includes outsourcing schemes and the implementation of major infrastructural projects by adopting the "build, operate and transfer" (BOT) mode or the "design, build and operate" (DBO) mode. In recent years, the Government also actively promoted the public-private partnership (PPP), with a view to introducing new concepts and developing new modes of service into public organizations by making full use of the flexibility and dynamism of the private sector, so that more cost-effective services can be provided. The value of

outsourcing contracts doubled from \$32 billion in 2000 to \$65 billion in 2002. The projects in which the adoption of PPP are being considered include the provision of recreational and cultural facilities, marine refuse collection service, development of the West Kowloon Cultural District, and so on.

Concerning the reform of the mode of public service delivery, we are actively studying the adoption of shared service centres to provide one-stop support services, so that limited resources can be used more effectively and efficiency and service quality can be enhanced. One example of success is the integrated call centre. At present, the centre is providing one-stop enquiry service to the public for 12 departments.

In the course of reforming public service, we shall strictly contain the civil service establishment. In the policy address of 2003, the Chief Executive announced clearly the target to trim down civil service establishment to 160 000 posts by 2006-07.

Through natural wastage and a series of measures, such as two rounds of Voluntary Retirement Scheme, general civil service recruitment freeze, reorganization and re-engineering, we have reduced the civil service establishment by 14% from the peak of 198 000 posts in early 2000 to the present level of 170 000 posts. In fact, by the end of May this year, the civil service establishment has fallen below the 170 000 mark.

The standard of services provided by the Government of the Hong Kong Special Administrative Region (SAR) to the public will not decline because of the downsizing of the civil service establishment. On the contrary, we have to ensure that civil servants can keep abreast of the time and make continuous improvements. Therefore, we will implement the civil service reform in a gradual and orderly manner and ensure that the civil servants can, through reviewing the appointment arrangements, pay, and fringe benefits, training system and performance management system for civil servants, respond to the political, economic and other changes in Hong Kong society and meet the public's expectation.

I very much understand the concern of Miss CHAN Yuen-han on the job security of civil servants. When formulating civil service policies, the SAR

Government will seek to achieve two objectives, namely to preserve and enhance the distinct qualities of the Civil Service, such as permanence, professionalism, political neutrality and integrity in strict adherence to the principle of fairness, reasonableness and lawfulness, and to also consult civil servants sufficiently. The rights of civil servants are protected under the Basic Law, government policies and appointment contracts. I am convinced that a quality and stable Civil Service is an important force in assisting the Government to implement "big market and small government".

The various measures mentioned above will not only improve the efficiency and quality of public service and create a better business environment for various trades and industries, but will also help us save expenses, make good use of resources and eliminate the fiscal deficit.

In the past several years, because of the economic restructuring and the burst of the bubble economy, Hong Kong has been subject to tremendous pressure from deflation and the Government is also facing a huge fiscal deficit. From 1998-99, Hong Kong has recorded fiscal deficits in its operating expenditure for six years in a row. The fiscal reserve has fallen from \$457.5 billion in March 1998, equal to 28 months of government expenditure, to \$275.3 billion in March 2004, or 14 months of government expenditure.

Even if we are cautiously optimistic about future economic development, it is still necessary to address the existing serious fiscal deficit, use public expenditure reasonably and spend within our means in order to strive to attain fiscal balance. We have the determination to attain the goal of attaining a balanced operating account and restore balance in the Consolidated Account in 2008-09. To this end, I have already laid down guidelines in the 2004-05 Budget to reduce the Government's operating expenditure to \$200 billion by 2008-09 in a gradual and orderly manner.

Under the principle of "big market and small government", I have pledged to reduce public expenditure to 20% of Gross Domestic Product or below.

Since all government departments are continually striving to increase efficiency, reduce expenditure and streamlining their structure, coupled with the fact that the revenue position has been better than expected, the fiscal deficit for 2003-04 is set tentatively at \$40.1 billion, which is far lower than the \$78 billion estimated in October.

In order to achieve the goal of cutting expenditure, all Directors of Bureaux have proposed a number of items for review, on the condition that essential services will not be affected, so as to provide more services with less resources. As I have said, the reform measures proposed by various departments include redetermining the priorities of services, streamlining the structures, dispensing with unnecessary work processes, and so on.

These management measures will not only save expenses for the Government, but also enable the more effectively utilization of public resources. The Government will continue to implement various cost-cutting measures.

Concerning the amendment proposed by Miss CHAN Yuen-han, I wish to stress that although we are facing a huge budget deficit, the Government's determination to invest in education and commitment to the disadvantaged has not wavered. We estimate that total government expenditure for 2004-05 will be \$258.7 billion. Expenditure on education, social welfare, health and security will account for about 60% of the total, with 23% for education, 26.4% for social welfare and health, and 10.5% for security. In the future allocation of expenditure, consideration will continue to be given to the community's priorities to ensure that resources are used in the most effectively manner in society and opportunities are provided to the private sector to make its contribution. In education, the real growth will be 2.4% this year. There is also growth in real terms in the expenditure on social welfare in 2004-05. Our present direction is to put into practice the undertaking made by the SAR Government to the public, not what some people have speciously accused us of doing.

The Government attaches great importance to the problem of employment and is promoting employment with a multi-pronged strategy to tie in with economic restructuring. The short-term measures include retaining the 10 000-odd temporary posts in public organizations and launching a number of employment, training and retraining programmes for different age groups to enhance the employability and competitiveness of the local working population. In the middle and long term, as I have said, the Government will work on the fundamentals by improving the business environment to attract more inward investments and promote economic development.

In this regard, the Invest Hong Kong (InvestHK) and the Hong Kong Trade Development Council (TDC) are working towards these goals. The objectives of the InvestHK include attracting foreign investments to Hong Kong and the results are quite satisfactory. As regards the TDC, which Dr Philip WONG has mentioned, the work objective of the TDC is to open up new market and develop new service industries, therefore, the TDC has done a great deal in organizing exhibitions, opening up markets and tapping the advantages offered by CEPA. We will not compete with the public for profit, therefore, if there is any misunderstanding in this regard, I believe we will explain further to Members who may have some misunderstanding about this.

Madam President, in line with the principle that "market leads and government facilitates", we will continue to create the optimal environment for all businesses to flourish, so that more employment opportunities can be provided and society as a whole can reap the benefits. At this time when this Session of the Legislative Council is coming to a close, I sincerely hope that different strata of society can unite and work hard together for the future of Hong Kong. We should also give full play to the unique advantage of Hong Kong in leveraging on the Mainland while engaging the world at large, seize the opportunities by making use of the platform offered by CEPA, the "Nine Plus Two arrangement" and "one country, two systems", and go from strength to strength.

Thank you, Madam President.

**PRESIDENT** (in Cantonese): I now call upon Mr SIN Chung-kai to move his amendment to the motion.

**MR SIN CHUNG-KAI** (in Cantonese): Madam President, I move that Mr NG Leung-sing's motion be amended, as printed on the Agenda.

**Mr SIN Chung-kai moved the following amendment: (Translation)**

"To delete "reducing public expenditure and eliminating" after "(c)" and substitute with "ensuring that government departments make optimal use of resources, minimize wastage of public funds, and eliminate"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr SIN Chung-kai to Mr NG Leung-sing's motion, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority vote of respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections and by the Election Committee, who present. I declare that the amendment was carried.

**PRESIDENT** (in Cantonese): Miss CHAN Yuen-han, as Mr SIN Chung-kai's amendment has been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper circularized to Members on 5 July. When you move your revised amendment, you have up to three minutes to explain the revised terms in your amendment.

**MISS CHAN YUEN-HAN** (in Cantonese): Madam President, although I support Mr SIN Chung-kai's amendment, I proposed an amendment to Mr NG Leung-sing's motion concurrently. My original intention is to point out that when the Government has to consider reducing expenditure under "small government and big market", there will be impact on the whole structure's services, that is, services provided by civil servants, as well as on the employment situation of the staff. At present, the employment situation of local grass-roots workers is already very bad. So, I am still very worried that



members of the labour force are going to face an even worse situation under such a "big government and small market" — Excuse me, I mean "small government and big market." It is probably because I am always thinking of getting more people employed — so I have put forward this amendment.

I have no objection to Mr SIN Chung-kai's amendment. However, in my opinion, it will be quite a pity if it is to omit my part, which comes right after his. According to the Agenda, it was necessary to vote on his amendment first, pending the outcome. So, I have revised my amendment on the basis of his amendment. It is hoped that Honourable colleagues can understand that a group of people, who can be referred to as the grassroots, have their own views. They are the 1.3 million grass-roots workers in Hong Kong now. I call upon colleagues to understand that they have great difficulty in seeking employment. It is going to give me great worry if the Government implements this policy without considering the implementation of some job placement measures to help these grassroots. Madam President, I so submit.

**Miss CHAN Yuen-han moved the following further amendment to the motion as amended by Mr SIN Chung-kai: (Translation)**

"To add "; at the same time, the Government should ensure that the establishment and job security of civil servants are not affected, and formulate policies on employment and labour protection so that grass-roots workers can earn their own living and live with dignity; the Government should also continue to provide the disadvantaged groups with reasonable protection of their livelihood" after "the fiscal deficit".

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That Miss CHAN Yuen-han's amendment to Mr NG Leung-sing's motion as amended by Mr SIN Chung-kai, be passed.

**PRESIDENT** (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Miss CHAN Yuen-han rose to claim a division.

**PRESIDENT** (in Cantonese): Miss CHAN Yuen-han has claimed a division. The division bell will ring for three minutes.

**PRESIDENT** (in Cantonese): Will Members please proceed to vote.

**PRESIDENT** (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Miss Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Mr WONG Yung-kan, Dr LAW Chi-kwong, Ms LI Fung-ying, Mr Michael MAK and Mr IP Kwok-him voted for the amendment.

Mr Kenneth TING, Dr Raymond HO, Dr Eric LI, Dr LUI Ming-wah, Mr Bernard CHAN, Mrs Sophie LEUNG, Dr Philip WONG, Mrs Miriam LAU, Mr Abraham SHEK, Mr Henry WU and Mr Tommy CHEUNG voted against the amendment.

Mr Timothy FOK abstained.

Geographical Constituencies and Election Committee:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Andrew WONG, Mr Jasper TSANG, Dr YEUNG Sum, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr SZETO Wah, Mr TAM Yiu-chung, Dr TANG Siu-tong, Mr WONG Sing-chi and Ms Audrey EU voted for the amendment.

Mr NG Leung-sing and Mr MA Fung-kwok voted against the amendment.

Ms Cyd HO and Ms Emily LAU abstained.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 20 were present, eight were in favour of the amendment, 11 against it and one abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 22 were present, 17 were in favour of the amendment, two against it and two abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

**PRESIDENT** (in Cantonese): Mr NG Leung-sing, you may now reply and you have three minutes 10 seconds.

**MR NG LEUNG-SING** (in Cantonese): Madam President, today we have had a debate on the topic of "big market and small government". Although Members attending this last meeting today are few, there have been speeches of varying lengths from 17 colleagues. This, in my opinion, speaks for the fact that the topic indeed warrants attention.

I thank Honourable colleagues for their wonderful ideas and insight. At the same time, it is hoped that in the days to come this motion can be of some help to our various trades and industries in promoting their efforts to find more room for growth. I also call upon the Government to again address matters of common concern to us, and adopt relevant actions or measures for actual implementation so as to achieve the goals of stabilizing our public finance and enabling the people to really benefit from the "big market".

Thank you, Madam President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Mr NG Leung-sing, as amended by Mr SIN Chung-kai, be passed.

**PRESIDENT** (in Cantonese): Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections and by the Election Committee, who are present. I declare the motion as amended was carried.

**PRESIDENT** (in Cantonese): Fourth motion: Valedictory motion.

## **VALEDICTORY MOTION**

**MS MIRIAM LAU** (in Cantonese): Madam President, in accordance with the Agenda and on behalf of all Members of this Council, I shall move a valedictory motion marking the end of the second Legislative Council. I am greatly honoured that I can move this last motion because I have chaired the House Committee for merely a year. So, the glory should mostly go to Mrs Selina CHOW, who has chaired the House Committee for three years, though she is not here and cannot hear my compliment.

Madam President, members of the public can merely watch from the television the heated debates in this Chamber and note from the newspapers a few words spoken by colleagues. It is very difficult for the public to understand

the actual workload of this Council. Some members of the public have criticized Members of this Council of making little contribution by spending more time on talking than putting their words into actions. However, certain facts and figures can prove that this is actually not the case. Every Member in this Council has performed their duties as a Member diligently and given full play to the role of this Council as a legislature.

Over the past four years, Members have made their best efforts in examining every bill and every piece of subsidiary legislation. A total of 135 government bills and 13 Members' bills have been dealt with in the second Legislative Council. Among these bills, 37 have been advised by the Government to be handled with priority. As a result, Members have to hold meetings within a short span of time to enable these bills to resume Second Reading within this Session. To date, 125 government bills and 13 Members' bills have been passed in this Council, with 90 of the government bills and one of the Members' bills having been amended before their passage in the light of Members' concern. Ten other government bills are in the process of completing the legislative procedure because either they are still waiting in line for tabling or the Government has decided not to resume the Second Reading. One example is the most controversial National Security (Legislative Provisions) Bill. As regards subsidiary legislation, 906 items of subsidiary legislation have been gazetted and gone through the negative procedure in this term. A total of 58 Subcommittees have been set up to carefully study 163 items of subsidiary legislation. Fifty-eight items of subsidiary legislation have been amended after scrutiny in the light of Members' concern and recommendations.

Despite Members' strenuous efforts, the Government can still not rectify its old problem of failing to properly consult the public and the relevant industries before tabling certain bills to this Council for scrutiny, recognize that there are problems with the drafting of the bills and that the bills cannot reflect its policy, or give Members sufficient time to scrutinize the bills. As a result, Members have been forced to double their efforts and hold meetings within a very tight timeframe. At the same time, the scrutiny of a number of bills has been suspended or delayed owing to disputes. Some people will probably think that the delays or disputes have been caused by Members who are trying to pick bones from eggs. In my opinion, however, had the Government given Members genuine eggs rather than eggs mixed with foreign substances, it would have been impossible for Members to pick any bones by whatever means. In

sum, I hope the Government can set aside more time for Members to scrutinize bills in the next term.

Madam President, it was the tradition of the past Chairmen of the House Committee to, in the course of speaking on the valedictory motion, list the special characteristics of the term. There is a relatively obvious characteristic in this term for two Select Committees have been set up in one Session. This term can also be described as the most unfortunate. I believe it is the unanimous hope of all colleagues that no major incidents will happen in Hong Kong so that it will not be necessary for this Council to set up any select committee. However, in the event of major incidents, we are obliged to conduct in-depth studies to find out the truth and urge the Government to learn lessons from it to avoid repeating the mistake.

The run-in between accountable officials and Members represents another special characteristic of this term. The Accountability System for Principal Officials (the Accountability System) was launched in July 2002. Since then, a slight improvement has actually been made to the relationship between the executive and the legislature. While a number of accountability officials have attended the meetings held by this Council and by various committees to explain government policies to Members, the number of Questions and Answers Sessions by the Chief Executive has also been raised from three to four. Of course, I am obliged to mention that the Chief Secretary for Administration has undertaken to attend the meetings held by the House Committee twice a year for communication with Members. In this connection, I would like to express my gratitude to the Chief Secretary for Administration here. However, some accountable officials have attended committee meetings less frequently; instead, they have merely sent their deputies to the meetings. I do not know whether or not accountable Bureau Directors are afraid of coming here to brief Members or meet with individual Members. I believe it is the hope of Members that accountable Bureau Directors can attend Council meetings more frequently to explain government policies and communicate with Members more often. I believe it is the hope of the public in general that accountable Bureau Directors can demonstrate a strong sense of accountability.

Three accountable Bureau Directors have resigned since the implementation of the Accountability System. Among the three Bureau Directors, the resignation offer of the Secretary for Health, Welfare and Food

best represents the manifestation of the spirit of accountability. His strong sense of accountability to the general public is indeed worthy of our respect. The Secretary is going to extend his stay for three more months. I hope he can, during this period, continue to serve Hong Kong as he used to. I still hope that Dr YEOH can continue to contribute to Hong Kong even after his resignation.

Although the Bureau Directors have taken the initiative to offer to resign for the sake of assuming responsibility and such moves are indeed helpful to improving the Accountability System, I believe there is still room for the system to improve. As clearly pointed out in the SARS report published recently, the Government has, in implementing the Accountability System, failed to hand over the statutory power held by the Director of Health to the Secretary for Health, Welfare and Food. As a result, the accountable Bureau Director has the responsibilities but not the powers, while the Director of Health has the powers but not the responsibilities. This might happen to other Policy Bureaux or government departments too. It is thus essential for the Government to fully review the inadequacies of the system to ensure that no officials are given responsibilities but not the powers. Only in doing so can accountable Bureau Directors be truly accountable to the general public. I believe this Council will monitor the Government and urge it to conduct a review and perform its improvement work properly in this respect in the days to come.

Madam President, the emergence of the "eight-party coalition" is another special feature of the second Legislative Council. The eight parties will discuss and come up with a common position with respect to some issues, make a uniform proposal to the Government, and fight for the Government's compromise in terms of policy. I find it most impressive that, during the SARS outbreak, the eight parties united together and reached a consensus in fighting against the epidemic. Of course, it is extremely common to find diverse views and heated debates among colleagues in this Chamber. As an ancient Chinese saying goes, "A gentleman gets along with others, but does not necessarily agree with them; a mean person agrees with others, but does not get along with them". As Members who are sitting here are all gentlemen, we have to admit that there are bound to be "differences". Yet, we can seek "agreement" on the basis of "differences". I believe Members can seek a consensus by putting aside their established views and achieve something in the interest of Hong Kong and its people.

Having said all that, I believe Members expect me to say a few words on the political system.

Although the Standing Committee of the National people's Congress (NPCSC) has decided that dual elections by universal suffrage will not be implemented in Hong Kong in 2007 and 2008, many members of the public supporting universal suffrage will inevitably be disappointed. It is understandable that many Honourable colleagues are very insistent in this respect. Having said that, the NPCSC has agreed that there is scope for amendment insofar as the arrangements for the dual elections to be held in 2007 and 2008 are concerned. I think this Council can actively make proposals to complement the effort. Let me cite the Legislative Council Election to be held in 2008 as an example. With the ratio between directly elected and functional seats remaining unchanged, there is still scope for discussion as to how improvement can be made by, for instance, enhancing credibility and representativeness or simultaneously increasing the numbers of seats for both constituencies. These arrangements have actually reflected that our constitutional development is moving in the direction of orderly and gradual development in accordance with the Basic Law. I think detailed discussions are warranted.

The direction of constitutional development will certainly continue to dominate discussions in the next Legislative Council. Nevertheless, as I pointed out earlier, "a gentleman gets along with others, but does not necessarily agree with them". I hope Members of the next Legislative Council can put aside their established views and continue to work towards reaching a consensus.

Madam President, the second Legislative Council will come to an end shortly. I have learned from the newspapers that a few, or two, colleagues have announced their decision not to seek re-election. There are also rumours that some other Members will probably not stand in the election too. The election of the third Legislative Council is expected to be extremely fierce. Moreover, the lists of candidates fielded by various camps have kept changing constantly — with those having announced their intention to run in the election ultimately deciding not to do so, and those not prepared to stand in the election probably having changed their minds. The numbers of colleagues who will eventually decide not to stand in the election and those who will join the battle are still uncertain. Up to this moment, however, two of my colleagues have made it clear that they will not seek re-election.



The first one is Dr Eric LI, whom I greatly respect. He joined this Council in 1991. He and I have worked together in serving the then Legislative Council and the post-1997 Legislative Council for 13 years. This Council is known for its frequent emergence of kings. We used to have the king of bills. I believe it is generally recognized that Dr LI, having the best money sense, is the "king of sums" (數皇) in this Council. I am not talking about "smashing a vice den" (掃黃)<sup>1</sup>. No Members will have any doubt in Dr LI. He has since 1998 taken up the Chairmanship of the Public Accounts Committee (PAC). After his assumption of the post, the Government would become trembled with fear on hearing of the PAC. This is because no messy accounts of the Government can escape the PAC under the leadership of Dr Eric LI; they would definitely be singled out one by one for fierce criticism. Dr LI's contribution in this respect is enormous. It is a loss, or a debit, to this Council for losing our "king of sums". However, we owe him credits for his contribution to this Council, members of the public and the territory. As I said earlier, the lists of candidates fielded by different parties and factions are actually constantly changing. Although Dr Eric LI has announced his decision of not to run in the election, I do not rule out the possibility that he can change his mind. Should he really change his mind and decide to stand in the election again, this Council will definitely welcome his return as the "king of sums".

The next one is Dr LAW Chi-kwong. I hope the Democratic Party will not become "brainless" after the departure of CK, who is compared to be the "brain" of the Democratic Party. Actually, CK is widely recognized for his clear thinking and strong and powerful ability of analysis. The departure of this "brain" will be a loss to this Council. His recent accomplishment was his role as Chairman of the Select Committee dealing with SARS. Thanks to his brilliant leadership, the Select Committee has managed to complete this mission impossible. As I said before, I am a bit worried that there might be a possibility to set up another select committee, though I certainly do not want to see any major incidents happen to Hong Kong. Should we be challenged by missions impossible, it will be very difficult for us to find CK, who matches Tom CRUISE, to complete missions impossible like this. This is going to be a difficult task.

Madam President, besides expressing my gratitude to these two Members, I have to thank one more Member, and that is you, Madam President. I can tell

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<sup>1</sup> In Cantonese, (數皇) and (掃黃) are homonyms.

Members frankly that it is not easy to be the President. At least, it is not comfortable sitting in the Chair. However, you can sit there for many hours, without even falling asleep. This precisely demonstrates that you have a good foundation.

As the saying goes, the world is a ladder for some to go up and some down. While some colleagues will return to this Council in the near future, some might have to part with this Council for a while. Colleagues intent on seeking re-election might find it the most appropriate to compare the election to an examination, because every task is a test to them. Yet, I do not believe those who are leaving will have much leisure time. I trust that they will continue to serve the community outside this Council.

Lastly, on behalf of all Members of this Council, I would like to wish the third Legislative Council a smooth formation to continue to serve the people of Hong Kong.

Some colleagues said yesterday that they would not speak on today's valedictory motion because they did not want to leave. Yet, I believe this valedictory motion merely represents our farewell to the past four years. We have to bid goodbye to the past four years and embrace the next four.

With these remarks, Madam President, I beg to move and implore colleagues to play a more active part in speaking on this motion.

**Ms Miriam LAU moved the following motion: (Translation)**

"That this Council concludes its work and wishes for the smooth formation of the third Legislative Council to continue to serve the people of the Hong Kong Special Administrative Region."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the motion moved by Ms Miriam LAU, be passed.

**CHIEF SECRETARY FOR ADMINISTRATION** (in Cantonese): Madam President, I am very glad to be here to respond to the valedictory motion in the

last meeting of this term of the Legislative Council on behalf of the Government of the Hong Kong Special Administrative Region (SAR).

First of all, I would like to talk about an issue which has all along been of great concern to us all, that is, the relationship between the executive and the legislature. The Basic Law has clearly provided for the different roles and functions of the executive and the legislature. They have to exercise mutual checks and balances and to co-ordinate with each other. Under the existing constitutional framework, it is not strange at all that they occasionally hold different opinions. In spite of this, insofar as the day-to-day operation is concerned, the executive and the legislature have maintained good co-operation and their overall relationship has been amicable. Over the last four years, although the Government may not see eye to eye with Members on every issue, under the spirit of seeking consensus while accommodating differences and on the premise of upholding public interest, they have co-operated with each other and achieved satisfactory results in many areas, and this is definitely indisputable.

Take the enactment of legislation as an example. Earlier on Ms LAU cited many figures in this connection. But to the SAR Government, since the start of this term of the Legislative Council in October 2000, the Government has tabled a total of 135 bills to the Legislative Council, including the 15 bills tabled during the current Legislative Session. Thanks to the industry and sincere co-operation of Members, we have passed a total of 125 bills in this term of the Legislative Council, including the eight bills passed in this meeting. Of these bills, some are complex and rather controversial legislative proposals. Examples are the Education (Amendment) Bill 2002, Land Titles Bill, Companies (Amendment) Bill 2003 and Waste Disposal (Amendment) (No. 2) Bill.

Over 90% of the bills introduced by the Government are passed within this term of the Legislative Council. We are very pleased with this, and we sincerely thank Members for actively making constructive proposals and supporting the passage of these 125 government bills.

Moreover, the Legislative Council has also passed about 260 financial proposals submitted by the Government and over 800 pieces of subsidiary legislation. Accountable officials have, during meetings in this term of the Legislative Council, given replies to over 6 000 oral, supplementary and written

questions raised by Members. They have also given responses in about 200 debates on Members' motions.

I understand that over the last couple of months, Members had to cope with a very heavy workload in making legislation. This is often seen in the last Legislative Session before the election of the next Legislative Council. To avoid the situation where a large number of bills will lapse for not being passed in time before the end of the term, the Government had, in the first three Sessions of this term of the Legislative Council, already tabled a majority of the bills, that is, 120 bills. In the current Legislative Session, the Government has tabled 15 bills only. Apart from the three bills relating to the Budget, all the other bills were tabled to the Legislative Council before March this year, in order to allow time for scrutiny by Members. I hope that this arrangement can be further improved, so that Members can be given sufficient time insofar as our collaboration is concerned and in the scrutiny of bills.

Members will appreciate that under some special circumstances, the Government may not have full control over the timetable of the tabling of bills to the Legislative Council, say, when it is necessary for the Government to enact legislation within a specified period in order to honour Hong Kong's international obligations, or when the legislative timetable must dovetail with the special arrangement of the Government and the relevant statutory institutions in the financial market. Take the Merchant Shipping (Security of Ships and Port Facilities) Bill as an example. The relevant maritime security provisions, which came into force globally on 1 July this year, are binding on Hong Kong. However, many implementation details were satisfactorily resolved by various sub-groups under the International Maritime Organization only in the middle of last year. This has made the local legislative timetable very, very pressing and tight. Besides, to capitalize on the favourable factors in the market, the Airport Authority (Amendment) Bill and the subsidiary legislation in relation to the five tunnels and one bridge had been equally pressing. Here, I must thank Members again for they have actively given support in handling these urgent bills and completed the scrutiny of the bills within the pressing timetable by consistently working with high efficiency and a responsible attitude.

Next, Madam President, I would like to talk about the work situation in the Legislative Council after the implementation of the Accountability System for Principal Officials. The Accountability System, which came into operation in 2002, has been implemented for two years.

Other accountable officials and I have continued to maintain direct communication and active co-operation with the Legislative Council on an equal footing and with mutual respect. Since I took office as the Chief Secretary for Administration, I have, on a regular basis, attended many meetings of the House Committee on particular topics to exchange views with Members on issues of public concern. I am aware that the Financial Secretary, the Secretary for Justice and other accountable Directors of Bureaux have also attended meetings of panels as far as possible when their attendance is necessary insofar as the agenda is concerned, to enable Members to more clearly understand the policy objectives and intention of the Government.

Members would like accountable officials to attend more meetings of panels and other subcommittees of the Legislative Council to answer Members' questions. On this issue, the accountable officials are glad to make the relevant arrangements. In fact, since the implementation of the Accountability System, accountable officials will explain to Members in person when dealing with major new policies or issues of great public concern. For instance, during this term of the Legislative Council, accountable officials have, by way of statement or other means, notified the Legislative Council in advance and answered Members' questions on issues such as the Government's legislative programme, constitutional development, housing, population, the economy and management of public finance, major transport infrastructure, and policy on environmental protection.

Furthermore, accountable officials will, on a need basis, properly share out work with their subordinate Permanent Secretaries and other deputies and appoint suitable persons to attend meetings of panels, so as to discuss with Members the more practical issues that require attention in their policy areas. However, if the items for discussion at the relevant meetings involve policy issues, the accountable officials will certainly try their best to find time to attend the meetings personally.

I wish to point out that the accountable officials are sincere about enhancing communication and co-operation with the Legislative Council. Undeniably, the implementation of the Accountability System is a major reform of the political institutions of Hong Kong. In the process of reform and progress, we are bound to meet challenges on various fronts. This is a problem surely to be encountered by any government in implementing constitutional

reforms. The experience that we will obtain in dealing with these challenges and problems will serve as a basis for further improvement of the Accountability System.

Madam President, to conclude in this valedictory motion today, I wish to pay tribute to you, Madam President, on behalf of the SAR Government. We are grateful to you for being impartial and fair in handling the business of the Legislative Council, and you have always been personally involved in the work to facilitate a harmonious and co-operative relationship between the Government and the Legislative Council. My sincere thanks also go to the Chairman and Deputy Chairman of the House Committee for meeting with me regularly not only to discuss the business of the Legislative Council, but also to reflect to me the important issues about which Members are concerned, which helps facilitate communication between the Government and Members of the Legislative Council. Finally, I must thank Honourable Members too. To Members who have decided not to participate in the next term of the Legislative Council, I wish to express my gratitude for the efforts and time they have spent on making contribution to the Legislative Council and to the general public over the past four years. To the other Members in the Chamber, disregarding in what way they will contest the election of the Legislative Council in September, I trust that they will certainly continue to work hard and be persevering in serving the overall interest of Hong Kong and that of all Hong Kong people.

I wish all Members every success in the coming days.

Thank you, Madam President.

**MR TIMOTHY FOK** (in Cantonese): Madam President, the Hong Kong Special Administrative Region has entered the eighth year since its establishment. This meeting is the last Council meeting of the second Legislative Council too. In the past several years, Hong Kong has experienced unprecedented adversities and hardships. With political disputes and social divergence remaining unsettled, Hong Kong, formerly known as the Pearl of the Orient, now looks dim and gloomy. Fortunately, with improvement in the external atmosphere and international backing, Hong Kong economy has rebounded from the bottom. The prevailing harmonious atmosphere in the community has also signalled a green light for Hong Kong's future.

Monitoring and accountability are always about exerting pressure. Because of its role and functions, this Council is duty-bound to exert constant pressure on the Government. However, there must be a limit on the pressure exerted to avoid undermining the solidarity and harmony of the community and making administration difficult for the Government. As the saying goes, it takes two to make a quarrel. There must be many complicated factors, rather than a single person or incident, behind the emergence of confrontations and differences at the beginning. Actually, everything will prosper if there is peace in the home. Instead of allowing finger-pointing and criticisms to go on forever and fighting at all costs in order to realize one's ideal, we had better keep calm for the future of Hong Kong, the solidarity and the well-being of the community by thinking more and working more in practical terms.

This can be compared to a soccer team or a basketball team. Should there be disagreement between the coach and the team members, even such dream line-ups as Real Madrid and Lakers can achieve nothing. On the contrary, the unknown Greek team has managed to, with its solidarity and fighting spirit, created a myth in the European Championships staged in Portugal. If we look back at Hong Kong, we will find that we lost Bureau Directors last year. Can we still afford more of such internal losses?

Undoubtedly, to achieve real solidarity and harmony, this Council and major political parties in this Council have to play a crucial role. I hope a new scene will emerge out of the third Legislative Council Election to be held shortly and the new Legislative Council to be formed in October.

Actually, with the successive implementation of the Individual Visit Scheme, CEPA and "Nine plus Two" Agreement and the effectiveness thus brought, Hong Kong's economic scene and its collaboration with the peripheral provinces and cities are undergoing fundamental changes. New development opportunities and a new direction have also emerged. Ignorance of the new situation and insistence on clinging to the past thinking and ideas are not only unrealistic, but also impede the prospect of Hong Kong's development. The priority task Members have to face seriously is to grasp the new situation, adjust their thinking and seize the new opportunities. This is also the key to whether Hong Kong can move towards a bright future.

Madam President, sports, entertainment, culture and publication are fundamentals hidden in our daily lives. From active to passive, from spiritual

to health, from traditional to modern, they have constantly enriched our lives, upgraded our living quality, rendered tender support to the sustainable development of the community and, what is more, acted as the perfect medicine for mending the social gap. Of course, besides these intangible effects, sports, entertainment, culture and publication are inherently creative economies that can bring infinite business opportunities. With proper planning and orderly implementation, they can definitely act as a powerful locomotive to spearhead economic growth. Actually, their intrinsic business opportunities and potentials rival those of other pillar industries. The question only lies with whether and how we can grasp the opportunities.

With these remarks, I support the motion.

**MR LEE CHEUK-YAN** (in Cantonese): Madam President, I believe that the second Legislative Council, which will soon come to an end, will not be easily forgotten because the political topics discussed during this term were exceedingly exciting. In this valedictory motion, however, I do not want to do such an exciting thing as to review with Members the items discussed over the past four years by summarizing all the exciting topics. On the contrary, I hope Members can join me in this game. I will read out 10 "most" questions. Members may fill in their answers. I will announce the answers later to let Members determine if we think along the same line.

The first question is: Which one in this Council has adhered most rigidly to principles? The next questions are: Who has repeated the same act most frequently? Who has changed colours most frequently? Who has behaved in the most "BB" manner? Who has been the most tolerant? Who has tempted others to sin most easily? Who has the strongest heart? Who has stirred up the most trouble? Who has appeared to be the most mysterious? Let me find out the answers to these 10 questions one by one with Members.

Mr SZETO Wah was not the one adhering most rigidly to principles. Members might guess that I will pick Mr SZETO Wah. Actually, I have picked Dr Philip WONG because he was seen raising his middle finger<sup>2</sup>. (*Laughter*)

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<sup>2</sup> "中指" (meaning the middle finger) and "宗旨" (meaning the principle) in Cantonese are homonyms.



When it comes to the one in this Council repeating the "appointed" act most frequently, I will pick Mr SZETO Wah. Around May each year, he would definitely repeat the act of moving a motion on the 4 June incident. I believe in future, Members belonging to the Hong Kong Alliance in Support of Patriotic Democratic Movements of China will have to take turn to repeat this act. I have also begun to show signs of minor problems for it has become compulsory for me to appeal to the public to take part in the 1 July procession in June each year. I do not know how long it is going to last. Furthermore, Members would find the "appointed" posture of "Uncle Wah" while he spoke. He would lower his head, with pieces of jumbo paper in his hand. I guess Members should have noticed it.

The one who changes colours most frequently is not you, Madam President. It is Ms Audrey EU. This is because I found her outfits keep changing colour every Wednesday I saw her. I would very much like to appeal to Ms EU to sell her old clothes through an old clothes recycling centre set up under the Hong Kong Alliance in Support of Patriotic Democratic Movements of China to help jobless workers.

I do not know who will come to Members' minds when I mention the Member most typical of a BB<sup>3</sup>. I am not referring to the most famous "BB", which is of course "寶寶 baby", also known as "寶 baby"<sup>4</sup>. The one who is given the title "BB" in this Council is Mr Albert CHAN, whose baby face is the last thing Members would want to see — the "hulk BB". Why? May I ask Members to guess how old Stephen LAM is? And how old should his grandchild be this year? It happens that Mr Albert CHAN is Stephen LAM's grandson. He should deserve the title of being the most typical of a baby. I believe Members do not find his face very appealing — not only does he have a huge head, he is also bald.

The most tolerant Member must be you, Madam President. You have to sit here despite calls of the nature. Furthermore, you are not supposed to speak after listening to so many speeches delivered by Members. However, your tolerance has eventually paid off, for the public opinion polls have shown that support for you has been extremely high. Therefore, Madam President, you

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<sup>3</sup> The word "baby" is affectionately called "BB" in the Chinese community.

<sup>4</sup> Dr David Li is referred to by the press as "寶寶 baby" or "寶 baby" because his Chinese name "李國寶" contains the Chinese character "寶".

should be pleased that you have scored so high in the opinion poll because of your superior ability to "tolerate" — because it will open up a new horizon for you.

Who is the one who has tempted others to sin most easily? It must be Dr David LI, for he is "三點不露" (literally means that he will not expose himself before three o'clock)<sup>5</sup>. Is it the wish of Members who are sitting here that he should "expose" himself more frequently? Should he do that, people will be certainly tempted to sin.

Who is the most eager to speak? It is just natural for Members to seize every opportunity to speak. Yet, we can easily figure out who is the most eager to do so because her favourite expression is "I would like to say". Of course, I am talking about Miss CHAN Yuen-han. But it seems to me she has stopped repeating this expression recently. Yet, she is indisputably still the one who is the most eager to speak.

Who has the strongest heart? I feel that, among so many Members of this Council, the one with the strongest heart must be Ms Emily LAU. This is because she could still hold her composure even though she had been terribly shocked. After given so many shocks, she should have suffered a heart attack. The fact that she has not suffered a single heart attack even though she has been shocked throughout the years simply proves that her heart functions extremely well.

Speaking of the Member stirring up the most trouble, it used to be Mr CHAN Kam-lam. However, he should have lost his title to Mr LEUNG Fu-wah, who seems to have stirred up the most trouble, during this term. Members will surely remember Mr LEUNG's speeches mentioning "Alzheimer's disease" and "pathological saint". Therefore, he must have stirred up the most trouble. As he has declared that he will not seek re-election, Mr CHAN Kam-lam can, should he be re-elected, catch up with Mr LEUNG. Perhaps Mr CHAN can score another victory next term.

Lastly, who has behaved in the most mysterious manner? This Member is really extremely mysterious. Members must be eager to know the answer. To date, it remains unknown who is the "McDonald" in this Council. The most

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<sup>5</sup> In the context, "三點不露" actually means he will not show up after three o'clock.

mysterious Member is "McDonald" for no one knows his or her identity. But who is "McDonald"? We happen to have a Member called "McDonald" in this Council.

I am supposed to end there, but I still want to add two more. One of them suddenly came to my mind when I was listening to the speech delivered by Ms Miriam LAU. Which political group or party is the most brainless? It is going to be the Democratic Party. The Democratic Party will lose its "brain" for C. K. is determined not to seek re-election. What can be done if he truly functions as the brain of the Democratic Party, as mentioned just now? It seems to suggest that the Democratic Party has become the most "brainless" political party. Can the Democratic Party tell us how it will function as it will soon lose its "brain"?

The last question is: Whose speeches are rubbish for most of the time? The answer is the one who has delivered his speech. In other words, what I said was totally rubbish. (*Laughter*) Thank you, Madam President.

**MR MARTIN LEE** (in Cantonese): Madam President, it is now my turn to talk rubbish. Only a few Members have decided not to seek re-election. What is LAW Chi-kwong, recognized by the Democratic Party as a child prodigy, good at? He can swim in butterfly style all the way from Repulse Bay to Nam Wan without a break, and then back again. Besides, he can turn himself into an expert on things he knows nothing about in a matter of days. He is also good at "talking as if he has not said anything". Therefore, he was chosen the spokesman whenever something serious happened to the Democratic Party. Although reporters seemed to understand what he said, they would ask afterward what to write home about because there was nothing useful. (*Laughter*)

The next Member who is determined to leave us is Dr Eric LI. I really do not understand why he said he was so "bored". He was frequently chosen to chair the Public Accounts Committee. Nor has he encountered such incidents as leaking of confidential information. I finally realized why he said he was "bored". It was because he frequently ate breakfast and skipped lunch. It would have been unnecessary for him to leave had he joined the Democratic Party for free lunch.

Another Member who will probably leave us is "Uncle Wah" — he will never make a "U-turn" because he simply does not know how to drive.

*(Laughter)* He looks at things in a simplistic manner. For instance, he dislikes the idea of amendments, and so his usual response will be like this: "Why making amendment? You should object if you do not like it, agree if you do." It is really surprising that he has failed to maintain his integrity at his old age for proposing an amendment to the motion on the Home Visit Permit yesterday. *(Laughter)* I guess Mr LEE Cheuk-yan was right. What should we do without having "Uncle Wah" here in this Chamber next year because it is him who would bring up the 4 June incident in this Council every year? Therefore, we should not feel surprised should "Uncle Wah" stage a comeback. *(Laughter)*

Another Member who is unsure whether he will come back is Mr LEUNG Fu-wah. I believe Bishop Joseph ZEN is eager to see him back; otherwise, Bishop ZEN will be very lonely. I think it will be some time before the Bishop will suffer from Alzheimer's disease because he is still in good shape.

The last Member who will probably leave is Mr Kenneth TING, though I do not know the reasons. He seemed to hint that he had no longer been able to secure support from the Liberal Party. His suggestion is actually unfounded for he has often treated the Liberal Party with deep-fried dough stick, pineapple bun and some other food. I cannot be sure.

Members bidding farewell should be those having decided to leave or being speculated by others to be leaving. In my opinion, Members who may be beaten have the right to speak too. They have to say goodbye should they lose the election. Actually, I am very much qualified to do this. Members having read the opinion poll published the day before yesterday will be aware that the "votes queen" on Hong Kong Island is forecast to be Ms Audrey EU, to be followed by the President. Only few ballots will then remain. I will come second after Dr YEUNG Sum; therefore, I am qualified to speak. *(Laughter)* Frankly speaking, I wonder who would like to choose me, who will turn into one of the elders as soon as I step into the Victoria Park. I am now a one-year-old elderly person: I am not admitting that I am old; I am merely a one-year-old elderly person. Miss CHOY So-yuk and I contested a seat in 1995; this time we are contesting for the sixth seat. I won in 1995, but she got back her seat, and even my parking lot, in 1997. *(Laughter)*

Madam President, I would like to stray away from the question because I suddenly recall an incident that occurred many years ago. I came to this

Council in 1985. Ms Lydia DUNN, nicknamed "Big Sister" at that time, treated us to tea and introduced us to Members one by one. When it came to the turn of Mr Desmond LEE, she asked him, "What is your Chinese name?" Mr LEE replied, "Desmond LEE (李汝大)." I then said to "Big Sister", "You should have thanked him for he was complimenting you!" (*Laughter*) Later, Michael THOMAS, who had often discussed issues relating to direct election with me, married "Big Sister". In the evening of the wedding day, I said to him, "Michael, you should stop talking about direct election. How about changing our subject to direct erection?" As the bilingual system was in force at that time, he asked me how to translate the term into Chinese. Rosanna WONG, who was asked to do the translation, said, "You should stop talking about "direct election" (直選). You have to say "direct erection" (直舉) tonight." "直舉" was actually a pun on "election" (選舉).

Madam President, I have done something that I am proud of in this Council. No one will probably mention it if I do not say it now. I guess no one will talk about it even if I leave. The first thing I am extremely proud of myself was my successful bid to ban smoking — after 12 years' effort, I have eventually succeeded in turning Room 217 into a smoking chamber, while smoking is prohibited in all other rooms. This proposal was raised by me when the Basic Law was drafted. I was even prepared to propose including a provision on banning smoking in the Basic Law. However, a extremely smart Chinese member of the drafting committee said, "Martin LEE, you should not forget the freedom you are talking about." I replied, "Yes, you do have the freedom of smoking, but you do not have the freedom of exhaling the smoke." Yet, I could not include this provision into Chapter 3 even though I had tried all possible means. "Uncle Wah" has a history of quitting smoking too. I once said to him, "My father quitted smoking at the age of 81." He replied, "Martin, I will quit smoking when I am 81." Although he quitted smoking later, I could still nose the smell of cigarette smoke if I followed him into the toilet. I wonder if he is smoking again secretly.

My son was very little when Andrew WONG once paid a visit to my home for a meal. My son pointed at Andrew and said, "Andrew WONG, you are dying." I was so frightened that I nearly passed out when I heard my son's remark. My son was actually telling Andrew that smoking was hazardous to health. We have Andrew WONG here safe and sound! (*Laughter*)

I am also proud of having raised the proposal in this Council of abolishing death sentence. Actually, I have to declare my interest. I was afraid that I might be victimized should death sentence be still there in 1997. This is because I was criticized as a traitor at that time. I think the Democratic Party has to declare interest too. As Members are aware, panels have often encountered the problem of not having enough Members to take part in visits. However, all Members of the Democratic Party showed up during a visit to a prison in 1997. Perhaps they were afraid that the prison was not clean enough for they might have a chance to be sent to jail.

Madam President, I still wish to say a few words on election. This was what I told Dr David CHU when he expressed his intention to stand in the election years ago, "You would have a chance if pigs can fly." (*Laughter*) He then replied, "Sure I do for I am 'Flying Pig'." (*Laughter*)

Madam President, do I have any regrets? Yes, I do. It has something to do with your Chair. The incident occurred when Sir David WILSON was chairing a meeting. He suddenly felt a strong urge to go to the toilet and rushed out of the Chamber while JEAFFRESON was delivering a speech. It was a pity that I was not in the Chamber for I was answering the same call too; otherwise, I would have sat in that chair. Then I would say, "At this moment, I am sure Members would like to have a break" and then I would adjourn the meeting. It was such a great pity that I was not there in the Chamber.

As time is running out, I would like to say a few words on the Financial Secretary's proposal of customized licence plates. Under this proposal, a customized car plate should contain no more than eight alphabets. I believe David LI will surely customize his own plate. His plate now reads DL1, containing the alphabets "DL". It would be far much better if it could read David LI. In that case, he would not have to take off his shoes. The words "David LI" would be clearly visible no matter how far they are. (*Laughter*)

Madam President, time is running out. Despite the fact that there have been numerous disputes among us here, we are still friends in the end. Thank you.

**MR MICHAEL MAK** (in Cantonese): Madam President, I have originally prepared a draft, but I have decided that I might not read out from it. In a blink

of an eye, I have spent four years in this Council. Though I am now no longer a new comer, I still find a lot of things new to me for the sense of freshness is still in my mind.

While having breakfast upstairs in the Dining Hall, it occurred to me that some Members seemed to consider speaking on this motion as a taboo for fearing that they might not be able to return to this Council after bidding farewell. I always look at the difficult end of things. I would like to let Members know that I will stand in the election. Although my chances of returning to this Council are, as put by the newspapers, not high, I will still exert my best. Therefore, I do not have any particular view on the valedictory motion. Given that my chances of return are not high, I think it is absolutely worthwhile for me to speak on this motion for I can also express the observation and experience gained over the past four years in this Council.

The road has not been easy for me in the past four years when I first started as a new comer. In the beginning, I was completely ignorant, without being able to secure a "backing", as Mr Martin LEE put it. Members' first impression of me was that I appeared to be afraid of the democratic camp. I was like drifting in the sea and yet the helmsman was nowhere in sight. Fortunately, Mr LAU Chin-shek suddenly grasped me as if throwing me a life-buoy. Here I would like to express my sincerest gratitude to Mr LAU for grasping me in early 2001. It was not a wise move for him because I have often embarrassed him. What is more, I have often sought assistance from him to help me deal with others. "Brother Shek"<sup>6</sup> has recently encountered many embarrassing incidents too. Yet, I will continue to support him for I believe his direction is correct.

I have gained much guidance and support from a number of Members (including the President) in this Council. I believe many Members have inspired me in a variety of aspects. One example is Dr Eric LI. I have to publicly apologize to him here for a mistake made by my assistant. I have actually mentioned it to Dr LI once. My assistant has once received a telephone call from a Dr Eric LI inviting me to a banquet. As it is the usual practice of my constituents to address a medical practitioner as Doctor, I said it seemed to me that I did not know a medical practitioner named Dr Eric LI when my

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<sup>6</sup> "Brother Shek" actually refers to Mr LAU Chin-shek.

assistant told me that a Dr Eric LI had invited me to a meal. I did not realize the person inviting me was Dr Eric LI. I thought my assistant had made a mistake. After listening to my words, he replied by saying that Mr Michael MAK said he did not know someone named Dr Eric LI. This was what he said according to my knowledge. I was terribly embarrassed by this incident afterwards. I really felt extremely sorry. I guess Dr Eric LI's assistant must have thought that I was ignorant when I said that I did not know Dr Eric LI. I only found out that it was really Dr Eric LI when I asked later whether this Dr Eric LI was the one serving in this Council. Dr LI, I really have to apologize to you.

Furthermore, I would like to speak on another incident. This incident was also related to a mistake made by my assistant. I did sign up for the Bills Committee to scrutinize the bill relating to the enactment of legislation on Article 23 of the Basic Law. Although I put it down in writing very clearly at that time, many people thought that I was merely intending to put up a show when this incident was reported in the newspapers. It was extremely clear that I had no intention at all to put up a show. Eventually, I requested the authorities concerned to provide a detailed record explaining the reasons for the absence of my name. A number of Members and the media thought that I was trying to make use of the incident to delay the establishment of the Bills Committee or other tasks.

I recall an incident I can never forget for it can be described as awfully bad. I have no idea whether Mr LAU Kong-wah is outside this Chamber or in Conference Room A. The incident took place last year when the enactment of legislation on Article 23 was underway. I guess the Compendium of Submissions was being discussed by the joint committee a couple of days after 20 May. I was literally racking my brains to clearly grasp the information collected by me by means of telephone and a number of other channels to ascertain that Mrs Regina IP was deceiving us. I truly meant that she was a fraudster. Unfortunately, I was driven out of this Chamber by Mr LAU Kong-wah, the then Chairman of the Bills Committee. This incident was later brought to the House Committee for discussion; even "Uncle Fat"<sup>7</sup> opined that Mr LAU had no authority to drive me out. Up till now, I still have no regret at all. I believe what I did was meaningful for at least the enactment of legislation on Article 23 was temporarily suspended.

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<sup>7</sup> "Uncle Fat" actually refers to Mr Andrew WONG.



For these reasons, when I repeatedly pondered on what I had done in the past couple of years, I was convinced that it was worthwhile. Thank you. My greater hope is that I can return to this Council in October.

**MR KENNETH TING** (in Cantonese): Madam President, I choose to speak on this topic in this Chamber because I have declared that I will not stand in the election for the Legislative Council Industrial (First) Functional Constituency. As to whether or not I will stand in the elections of the geographical constituencies, I have not made any decision so far.

I would still like to sum up my six years' experience as a Member of this Council. In 2001, from the many then available topics and in an attempt to assist the industrial sector which was battered by the Asian financial turmoil and especially the small and medium enterprises (SMEs) which encountered great problems in financing, I moved a motion to urge the banking sector to change its traditional insistence on "brick and mortar" when vetting loan applications and consider the past performance and future plans of a company instead. To enhance market transparency and risk management in the banking sector, I studied into the establishment of a credit information database for the business and industrial sectors to help companies solve their problems in financing. The idea received a positive response from the Government and during the discussions made on the scheme, views from the accounting profession, the enterprises, the Government and the banks were heard and now the commercial credit database scheme is already in place. An international credit rating agency, the American group Dun & Bradstreet, was appointed as the service provider to evaluate the credit worthiness of companies from a professional perspective. The database will be functional within two months. Companies may then report credit information to the Commercial Credit Reference Agency. I think when the scheme is formally launched at the end of this year, SMEs may find it easier to obtain bank loans to meet the needs of their business development. As a member of the sector, I can humbly say that I have done my part.

The only thing that leaves me with regrets is that I have not been able to convince the Government to clarify the safety standards as expected by the public under the Toys and Children's Products Safety Ordinance. Currently, there are many ordinances which ambiguities have made the sector feel uncomfortable. Despite the pledge made by the Secretary for Commerce, Industry and

Technology to effect improvement, I have not been able to raise the issue in this Council even as the current term for the Council is drawing to a close. I would urge the Council to complete this task in the next term.

After talking about matters related to my sector, I would also like to share with Members my personal feelings working as a Member of this Council. When a meeting is held for the first time in a committee of this Council, the Member with the least number of strokes in his Chinese surname would be asked to assume the role of provisional chairman. He is tasked with the fixing of the date of the first meeting and presiding over the election of an official chairman. As no one in the Council has a surname with a fewer number of strokes than mine, so playing the part of the provisional chairman has become almost a routine for me in my career in this Council. On one occasion I was asked to be the provisional chairman and that left me with a very strong impression. It also broke my personal records. And that was the time when the chairman of the Bills Committee on enactment of legislation on Article 23 of the Basic Law was to be elected. Normally I would only have to be the provisional chairman for just about five minutes, but on that occasion, because of Article 23 and Mr Michael MAK and Mr CHAN Kam-lam, the time spent was increased from five minutes to one hour. That was really a record for me.

I would also like to mention that actually there are lots of capable colleagues in this Council and if only we can put our political stands aside and really work for the good of Hong Kong and the Motherland, I am sure more can be achieved and well. Unfortunately, it is very difficult not to talk about politics in this Council. So I hope that Members will talk less about their political stands and really do more for Hong Kong and the Motherland.

There is another thing which has left a very strong impression on me and that is the leadership provided by our whizz-kid in the Select Committee on SARS. He will not stand for the elections and hence will be free from any political responsibilities. I admire very much the work he has done. The Council will be proud of him. It is only because of the leakage saga that has spoiled the wonderful work of the Select Committee in some measure. I hope Members can do better later on.

Today, with such lingering memories I wish to bid farewell to the Legislative Council for the time being. I would like to say thank you and goodbye to colleagues. I would also like to give my best regards to colleagues

who have decided to leave the Council. I wish colleagues who are about to run in the elections in September, including those from the Liberal Party, the best of luck in their re-election.

Madam President, I so submit.

**DR LUI MING-WAH** (in Cantonese): Madam President, I am not good at telling jokes. But since time has passed so quickly that the second term of the Legislative Council is now drawing to an end, I would talk about my feelings and experience here. I have been a Member of the Legislative Council for six years. I feel honoured to have been able to work for the industrial sector in the Legislative Council, to speak for the industrial sector, and to give my views on economic development and other issues in Hong Kong. Over the past six years, the dramatic changes of the Hong Kong economy from its zenith to an abyss of recession have indeed made people sigh with mixed feelings. During this period, the changes in Hong Kong's parliamentary culture and political ecology have also aroused deep feelings in me. Today is the last meeting of the second term of the Legislative Council. I wish to take this opportunity to review my work as a Member of the Legislative Council in the past four years, and to share with Members my experience and feelings as one of their numbers.

I joined the Legislative Council based on one strong conviction, that is, Hong Kong needs manufacturing industries in order to create wealth, promote economic development and provide employment opportunities. This has been the direction and objective of my work over the last six years. In this Council, I have repeatedly asked questions, proposed motions and given speeches; and outside this Council, I have continuously published articles in the press and attended forums and seminars, with the objective of reminding the Government that it is flimsy and dangerous to stress only the development of tourism, logistics, financial services and producer and professional services as the pillars of the economy of Hong Kong. Based on studies of economic development in other countries and the course of economic development in Hong Kong in the past 50 years or so, I think we must develop manufacturing industries in order to rekindle the past glamour of the Hong Kong economy. To facilitate the development of the manufacturing industries, it is imperative to work in the direction of high technology and high value-addedness, or in other words, to carry out neo-industrialization. However, this process of economic restructuring will be very arduous and lengthy and requires active support and

assistance from the Government. The Government will even have to take the lead before there will be hopes for neo-industrialization in Hong Kong. Six years have passed and the suggestions made by me, such as supporting the small and medium enterprises, establishing the Science Park and the Innovation and Technology Fund, setting up the Commerce, Industry and Technology Bureau and the Innovation and Technology Commission, admission of talents, asking the Mainland to provide zero-tariff concession for Hong Kong products, the development of nanotechnology, attracting mainland private enterprises to set up factories in Hong Kong and broadening the economic base, have all been considered by the Government and incorporated into government policies. This shows that not all the work of Members has been thrown down the drain.

This year, under the stimulation of the Individual Visit Scheme and CEPA, a large number of mainland tourists have come to Hong Kong for spending, thus boosting the tourism, hotel, retail and catering industries and causing the market to boom. The increase in re-exports and the revival of the property market have also increased the GDP by several percentage points. While there is every reason for us to rejoice in the improving economy, we should be clear that this is merely superficial prosperity. There have been no fundamental changes in the economic structure of Hong Kong, the unemployment rate has remained high, and our service-oriented economy is still outwardly strong but inwardly weak, which is unhealthy. I hope the Government can take measures to truly improve the economic structure. As an old saying goes, "he who does not plan for the future will find trouble at his doorstep". Government officials please bear this in mind.

The Legislative Council is the legislature of the Hong Kong Special Administrative Region (SAR), shouldering the responsibilities conferred on it by the Constitution of enacting laws and monitoring the Government. Normally, the Legislative Council should exercise checks and balances on the work of the Government and at the same time complement the administration by the Government, drawing on collective wisdom through positive exchanges and debates and giving advice and proposals to the Government, with a view to working in concert for the well-being of Hong Kong. However, the current Legislative Council, particularly after 1 July 2003, has departed from the parliamentary culture of discussing politics practically and rationally. Instead, it has become politicized. This Council has been sharply divided, with political parties and factions speaking sensationally and attacking each other maliciously. As a result, this Council has degenerated from a forum for political discussion to

an amphitheatre of political struggles and a means for politicians to catch the limelight on various pretexts. Could it be that some Members have treated their everyday work in this Council as part of their electioneering campaign for the next term? If so, this indeed makes a mockery of the system of popular election. Perhaps it is for this reason that many Members' speeches are lengthy with no originality, wasting the precious time of this Council and social resources. More puzzling is that colleagues who claim to represent grass-roots interests have exerted themselves to fight for welfare benefits for the grassroots but opposed increases in tax and government fees and charges. Do they think that the SAR Government is a fat goose capable of laying golden eggs?

The political system and structure of Hong Kong are congenitally defective. This is also reflected in this Council and has made the pro-government camp suffer badly. It is because if they support the Government, they will not be supported by the voters; but if they vote according to the wish of the people, they will be reproached by the Government. That is why they have frequently made volte faces and been caught in a dilemma, which is pitiable. The middle-of-the-road camp is most unpredictable. They have raked in all the benefits but at the critical moment, they launched surprise attacks at the Government, catching the Government totally unprepared and embarrassing the Government. In fact, the pro-democracy camp in this Council is a united front capable of deliberating on political affairs; they have ideals, and they are persevering and dynamic. However, my advice to friends in the pro-democracy camp is that democratization is to be bred by time and social conditions. They must not go for democratization hastily only in pursuit of democracy. Otherwise, they would be attending to trifles to the neglect of essentials, which is detrimental to society. Recently, the pro-democracy camp has offered an olive branch to the Central Government. This is a show of political wisdom and a correct direction of work in the light of changes in the political arena. Moreover, I hope the pro-democracy camp will put in more efforts for economic development and engage less in political bickering in future. This will increase their popularity among the voters. Independent Members, judging from their performance, should be the backbone of this Council. They have professional knowledge, convictions, and the ability to deliberate on public and political affairs. They are free from the shackles of political affiliation and can, therefore, speak objectively and vote in the overall interest of Hong Kong. Here, I pay tribute to friends in the Breakfast Group. Nevertheless, despite wars of words and heated debates among Members from different political parties inside this Chamber, outside this Chamber we can still be friends and we

can still toast to one other and sing joyfully together. This has shown the more human side of this Council.

Finally, I wish to take this opportunity to pay tribute to Dr Eric LI who has decided to leave. His ability to deliberate on political affairs, his lofty character and professionalism have deeply impressed me. He is simply irreplaceable. I hope that after leaving this Council, he can continue to support his friends in the Breakfast Group who are still fighting for their convictions in this very amphitheatre.

**MR FREDERICK FUNG** (in Cantonese): Madam President, time really flies. The second term of the Legislative Council is drawing to an end. I returned to the Legislative Council in 2000 through the direct geographical constituency election and have witnessed troubles coming up one after another. During this period of time, to me or members of the Hong Kong Association for Democracy and People's Livelihood, there are things for which we have worked hard, and there are things about which we feel unhappy. An area in which we should work hard is that over the past few years, that is, after the Asian financial turmoil in 1997 and for the period between 2000 and the present, the Hong Kong economy has remained in low ebbs. Economic problems have led to many problems with the people's livelihood, and the people have been living in dire straits.

Sham Shui Po, with which I am most familiar, has been hit the hardest, because Sham Shui Po is the poorest among all the 18 districts. In the last couple of years, we have put forward our views through the Legislative Council, District Councils and community organizations, in the hope that the Government could address the problems faced by those people in plights, including the problem of unemployment, the problem that these people who used to have two or three jobs now have only one job or half a job, or who have even become jobless. Faced with these difficulties, most Hong Kong people have to scrimp and save in order to solve the problems. But most people have not been annoyed by these problems, and they have not resorted to violence, deception or fraud. That is why we feel that Hong Kong is still a lovely place. Regrettably, there are still people who chose to kill themselves by burning charcoal or jumping from a height because they could not solve the financial problems. This has reflected the hardships faced by the people in their living in

Hong Kong. It is regrettable that these people have given up their lives because of difficulties in their living. But the lovely side of it is that these people did not cause disruptions to society, unlike other places where robberies or riots are likely to take place under these circumstances.

Under such circumstances, many people have expected to see that the Government will show the way out for this group of Hong Kong people with financial difficulties in its policies or administration, so that their sufferings and plights can be eased. Certainly, it is better if they could be helped to get rid of the plights early. Regrettably, the SAR Government has not responded to the wish of the people. Although it has taken the initiative to do something, no result has been achieved. Although it has carried out some work, it always speaks of many ideals, and when it comes to implementation, it has great ambitions but little ability. The Civil Service which was considered the best in the world by Hong Kong people before 1997 has invariably given the impression that it is incapable of keeping things under control in the face of such major problems as the outbreak of SARS, avian flu, and so on. To carry out reforms, the Government introduced the Accountability System for Principal Officials. However, all senior officials have not been accountable, and have ultimately tendered resignation in tears under public pressure and the pressure of public opinions. Hong Kong people cannot but ask why the Government has come to such a state.

Before 1 July last year, I had been participating in the promotion of universal suffrage and democracy in Hong Kong through pressure groups before elections were held in the territory and by actually taking part in elections in the 1980s. All these years of work have exhausted my energy, but little result has been achieved. I remember that in the 1980s when the Basic Law was being drafted, we saw the largest number of people taking part in processions and the strongest aspirations among the people for universal suffrage and democracy, but there were only a few thousand people participating in the processions at that time, and we would be thrilled to see two or three thousand people joining the assembly in the Victoria Park then. But last year, hundreds of thousands of people took part in the 1 July march and again, hundreds of thousands of people joined this year's march on 1 July. I do not care about whether the exact number was 20 000, 500 000 or 1 million. The fact is that hundreds of thousands of people were there. We saw that the streets were all crammed with people. These people joined the march not as a result of any rallying. Nor were they mobilized by pressure groups or political parties. They came forth

on their own initiative. When comparing the participants in the two marches, we saw that this year's participants are 10 years younger on average. Last year, we saw that the people were between 30 and 40 years of age and this year, the people were between 20 and 30 years of age. If we further look at surveys in the press, such as the survey conducted by the University of Hong Kong, the participants were mostly professionals. I notice that the objective of the march has now narrowed down from one consisting of many different pursuits to a common aspiration of a great majority of people — the aspiration for a democratic political system and a democratic government. The Government said that it has heard these voices of the people. I feel that the 1 July march is no longer confined to a particular group of people or people who stand on a particular side. Rather, it reflects the values, culture and aspiration of Hong Kong people. Regarding the collective aspiration of the people, the Government, apart from hearing and seeing it, must also know how to respond to it.

I made these comments because over the past four years, I have gone through several major stages which I have never experienced in my political career. For one thing, it is the financial difficulties faced by the community as a whole. The other is the roaring waves of the aspiration for democracy in politics. I have never seen these before. Under such circumstances, what should we do as Members of the Legislative Council? I maintain that we should convince the Government to accede to our requests, but we should also join hands with the Government to identify solutions to problems. Certainly, if the Government refuses to listen to us or pay attention to us, we being champions for our causes would be forced to oppose the Government. I maintain the principle of "negotiation cum criticism", that is, we have to negotiate with the Government in the hope that we can reach a consensus and then work together. Otherwise, I would be forced to criticize the Government. For example, we had often discussed issues such as helping the poor and addressing difficulties in Sham Shui Po, but the Government has not given any response. Recently, we have therefore been forced to change our approach by mobilizing all voluntary organizations in Sham Shui Po, including organizations which provide services to the elderly, youngsters and new arrivals, through the District Council and see if concerted efforts can be made to help the poor, hoping to achieve the objective of "1+1 equals to more than 2". However, I am worried that even though we can identify areas in which government actions are warranted, the Government would still remain unwilling to take any action. I hope the Government can seriously think about this. Thank you.



**DR LAW CHI-KWONG** (in Cantonese): Madam President, earlier on I heard Mr LEE Cheuk-yan mention holding some sort of an election among Members. I suggest that he should think about who is the greatest "loafer" in this Council. I can think of two Members. One is Dr Eric LI and the other is me, LAW Chi-kwong. There are two reasons. One is that both of us were born in the year of the Snake. Members may guess whether we were of the same age or he was 12 years or 24 years my senior. Members may make a guess at this. The second reason is that we will be "snaking" out of this place very soon.

Throughout this Session and the previous Sessions of the Legislative Council, I think my best achievement is to be the first who expressed opinions through songs during debates in the Legislative Council. The first song sung by me was "Blowing in the Wind", and the second one was "Streets of London". But I have seldom sung after these two outings. I had been thinking about whether I should sing a song again in this valedictory motion. But Members do not have to worry about this, because recently, I have to spend too much time on the Select Committee on SARS and on dealing with the media, and I have to return telephone calls until eleven o'clock every night. So, I did not have the time to choose a song, and I could not find one which best suits this valedictory motion.

In this Council, I have had many different feelings. But I only wish to share with Members my feelings about the overall image of the Legislative Council. I was willing to take up the work of the SARS Select Committee for one reason. In fact, I was worried initially that this Select Committee set up by the Legislative Council would be criticized as very politicized at the outset and people might think that a conclusion had already been drawn even before work was actually started. If such being the case, what is the use of setting up this Select Committee? In fact, I already wished to cease to be a Member of the Legislative Council last year, though I formally announced my departure only two months ago. But then, I thought that it was good for me to take up this task, because upon completion of the work of the Select Committee, I could bid farewell to this Council. So, I felt that I should do something which I consider to be helpful to the Legislative Council.

I, being a Member of the Legislative Council, may be addressed in one way with which I always feel uncomfortable. Whenever I am addressed as the "Honourable Dr LAW", I feel that I am in trouble, because the person who is addressing me this way will be taking me to task. When someone addresses me

as the "Honourable Member", I usually think that I must have failed in my duties and would therefore be taken to task. So, sometimes when I hear that I am addressed as the "Honourable Member", I will have some misgivings about this. In this Council, verbal violence is what I consider most unacceptable. I have, for many times, actually walked out of this Chamber. Of course, I did not walk out abruptly or do anything of the sort, but I left because I could not put up with such violence. Sometimes we have to think about this: If we, being Honourable Members, make insulting remarks to humiliate anyone in this Chamber, we would be showing disrespect for this Council and we would be showing disrespect for our status. I think you, Madam President, may also feel that some Members may not show respect for you occasionally. This is indirect disrespect for this Chamber, and occasional, indirect disrespect for their status as legislators. I have a rather strong feeling about this.

I have another feeling which concerns the overall image of the Legislative Council. The Legislative Council has many powers, including the power to put questions to the Government. But during oral question times, I did find it strange when I came across questions which should have been raised in District Councils. But Members appeared to be not really minding it. So many of us were sitting here, and so many government officials had spent so much time on answering these questions. People whose salaries in aggregate amounted to millions of dollars were sitting here to answer a question which might be considered unworthy even by the District Council. Are we showing respect for this Council? I did understand their motives. But to enable the Legislative Council to truly give play to its role in society and its function to monitor the Government, I believe the word "Honourable" is very important. How should we maintain this asset of the Legislative Council? I hope colleagues in this Council will do better in this regard in future.

Many people have said that I am a low-profile person. In fact, Mr Martin LEE has just made a good point. Not that I wish to keep a low profile. Just that no one has reported what I have said and naturally, I become someone who keeps a low profile. This is a bad habit of mine, for I tend to give lengthy speeches which seem to be organizing my ideas in a logical sequence. But it transpires that no one knows what I am trying to say. That is why not many people know who I am. Sometimes I feel quite uncomfortable. I am a Member of the Legislative Council, but when I walk on the street, some people may look at me, feeling strange. They seem to be saying that this man looks so familiar. But who is he? I remember that I had once dined with my colleagues

in Lei Yue Mun. After the meal, I went to the carpark and the people there asked me: "Sir, who are you? You look familiar. Do you come to Lei Yue Mun for meals every day?" That is the objective result of keeping a low profile. However, being an Honourable Member, I have not patronized unlicensed hawkers on the street since 1995 when I joined the Legislative Council. Sometimes when I passed these hawker stalls, I saw those fish balls and egg pastries and very much wanted to buy some. But I thought I had better not because of this status of being an Honourable Member. I think I can loosen up a bit in future. Although it is not at all correct in law to patronize them, I may not be able to refrain from patronizing them.

Today, we are here to bid farewell to this Council, and I am here to also bid farewell to my relationship with colleagues of the Legislative Council. But I believe I will still be seeing them in many other areas of work and on many other occasions, and I will also be co-operating with them in various aspects. I hope there will be many more opportunities in the future for us to work in concert to serve the community of Hong Kong together. Thank you, Madam President.

**MR NG LEUNG-SING** (in Cantonese): Madam President, the second term of the Legislative Council is drawing to an end. Like several colleagues including you, Madam President, I was elected to this Council by two terms of the Election Committee. Here, I must particularly thank members of the Election Committee who came from 38 sectors and strata for their support to me as well as several other Members in our work in this Council, and in particular, for electing us to this Council and for their support and encouragement in our work. In order to answer their support, I have been fully committed to my work in this Council, and I have spared no effort in discharging my duties in each and every call of public service arising from my work in this Council, consistently doing my best in all such endeavours. These included my participation in meetings of the Legislative Council and various panels and committees, as well as other areas of public service in which I have participated in the capacity of a Member of the Legislative Council, such as my voluntary participation in respect of housing, social services, tertiary education, the Mandatory Provident Fund, and agriculture and fisheries.

In my participation in the work of the Legislative Council, my philosophy is, in general, to work in concert with colleagues in this Council to enact

legislation with a view to ensuring long-term prosperity and stability for the Hong Kong Special Administrative Region (SAR) under "one country, two systems". To be more specific, our duty is to monitor and facilitate the work of the Government in truly implementing the "big market and small government" principle of governance as mentioned earlier, thereby upholding the operation of our free market and ensuring that public finance is managed properly and prudently. Meanwhile, I strongly believe that Members should maintain good co-operation and communication with the Mainland and strictly observe the principle of gradual and orderly progress in the Basic Law to ensure balanced participation, thereby promoting all-round development in Hong Kong in respect of the constitutional system, economy and the people's livelihood. Throughout my participation in politics and deliberation on public and political affairs, apart from wholehearted devotion to my work, I have always upheld the principle of discussing all issues based on facts. Being the representative of 38 sectors and strata, I must balance the interests of all sides while giving prime consideration to the overall interest of society. I will absolutely not oppose something just for the sake of opposing. If I, based on this principle, agree with the Government's direction in governance in most cases, this is precisely proof that the Government and I are facing all sectors of Hong Kong and seeking to strike an overall balance in the interests of all sides. I absolutely do not mind being considered as drawing close to the Government or belonging to the pro-government camp, because it is proven that over some important policies or relevant bills, I have maintained the attitude of "giving credit when credit is due, and making criticism when criticism is due".

(THE PRESIDENT'S DEPUTY, MS MIRIAM LAU, took the Chair)

A most recent example is that last month, I, together with a number of independent Members, expressed concern over the impact of taxation on the operation of the market and therefore voted against the Government's legislative proposals in the Tax Revenue (Amendment) Bill 2000. Certainly, some people may say that this has rarely happened, but it shows that when it is necessary to oppose something, we will vote against it. As regards the policy on employment of low-skilled workers, the policy on the co-ordination between public and private medical services, the improvement of the policy on public broadcasting services, and so on, I have often expressed opinions in various

aspects. In these areas, Members of this Council often considered that I have been too insistent.

(THE PRESIDENT resumed the Chair)

Reviewing my work during this term over the last four years, I have maintained very close liaison and communication with members of the Election Committee. Members of the Election Committee have all along kept an interest in public affairs with great enthusiasm. They have, through me, given many opinions on public policies, and their opinions have often shown profound insights. According to the Basic Law, the Election Committee is made up of four groups of members from 38 sectors and strata, representing as many as 180 000 organizations and individuals in various trades and industries. In Hong Kong where great emphasis is put on operations of the economy, the Election Committee is indeed broadly representative. Since the reunification, they have performed the important function of facilitating balanced participation by all trades and industries. Now, the historical mission of the Election Committee in returning Members to the Legislative Council has basically been accomplished. In the meantime, it has been proven that the merit of balanced participation in this institution of Election Committee still has room for development. It can play a special balancing role among all trades, industries and sectors and so, it is worthwhile for the Government to fully capitalize on it in its endeavour to widely absorb public opinions and improve its administration.

In the course of the constitutional review, I have maintained and suggested that the Government should consult the Election Committee more. Certainly, many Members in this Council are ex-officio members of the Election Committee. I am very glad to see that the Constitutional Development Task Force can take on board and implement this proposal. I think that in future, the Government should further attach importance to the role played by the Election Committee in various policy areas and even in the enactment of legislation. It should also fully utilize this existing broadly-representative framework and make it a channel for the expression of opinions.

I am convinced that it is the general aspiration of the people to strive for stability and development. The SAR Government must continue to maintain

and promote the historical advantage of balanced participation, and uphold the principle of free market operation. Only in this way can the long-term prosperity and stability of Hong Kong be assured.

Madam President, I so submit.

**DR ERIC LI** (in Cantonese): Madam President, ever since I declared that I would not stand in the election, some Honourable colleagues said in private to me that they envied me because I no longer had to take part in any electioneering activities. Friends from the mass media had also repeatedly asked me why I did not contest for a seat in the next term. As I had answered such questions many times before, I thought I would not have anything to say today. However, some media friends suggested that I could act in a more "radical" manner by "leaking some secrets" here. Well, one of my merits is that I know myself well enough. He who knows others is learned, and he who knows himself is wise. I would rather "leak" something about my own stupidity than "leak" the secrets of others.

Having worked in the political arena for 13 years, I know that sometimes it may not be possible for one to do everything exactly in his own way. The only decision that I can make for myself is to decide at what time and under what circumstances that I shall retire the political arena. At that time, I figured out three options for myself. First, in a most courageous and heroic way, like Mr Allen LEE, I could participate in a direct election and have a taste of that experience. Second, I could resign in a dignified and righteous manner, just like Dr LEONG Che-hung. But his resignation came too late, otherwise I might have the impulse to follow suit because I had said that I would resign — so I could not follow. Third, a silent withdrawal. I came with nothing, and as I leave, not even a wisp of cloud will I bring away.

Ever since stepping on the political stage, I have already known that this is a dramatic world. I once believed that I could play the role of a steady, firm and professional person. But, as it transpired, I am very dissatisfied when I find that I can only play a "supporting" role. I have attempted to act as a political star. I have strived to shape such an image and seek a breakthrough of my own character, which proves to be less than successful eventually. I know that I am destined to live peacefully and happily by playing myself.

I had intended to imitate many other Honourable Members, but please do not take it too seriously. Just take it as some nonsense talk. My first target of imitation was Mr CHEUNG Man-kwong. Please do not laugh at me. (*Laughter*) At first I found Mr CHEUNG Man-kwong an eloquent speaker. He had chapter and verse at his tongue's tip. What he said one day would naturally become the headlines in the newspapers the following day. I thought there was nothing special about him. Everybody knew how to speak on education. So I discussed education, too. I mentioned the heavy weight of schoolbags with an intention of hinting at the pressure on students imposed by our education system. After delivering my speech, I found my skills insufficient. It was such a crude imitation. At that time, my motion was criticized by the press as the most trivial and meaningless one ever raised. Yet Mr CHEUNG Man-kwong went on speaking on this same issue every year, and his speech was reported every year in the newspapers. So I knew that imitating him was not easy at all.

I had imitated Dr YEUNG Sum and Mr HUI Yin-fat, who used to talk on social welfare issues. I participated in the Social Welfare Advisory Committee and the Commission on Youth, and so on. At that time "mainland mistress" was a hot topic. And then for "lady killers" like Mr Fred LI and Mr Andrew CHENG, I found them very happy and cool indeed. So, I spoke on *de facto* marriage, pointing out that the difference between "a mainland mistress" and a legitimate wife was nothing more than a certificate of marriage. I was bombarded with heavy criticisms in the evening newspapers on the same day. Despite support from women, I was severely criticized by the cultural sector. I ran out of words for my own defence. I dared not act as a "lady killer" anymore.

Also, I found Mr Martin LEE, Mr Andrew WONG and Uncle Wah very authoritative when they spoke on political issues. So I tried to speak on some political issues. At that time, I worked with Mr Allen LEE and Mr Howard YOUNG on the "1994 Proposal", which, as you know, resulted in a dismal defeat, and in the end "the Legislative Council was deluged".

Tears could be a very good political weapon, but their power depends a lot on the "strength" of the person who cries. In this respect I could not compare to Mr LAU Chin-shek, whose tears pounded up great swells. Mr Ronald ARCULLI's tears made him the people's hero. Ms Lydia DUNN wept for the future of Hong Kong, and Mrs Sophie LEUNG, Mr Michael MAK and Mr

CHAN Kwok-keung shed their tears sadly for the SARS heroes yesterday. As for me, I can only be a weepy-teary little man with the least political wisdom.

The smartest action I had ever taken was when I worked with the brilliant Members of the Breakfast Group in criticizing the housing and real estate policies. At that time, we found a good topic as targeted our criticisms at the "policy of 85 000 flats". We proposed the suspension of building further Home Ownership Scheme (HOS) flats. Together we sent a letter to Mr Michael SUEN, thinking that we could have a good topic for discussions. Unexpectedly, Mr SUEN surrendered too quickly and changed all the relevant government policies right away. The "policy of 85 000 flats" disappeared and the construction of HOS flats was suspended. The newly discovered subject for my direct election campaign vanished immediately. I could speak on it no more.

As for Mr James TO, since Ms Miriam LAU's speech came a bit too late, I was not aware that I also got a nickname "king of sums". However, as I had done some work related to the ICAC for 14 years, and also some work related to the Securities and Futures Commission (SFC) for eight years, so I thought I might speak on security matters, but unexpectedly too many muscular men from the disciplined forces would only listen to him. Originally, it was planned that a bill on the SFC would be tabled by me, but unfortunately there was not enough time to do it. So, I lost my last chance to table a bill.

After recounting all those unsuccessful attempts of mine, I am going to talk about the qualities that I had wanted to possess.

Madam President, many Members do possess the right qualities to stand in direct elections. Madam President, I think you are one of them. Sitting in your honourable Chair of the President, you are so calm, so authoritative. Unlike you, I simply cannot sit still for a longer while (you know that I would get in and out of the Chamber all the time). You also have a good temperament. When you walk down from your high Chair, you always wear a warm smile on your face, which I am unable to imitate.

Mr James TIEN is a very cool Member. He is a man of great appeal. I am not complaining that reporters were often attracted by him once he walked near them. What I want to say is that he has managed to draw seven parties plus the Breakfast Group and The Frontier to act in concert. With such super power, I believe he can attract votes easily.



Dr David CHU is a Jack of all trades, or games indeed. He can do all sorts of tricks and stunts, ranging from those in the air to those under the sea. If he applies all such qualities in the election, I think I can in no way match his wonderful performances.

Mrs Selina CHOW is a veteran in the political circle. Also, the API slogan that "Today, such an attitude of service is not good enough" is a saying that speaks for itself and is known to everybody.

Mr Andrew WONG has an unrestrained way of thinking. During debates, it seems that he has no strategy at all, though actually he has a clear idea about what he is going to deliver. Very often he would give an unexpected analysis of the matter under discussion. I am only qualified to be his student.

Mr Jasper TSANG, Mr Martin LEE, Ms Audrey EU, Miss Margaret NG and Mr LAU Kong-wah are all eloquent speakers. They are clear-minded and ready to argue for every single thread of logic. Their eloquence is respectable. I am speechless before them.

Ms Emily LAU is, besides being hardworking and affectionately tender, is a person with exceptionally strong backbones, an attribute I do not have, especially when she and Mr Andrew CHENG slept on the street during their protest actions. (*Laughter*)

Mr Bernard CHAN is a super young man. He is young and has a face as handsome as Dr Ying-jeou MA of Taiwan. These are also qualities that I do not have. All in all, I cannot write on so many Honourable Members, nor can I speak on all of them. Yet all Honourable Members possess different qualities for direct election, and they are all brilliant in their own right. The only point that I can boast about myself is the modest dignity I have earned in the accounting sector. Ms Miriam LAU and I are quite similar in this respect, especially the way in which both of us care about the children.

The only thing I feel happy about is: After going round and round in this long journey, I can still find my own soul. I have not lost my own direction. After spending 13 fruitful years, I have made a lot of faithful and loyal friends, friends who cherish the same ideals with me. This makes me forget all the unhappy events in my life. I only remember a boat full of glittering memories

over the rainbow. Today, I can put a beautiful full stop here. When you return to this Chamber in October this year, I wish you will remember that you have a friend who is among the citizens outside this Council who cares about you and is interested in seeing how you fight for the future of Hong Kong.

**MR SZETO WAH** (in Cantonese): Madam President, I would like to deliver my speech for the valedictory motion by responding to some Members' comments on me.

First of all, I would like to speak on two incidents for which Members from the Democratic Alliance for Betterment of Hong Kong (DAB) had criticized me on numerous occasions.

On 18 December 1985, that was nearly some 19 years ago, a bill on long service payment was tabled to the Legislative Council. At that time, I was a member of the Labour Advisory Board (LAB). After protracted negotiations both inside and outside the LAB, especially with Mr CHAN Shui-kau from the employers' side, we had eventually reached an agreement. Mr POON Ching, representative of the Hong Kong Federation of Trade Unions (FTU) also participated in the process of negotiating and accepting this agreement. However, when the Bill was presented, someone opposed it, expressing the opinion that he would rather delay the passage and the implementation of the defective Bill, or even abandon it altogether. But I supported the Bill, and I considered his viewpoint running counter to the overall interest of all employees, irresponsible and claptrap. During the past few years, I did not support certain agreements of the LAB, and then I was criticized as having changed my attitude. My responses are: First, I had not taken part in the process of reaching these agreements, nor had I undertaken to accept them. Secondly, it has been nearly two decades since then, and with the progress of the times, employees have developed a heightened awareness now; therefore, it is only natural that they should have higher expectations. However, certain people are still very obstinate, refusing to keep abreast of the times. So they refuse to reflect on themselves, but just making criticism for the sake of criticism. Thirdly, the person who criticized my stance on the long service payment agreement then had actually taken part in the negotiation and acceptance of the agreement. So what he did afterwards was just a betrayal of his earlier promise, making a volte-face.

The second incident was: In April 1997, I went to the United States and Canada to raise funds for the Democratic Party. At that time, I did say that, after the reunification, I might not be able to return to Hong Kong once I left it, and I wept for that reason. Members of the DAB have repeatedly ridiculed me for this. In fact, why should it be a cause for ridicule? Firstly, we can never know what will happen in future. We had better wait and see what will happen in future. Secondly, the civil society in Hong Kong has already taken shape, the democratic forces keep growing. Some people do not do certain things, not because they do not want to, but simply because they dare not. Thirdly, my tears were just a reflection of my sorrow, not my fear. It would be a better cause for your ridicule if I was weeping because of my fear.

On another incident, it was related to Mr LEUNG Fu-wah. I once mentioned that, a "People's Mass Gathering in Protest of Japanese Militarists' Distortion of Facts in relation to Its Invasion of China" was held on 18 September 1982. At that time, Mr CHENG Yiu-tong was invited to attend and deliver a speech. However, several days before the mass gathering was held, a spokesman of the Foreign Ministry of China suddenly said that this matter should be considered closed. CHENG Yiu-tong came to see me, consulting me what he should say in his speech. I said, "The FTU is a non-government organization, so it does not have to follow strictly the official line. Do not say that the matter is over, or you will be greeted with thunderous boos and jeers by the attending public." Regarding my narration of the incident, Mr LEUNG Fu-wah said I was arrogant and self-conceited. Has he ever confirmed with CHENG Yiu-tong whether that was a true account of what had happened, and whether he had accepted my suggestion?

In fact, if a person is willing to seek advice and accept it, he has displayed his precious quality of modesty. This is an attribute not to be ashamed of.

Let me share with you another incident. The FTU had set up its workers' clinic for many years, but it did not provide any dental services. On the other hand, the Hong Kong Professional Teachers' Union (PTU) had established its dental services for a long time. So CHENG Yiu-tong came to see me to seek advice on how the PTU co-operated with the dentists. I told him in great detail that we worked on a profit-sharing basis. I also gave him a copy of the contract we signed with the dentists for his reference. Mr LEUNG Fu-wah, please go

ahead to confirm with CHENG Yiu-tong whether such an incident had really taken place.

On 6 July, my column "Three Persons' Viewpoints" (三言堂) in *Ming Pao Daily* published an article of mine on the valedictory motion of the Legislative Council. I hereby summarize its contents as follows,

"A certain Member has criticized me as a 'political animal'.....Well, human being is an animal species, and the category of animal does cover human beings. As such, it is not shameful to be a 'political animal'. But, by all means, do not be a 'political beast', and never a 'political bat'.....

Someone frequently says: Compromise is an art of politics. In my opinion, .....the kind of compromise that involves the betrayal of one's own principles .....is not an 'art', it is 'hypocrisy'.....

People often talk about 'political wisdom'.....I think that 'political ethics' is the most important. If the so-called 'political wisdom' of a person does not include the element of 'political ethics', then what he practises is no more than some cunning power play, political plots and dirty tricks that are devoid of any touch of human soul....."

In 1985, I stood in the election of the Legislative Council for the first time. My election slogan is "I shall do my best, to the extent of tiring myself out and sparing no energy at all. And I shall stick to my principles and do my work to the end." For 18 years, I have not betrayed this slogan.

One last remark from me: To be or not to be a Member of the Legislative Council, it does not matter at all. What matters most is, one must strive to become a truthful person, and shall never fail to live up to the dignified status of a "human being".

With these remarks, I bid farewell to you and Honourable colleagues.

**MRS SOPHIE LEUNG** (in Cantonese): Madam President, after listening to the solemn comments made by Uncle Wah, I think his is a hard act to follow. Sorry, Uncle Wah. I shall just make some comments with equanimity.

Mr Frederick FUNG said just now, our future attitude towards the Government should continue to be a mixture of "negotiation cum criticism". I think this is a working pattern that should prove most suitable for us in this era. Now, I would like to tell Members that there is this bestseller. This morning, we had been talking about this book upstairs as well. The book, entitled *Negotiating for a Yes*, is written by a friend of mine. As Members will not be voters of my constituency, so I can promise that, I shall make arrangement for the provision of 60 copies of the book, and that upon your return to this Chamber in October, I shall give one copy to each of you. I hope people will keep a copy of this book — and for those Members who shall not return to this Chamber, I would also be glad to send him or her a copy, if necessary. That is, every Member shall receive a copy of this book from me. In my opinion, we should not say we insist on this or that because on many different issues, we should now act in the light of the circumstances, instead of adopting a stubbornly obstinate approach. Sometimes we can achieve our objective by taking a circuitous route. There are many roads which deny direct access. In the past, the houses might be built of some crude bricks or even some wooden structures, and then if you crash into it, all you could do may be just knocking down the wall at most. But nowadays, the walls are built of steel. So, sometimes you need to take a diversion in order to arrive at your destination. I hope this book can enable us, Members of this Council, to look at issues from a different level; and I also hope that this book can, in the light of what Dr LAW Chi-kwong has said, enable us to choose some subject matters of greater depth for discussion in this Chamber, instead of spending time on subjects that should not have been raised even in District Councils.

Now, I want to say that, many Honourable colleagues have mentioned some issues on people's livelihood. In fact, if we want to solve the various problems of Hong Kong, we should ultimately work from the perspective of making a bigger "financial pie" for Hong Kong. Now maybe I could do some publicity for Mr Kenneth TING. The Panel on Commerce and Industry shall hold a meeting on the coming Monday, 12 July (Monday), at 4.30 pm, in which some experts will speak on the issue of how to make a bigger "financial pie" for Hong Kong. It will be on the extension of the border industrial zone. I am becoming increasingly convinced that this should be our way forward. I do hope that everyone can attend the meeting.

As a matter of fact, it seems that we have many different parties and factions in this Council, which all have their own principles that they wish to adhere to. I agree entirely with what Uncle Wah has said, that everyone should hold fast to his/her own principles. However, while upholding our own principles, we should not insist on moving forward obstinately in a straight line without making any adjustments. I feel that, as my Chinese name consists of three characters "LAU" (劉), "Yau" (柔) and "Fun" (芬), I attach great emphasis to the character "Yau" (柔), which means that there are many ways to achieve an objective. As I reflect on my own personal history now, I can recall that I first came to Hong Kong bare footed, that is, I did not have the luxury of wearing shoes at that time. I had nobody to depend on but myself. I am a self-made woman. Today, I feel that I have made some modest achievement as I can work together with so many Honourable Members in this Chamber. All such achievement is attributable to my ability of looking at things from different perspectives.

I hope, if we can make our way back to this Council, we can take a look — you may not necessarily agree — whether the allegation that division does exist in society during the past few years is valid. You do not have to agree. However, as long as there is one single voice saying that division does exist, we, being Members of this Legislative Council, should contemplate: Where does such division arise? What is its origin? All these may be unimportant. But what matters most is, we 60 Members should not give people the impression that we are divided.

Are there any ways we can solve this problem? In fact, we can communicate with each other on whatever issue that may arise. I hope, on my return to this Council (on a tentative basis, I do stand a good chance), I can assume the responsibility of fostering communication with all the Members as far as possible; that is, I can communicate with any Member. After participating in the Select Committee on the SARS outbreak, I find that communication is actually a very easy task. The Select Committee consists of Members from many different parties and factions. We managed to solve all our differences through discussion behind closed doors. Arguments might arise in the process, but we could solve them all eventually. Why do we not do that? The Report released by us did receive many criticisms, but I can tell Members I had deliberately talked to some professionals who all have substantial achievements

in their respective fields. I asked them to comment on the Report after going over it. They were of the opinion that we had been very logical, that is, we had been able to analyse every incident in a highly logical manner. This boosted my confidence greatly.

I feel that, apart from communication skills, we also have consultations. If we can do something through consultations, then we better do it this way. If we cannot agree with each other through consultations, at least we should adopt an attitude of mutual respect. I strongly agree with what Dr LAW Chi-kwong has said: I loathe verbal violence. I feel that, though we are one of the animal species, we can use language to facilitate our communication, and express ourselves with our heart. There is no need to use any kind of violence in expressing any ideas.

Now, I would also like to say a few words on the issue of "low profile". I have frequently been criticized by the media as the most low-profile Member. So far, I have not been able to analyse why I am so low-profile, just as Dr LAW Chi-kwong has been able to do. Firstly, I feel that there are certain issues which are already very evident to everyone, so I choose not to speak or do not find it necessary to speak. In such cases, if I still choose to speak, I may present it in an over-idealistic way, which may baffle everyone. I still need to work harder in this regard. However, once I was standing on a public escalator in a certain building in North Point. I was standing on the downward side of the escalator, and a pair of lovers were standing on the opposite side of the escalator, travelling upwards. They were naturally leaning very intimately to each other. But the man bounced off from his girlfriend once he saw me, and then he appeared not knowing what to do next, apart from staring blankly at me. But the girl was smiling at me, so I smiled back to her. What had actually happened? I guess I had better leave this to your interpretation.

Next, I shall proceed to do another task from another perspective. Here, I would like to share it with you, that is, a task to which everyone attaches great significance — I call it "quality parenting". I hope I can launch a new project for myself in the next four years.

Thank you, Madam President.

**MR LAU CHIN-SHEK** (in Cantonese): Madam President, I would like to take the opportunity of speaking on today's valedictory motion to highlight certain problems which I have identified over a period of time in the past and to outline the direction of our future endeavour.

First, I would like to speak on the two 1 July marches. Many young people participated in both marches, showing that they cared for the future of Hong Kong, and expressed their insistence on democracy. They are the future and the hope of Hong Kong. Their active participation is both gratifying and encouraging. On the other hand, I also noticed a point of concern. As I mentioned in the debate held on 5 May, I anticipated that local sentiments would become increasingly strong in future democratic movements in Hong Kong. I would like to elaborate a bit on this point.

Liberty, democracy, and the rule of law are the established values of Hong Kong people. They are our consensus as well as our goals to strive for. However, as compared to our generation, the younger generation lacks this kind of native sentiments associated with our country, a fact very much attributable to their upbringing and lifestyle. Like us, many of the Hong Kong people of the older generation have actually lived in mainland China for some time. They have greater empathy with the way some pro-Beijing people speak and act, know them better and have a deeper understanding of them. However, the young people will find the way those people act incompatible with theirs, and find it difficult to understand, or even inconceivable. When they look at the way the Central Government handled the political reforms in Hong Kong, they would find it repressive and disapprove of it. They are more detached from China sentimentally as well as their identity as a Chinese.

Many people say that the 1 July march is a process of constructing and strengthening the cultural identity of Hong Kong people, but if in this process, the element of the people being detached from China continues to gather momentum, I am afraid that once the trend is formed, it will be very, very difficult to reverse.

Madam President, I have raised this point of concern again not because I want to judge who is right and who is wrong. I just want to point out that, under such unique historical circumstances, such a trend of development may



emerge. I would like to urge all of us (including the pro-democracy camp, the pro-China camp, and the Central Government) to think about this: Is this direction of development what we would like to see?

Like many of my friends in the pro-democracy camp, I also hold the ideal that one day Hong Kong could become a great city in the great nation of China. I am glad to see that Hong Kong people could continue feeling stronger in their sense of identification with Hong Kong as well as their sense of belonging to Hong Kong. But on the other hand, I also hope that the local people's identification with Hong Kong is not built upon the detachment from their own country. The Central Government should face this squarely and must work harder to foster Hong Kong people's identification with the country.

Even if we disregard the factor of nationalism, if we want to pursue democratic development in Hong Kong, apart from making double efforts to actively strive for it, we should, to a certain extent, make the Central Government feel easy. Early last month, I proposed that the Central Government and the SAR Government should open dialogue with the pro-democracy camp in the hope of relaxing the tense political atmosphere at that time, thereby minimizing division, reducing opposition and stopping internal struggles. In addition, I also hope that through contact and communication between China and Hong Kong, we can narrow the gap between Hong Kong people and China in terms of cultural perception and sense of identification, so as to reduce the differences between Beijing and Hong Kong people in their aspiration for democracy. I believe that only in this way can we cultivate a favourable environment for the development of democracy in Hong Kong, which is conducive to the implementation of "one country, two systems" and "Hong Kong people ruling Hong Kong".

Madam President, of course, some people may disagree with me, but I believe that one of the most important elements of democracy is pluralism and tolerance, and I also believe that all our friends who fight for democracy will uphold the faith in pluralism and tolerance. As a member of the pro-democracy camp, I feel obliged to raise the questions which I have identified, so that everyone can think about them. In the past, I had put forward different opinions, and I will continue to do so in future.

In the days ahead, I will uphold my platform of "rice bowl, justice and democracy", but I will also grasp every opportunity of communication with the Central Government, because I believe it will help us attain the objective of achieving democracy in Hong Kong early. I hope the Central Government and Hong Kong people can work hand in hand to achieve our common goals: Reunification of the Chinese people, reunification of the hearts of the people and reunification with democracy.

Madam President, I so submit. I would like to thank all Members. My thanks also go to all colleagues of the Secretariat, colleagues who provide simultaneous interpretation service. I have brought so much trouble to you. The list must also include the security guards, the stewards, and all those who have been working with us. Thank you.

**MR HENRY WU** (in Cantonese): Madam President, I hereby wish for the smooth formation of the third Legislative Council to continue to serve the people of Hong Kong. This is because right now the overall economy of Hong Kong is still undergoing gradual recovery, there is still a whole lot of problems awaiting Members to tackle as soon as possible, such as social problems, people's livelihood and economic development, and so on. Besides, according to the Financial Secretary's timetable for eliminating the fiscal deficits, it is estimated that the target for the complete elimination of fiscal deficits will not be achieved until 2008-09. Therefore, I hope Members of the third Legislative Council can work doubly hard to speed up the process, so as to achieve the target of eliminating the fiscal deficits early.

Madam President, in fact, my assistant has written a speech of 11 pages for me. I do not know how I can finish reading it. Therefore, I am not going to speak from the prepared script. As for the report on my work, I may provide it to Members separately.

Madam President, though I have smoothly completed a lot of work related to the financial services sector, the relevant items of such work still require ongoing monitoring, and on the other hand, it is necessary for us to actively take follow-up initiatives for certain items of work, of which the objectives still have not been achieved. As a matter of fact, it has not been smooth sailing in all my work over the last four years, and the results of some major events have even made me as well as people of my sector extremely depressed.

For today's valedictory motion, actually I have not intended to say too much, especially I do not wish to characterize my speeches by raising arguments all the time, from the very first one I delivered in this term to the very last one today. However, several days ago, a friend from my constituency, or a practitioner in my sector, asked me to share with Members what he felt about some of the enforcement practices and attitudes of the Securities and Futures Commission (SFC). Therefore, I have to fulfil my undertaking today.

All along, this friend of mine has cared a lot about the healthy development of the local securities market. So, he is extremely concerned about certain illegal practices, and has lodged complaints and filed reports to the SFC. It is understood that certain complaints were substantiated, resulting in the imposition of punishment on the culprits. However, not only was the SFC ungrateful, but it even went to the extreme of treating the good guy as the culprit as well. Why? It was because in a case which my friend reported to the SFC some time ago, though he was the plaintiff, he was treated as the "suspect", and now he could become the "accused" anytime. He said the attitude adopted by the SFC was evident to everyone.

This example, together with some others, is just the tip of the iceberg. I believe there are still many other cases in which the victims dare not speak up for fear that the authority of the SFC may affect the operations of their businesses. So they are forced to put up with all the unfairness and grievances. From this, we can anticipate that the application of suitable checks and balances on the excessive and unreasonable authority of the SFC will become one of the major tasks of the future Legislative Council.

Now, I would like to switch to some lighter subjects because many of our friends and colleagues have adopted a relaxed and easy manner today. To me, the Legislative Council is in fact a school because I have learned a lot during the past few years. From Honourable colleagues, and even from staff members of the Secretariat and government officials, I have learned a lot, especially on political issues. However, if the Legislative Council were a school, I believe, we are at least a band-8 school. Why? It is because, Members know it very well that, we frequently engage in heated arguments here. How can we argue with each other if we are attending a class in school? Secondly, we are often late and we also like to leave early. We also skip classes, and we even eat food in class. I think such things should not happen in a school. Fortunately, our

President, that is, our class monitor, has managed to exercise suitable control over us. Otherwise, fighting scenes could take place here, just like what happened in Taiwan; and should that happen, our school will degenerate to a band-9 school.

Why am I saying all this? Madam President, it is because this is the last meeting of this Legislative Council. I hope this is the last one, touch wood. I hope we do not have to hold further meetings in the ensuing period until end of September. Otherwise, it must be due to the occurrence of some major incidents. The valedictory motion reminds us of the end of a school term and soon we shall have our summer vacation. The other day, I attended the graduation ceremony of a school called the Gold & Silver Exchange Society School. On that day, they staged the traditional Ceremony of Passing the Emblem, in which a Primary Six student from the graduating class passed a flag to a Primary Five student who received it on behalf of the whole school. In the process of the ceremony, they would say something. I shall quote part of it later in this speech, in a similar manner as the students, to wish the best of luck for ourselves.

Now, let me borrow the spirit of the Ceremony of Passing the Emblem to congratulate ourselves on the successful conclusion of the work of the second Legislative Council and to wish for the smooth formation and operation of the third Legislative Council, "In all sincerity, I hereby wish that Members of the third Legislative Council shall take on the traditional spirit of this Council to strive to the best of their abilities for the benefits and well-being of the people of Hong Kong. We also wish for the good health of all Members present as well as successful careers and good life ahead for those retiring from this Council."

Madam President, I so submit.

**MISS MARGARET NG** (in Cantonese): Madam President, I have seriously contemplated whether I should vote against the motion today because the valedictory motion says that this Council concludes its work. However, has this Council concluded its work? Today's newspapers say that we have passed altogether 148 legislative amendments, 74 resolutions, and 908 amendments to subsidiary legislation. Of these, the Land Titles Ordinance, about which I have kept a great concern, is also included. This has really relieved me of a great

burden. Insofar as the Government is concerned, it has not only concluded its work, but also accomplished its mission because the Bill on school-based management has been passed. This can be described as a mission accomplished because the Church is the only organized force that may put up any resistance against the Government. As the strength of the Church is embodied in education, so if education is removed from it, then this religion will not have any human input, with only its divine matters left. Therefore, insofar as the Government is concerned, with the passage of the Bill on school-based management, it has accomplished its mission.

As for the enactment of laws to implement Article 23 of the Basic Law (Article 23), I do not think this issue is over because a bill shelved will come back eventually. In spite of this, it is still not the reason to cast a vote to oppose the motion. I am deeply perturbed by the fact that the Chief Executive still refuses to be subject to the regulation by the relevant anti-corruption ordinance. We started to press for this issue since 1998, and soon we passed 2000, and then we have pursued this until the year 2004 when the Chief Executive finally said that he was willing to come under regulation by the laws. So government officials said that they would explore the possibility of amending the legal provisions. We have passed so many bills, subsidiary legislation, motions; even the Land Titles Bill has been passed, which led to changes in the procedures for land transactions which have been in use for 150 years. However, as of today, regarding the regulation of the Chief Executive by the relevant anti-corruption ordinance, even the drafting of some simple provisions has not been completed. So how can we say that we have concluded our work? This point alone is sufficient to make me think that we have not concluded our work. "Gathered in the capital are crowds of eminence, I am the only obscure nameless mortal who has not achieved anything." Why is the task of subjecting the Chief Executive to regulation by the relevant anti-corruption ordinance be concluded?

Madam President, it is the second part of the motion that makes me think twice in voting against the motion because it wishes for the smooth formation of the third Legislative Council, and I do sincerely wish for the smooth formation of the third Legislative Council. The Legislative Council of the term of 2000-04 is indeed a clear dividing line. As we look back on the year 2000, we simply feel that it was like a very different era — seems a long time away from us now. This is because, in terms of democratization, we have moved forward from a traditional council to a possibly democratic council. After going through the struggle against the enactment of laws on Article 23 of the Basic Law and the

battle against the SARS outbreak, we have formed some clear concepts, that is, we can make use of our own power to fight for something for ourselves. After undergoing the two 1 July mass rallies, we have established this power of democracy, we have established our own affirmation of democracy, and in particular, the affirmation of ourselves. All Members, be they returned by direct elections or functional constituencies elections, have to go into the people. This is the one-way track of democracy of no return. As Ms Audrey EU said in yesterday's debate on the SARS Report, we must learn an explicit lesson: If the Council does not reflect public opinions, public opinions will find their way for direct expression; public opinions will take to the streets; public opinions will force top officials to step down. We must bear this lesson in mind. This is a clear dividing line.

Madam President, just now Mr LAU Chin-shek has made some insightful remarks with meaningful implications. He points out that there is a problem with the local development of democracy, saying that people taking part in the local democratic movement lack a kind of native sentiments associated with the Chinese culture. I have one common point with Chin-shek, namely, we both have strong native sentiments associated with the Chinese culture. But I feel that Mr LAU Chin-shek need not worry too much because in this year's 1 July march, I was greeted by a young man in his '20s or '30s while I was waiting for the starting signal in the park. He said to me, "Miss Margaret NG, please bear this slogan in your mind." I said all right, please go ahead, I shall take it to my heart. He said, "For democracy in China, it starts in Hong Kong. For democracy in China, it starts with the people. For democracy in China, it starts on 1 July." He is a young man in his '20s or '30s. He does not want to see the separation of Hong Kong from China. He thinks that Hong Kong is part of China; that we have the duty to take this step forward. His ideal, his ultimate democratic ideal is democracy in China, democracy in the world. Chin-shek, you may lay back and relax. Thank you, Madam President.

**MR LAU PING-CHEUNG** (in Cantonese): Madam President, four years have hurried by. I still recall four years ago when I joined this Council, the short-piling incident in the Housing Department was first brought to light. The reputation of our sector as a whole was queried. When added with the slump of the property market, the living of our industry colleagues was put at risk. At that time, I was convinced that heading northwards would be a way out for the Hong Kong manufacturing industries and it would open up new horizons for our

sector. At that time, I was also convinced that with my personal experience and the collective wisdom gathered in the sector, the blot on the reputation of the professional grades in the Housing Department could be removed. We could then move ahead in the footsteps of our predecessors and strive for the mutual recognition of professional qualifications between our sector and our counterparts on the Mainland. The result of this would enable our professionals to gain entry into the Mainland, open up business opportunities and create jobs, while at the same time contribute our part in the construction of our Motherland and speed up the rise to compatibility with international standards.

Reviewing my work in the Legislative Council over these four years, I find that the Council has not only done its part in setting up a select committee to investigate into the short-piling incident, but that it has also compiled a report which exposes the root of the problems, how the unlawful acts were induced, and so on. This serves to do justice to those in the professional ranks in the Housing Department. As for the mutual recognition of local and mainland professional qualifications, with the accession of China to the World Trade Organization and the signing of the Mainland/Hong Kong Closer Economic Partnership Agreement, the mutual recognition of professional qualifications would easily materialize under such favourable circumstances. The China Institute of Real Estate Appraisers and the Hong Kong Institute of Surveyors, and the National Administration Board of Architectural Registration and the Hong Kong Institute of Architects have signed respective agreements to implement supplementary examinations which enable professional practice in both places. The first batch of professionals who are qualified to practise in both places has been approved. Other professional bodies are discussing with their mainland counterparts and concrete progress has been made. With the hard work done by the professions concerned and the support given by the SAR Government, some objectives can fortunately be achieved over the medium range.

It remains however that as Hong Kong had just steered out of the doldrums, there was the great march on 1 July last year. The spectacular event sent unprecedented ripples across society and the Legislative Council became the focus of all attention. One can sense the broiling heat in the kitchen. The people of Hong Kong are normally gentle and submissive. They took to the streets to make their discontents known not only because of the economic slump and the repeated blunders made by the Government, but also because of two events that were closely related to my sector, and they indeed warrant a review again. They are also events causing a great impact on me.

All along the Civil Service is a stabilizing force in Hong Kong. That is why I support the policy of giving a good pay to civil servants to prevent them from getting corrupted and to enable the Civil Service of Hong Kong to remain a team of outstanding employees who stay firm in being neutral. It is unfortunate that with the recession in 2002, the Government became financially stringent and as the gap between the salaries in the private and public sectors widened, the pay trend survey conducted by the Government also came to a conclusion that civil service pay should be revised downwards. Against such a backdrop, the attempt by the Government to effect a salary cut by way of legislation pushed the Government to a showdown with the major civil service unions.

I tried all sorts of ways and means, including the arrangement of a meeting between the Secretary for the Civil Service and the representatives from the trade unions of the 15 professional ranks in my sector. Attempts were made to arrive at a compromise. A suggestion was made to the Chief Executive to postpone the pay cut bill or to have a Member of this Council to propose the bill. Unfortunately, both the Government and the major civil service unions each stuck to their own positions and would not give in. On top of this, on the eve of the scrutiny of the law, a professional body from my sector asked to meet me. They showed me the findings of a pay survey among their members. They pointed out that there was a difference of over 40% in the salaries between those in the public and private sectors. They asked me to vote in favour of a pay cut. In the end, I had to make a painful choice. In this event, the Government had lost a partner, and for my part, I was placed in the middle of two contending forces and I could hardly make a choice which would please all parties.

Another cause leading to the explosive event on 1 July was the National Security (Legislative Provisions) Bill. To enact laws to implement Article 23 is a duty of the SAR as specified in the Basic Law. The professional bodies in the sector had shown their support for legislation. However, the consultation conducted by the Government since September 2003 showed that the Government could not afford to wait to pass the legislation. The result was that as the Government became more anxious to see the law passed, the more the people of Hong Kong grew suspicious and resistant. As a result, the community was split and divided into two camps. Contentions mounted and rational and objective voices were no longer heard in the media. What came afterwards was beyond anyone's expectations and so the Bill had to be shelved.



However, the people's agitations did not die down with the shelving of the Bill, for what came afterwards were calls for universal suffrage in the elections in 2007 and 2008. It was a pity that a sudden turn of event this April occurred when the Standing Committee of the National People's Congress (NPCSC) rejected universal suffrage for the two elections in 2007 and 2008. Before the NPCSC had made its decision, I wrote to Mr QIAO Xiaoyang, Deputy Secretary-General of the NPCSC and I had also asked the Chief Secretary for Administration to deliver my letter to Mr QIAO. I asked the NPCSC not to turn down the calls for dual elections by universal suffrage as these would give the Hong Kong people more choices. It is unfortunate that my efforts came to no avail.

Looking back at the foiled attempt to pass the National Security (Legislative Provisions) Bill at the last minute and the disillusionments over dual elections by universal suffrage for 2007 and 2008, I find some points in common in these two seemingly separate events. To legislate to safeguard national security is the responsibility of the SAR and to return the Chief Executive and Members of the Legislative Council is the right of the people of Hong Kong. Who can say that there is no relationship between such right and responsibility? It is my wish that in September as the new term of the Legislative Council commences, the new Members would be wise and intelligent enough in leading Hong Kong towards the fulfillment of its duties under the Basic Law so that the people can have the right to universal suffrage soon.

I so submit. In addition, I would like to thank other Members of the Council and government officials of various ranks who have given me guidance and advice over these past four years. I would also like to thank all the staff of the Legislative Council and the Secretariat for the support and assistance they have given to Members and me.

**MR ANDREW CHENG** (in Cantonese): Madam President, I have originally written a draft speech as a summing-up for the valedictory motion. However, when I was working earlier in the Government Offices while listening to the motion debate, I heard a lot of laughter. I had the feeling that it was a pleasant and light-hearted motion debate. Therefore, I think I need not sound so formal. I hope that I can give a light-hearted response to the style of speaking of Honourable colleagues, my views on them and our work over the past four years.

Madam President, on valedictory motions, I remember I joined the former Legislative Council in 1995 and I was forced to alight from the train in 1997. As I recall it, the valedictory motion on that night carried us into the wee hours of the night. What impressed me most was an incident related to Mr CHAN Kam-lam who is now not in the Chamber. Later on, I told him that during my work over the past few years and up to now, that is, a few years after 1997, the brightest smile I have ever seen on Mr CHAN Kam-lam's face was when the valedictory motion was on 30 June 1997. At that time, we had finished the valedictory motion and were about to leave, he was very happy. I thought to myself: That is right, why do we not just try to be happy, Mr CHAN? For after our war of words, we are still friends." And he gave me a smile in return. I do not know if he was happy to see us from the democratic camp thrown out of the train in 1997, and that was why he laughed so heartily. That I really do not know.

However, I have heard many Members earlier, especially those from the Liberal Party, talk in the valedictory motion debate about the heated exchanges between the democratic camp and the non-democratic camp, or the royalists and the opposition. And Dr LAW Chi-kwong even talked about verbal violence. My immediate reaction was whether or not that meant me. For often my remarks are a bit out of line. But, Madam President, there is one principle that I always stick to, that is, though I may speak loudly or even quite rudely, I would try not to hurt people's self-esteem.

Madam President, I think you will also recall asking me to stay after class the other day, that is, you asked me to come to your office to talk after the meeting was over. That was how I felt at that time. For you, Madam President, as you are the President of the Legislative Council, you do command our respect, including mine. But perhaps I still have a little bit of the youth impulse in me, very often I would feel that my views and principles have been touched. I hope that the heated or agitating exchanges between you, Madam President, and me would only be some harmless spray of words like splatters and splashes that will not erode and undermine the authority of the President of the Legislative Council when they are read in the chronicles of this Council. I can see from your smile that, Madam President, you agree with me. *(Laughter)*

Madam President, in the first couple of years after 2000, my immediate impression was that this Council was so very much helpless in everything. Miss Margaret NG has just mentioned that the dividing line is in the 1 July

march, and the political ethos since then has become never quite the same as before. Before the 1 July march I shared with some colleagues this feeling I had. I remembered the conversation I had with Mr LEE Cheuk-yan when we were having a meal together. On that occasion, we had just lost in a division and we were short of words. We had a feeling that it was very hard to do anything here, for we would lose every time when it came to counting the votes by division in the end, and even if the number of votes we had was greater, we would lose because of this division method. We were very upset, and what was more frustrating was sometimes when I doubled for LAM Yuk-wah and co-hosted a radio talk show with "Tai Pan", he always said that the Legislative Council was just a junk assembly. When he turned off the microphone, he would ask me why I wanted to be a Member of this junk assembly and I would be much better off if I did not. So he was talking about junk assembly all the time. After the great rally, he said to me again, "Andrew CHENG, why do you want to be a Member of this junk assembly, what for?" I was so terribly hurt. When people say Legislative Council in Cantonese by a twist of the tongue, it would become a junk assembly and it gives people an impression that it is good for nothing.

The motion topic today is about the expectations for a smooth commencement of the third term Legislative Council. For my part, I also hold such expectations. Regardless of whether or not the democratic camp would get more than half or close to half of the seats so that the Government will feel the pressure of it, I hope that our assembly will really speak out for the people so that we will not be called a junk assembly any more. This is a strong feeling that I have. I would also hope that there would be newcomers to this Council. When Mr SZETO Wah spoke earlier, he did not say clearly that he would stand in the elections or not, but in the end he bade us farewell. We might feel a bit sad to hear that. So Uncle Wah says he might not stand in the race. Dr LAW Chi-kwong says he will not either. Dr Eric LI says he will not run in the elections. For others, including me, they may stand in the elections but it is not certain whether they will be elected. No one dares to say that he can certainly come back. But I would still hope that there would be new blood in this assembly. In any case, the voice of the people we heard on 1 July is the voice expecting those of us in the Legislative Council and the Government to hear the voice of the people. That is very important.

Lastly, in the coming elections for the new term, I hope Honourable colleagues, including those from the Liberal Party, can become our Honourable

opponents in direct elections, for Mr James TIEN of the Liberal Party will stand in the elections in New Territories East. I have said to many Honourable colleagues of the democratic camp on private occasions that it is a breakthrough for the Liberal Party to come out for the direct elections. There may be rivalries and contentions in the electioneering efforts as we fight for the votes, but my heartfelt desire is that the Liberal Party can go beyond the bounds of functional constituency elections, take on the fiery ordeal of direct elections and finally work with those from the democratic camp who are returned by direct elections to this Council. Together in this assembly we will strive for a better Hong Kong.

Madam President, I so submit.

**MR CHAN KWOK-KEUNG** (in Cantonese): Madam President, when a concert draws to a close, the lights on the stage will always become dim. With the curtains coming down gradually, the audience will leave with reluctance. Some people say that the Legislative Council is like a political theatre, with many people staging performances there. However, I believe that every Honourable colleague is motivated by a sense of missing (*laughter*), a sense of mission, not a sense of vanity. Sometimes, even though we may speak till our voices are hoarse or till we become exhausted, only because we want to highlight a problem and urge the Government to make improvements.

From the first term of the Legislative Council of the Hong Kong Special Administrative Region (SAR) to the present, I have always been returned by voters of the labour functional constituency. Although I have never been returned by direct elections, I have always made serving the grassroots my mission. During this term of the Legislative Council, what gave me the greatest impression were the many events that occurred in Hong Kong, for example, the atypical pneumonia epidemic, the all-pervasive company layoffs, the legislation to reduce the salaries of civil servants, issues surrounding the constitution, and so on. Whenever incidents happened, I believe many Members seated here would, just like me, receive complaints from various sectors and organizations. Basically, I attach greater importance to issues of the people's livelihood and do not talk as much about political issues, and because of this, I have perhaps missed out on many strobes of limelight. In spite of this, this shows that Members from different sectors can play their respective roles in the Legislative Council. Out of the aperture of the media camera, I also received quite a large

number of complaints and in the legislature, I have to monitor the Government on behalf of labour unions and relay their demands.

Although to most colleagues, the period in which I have worked together with them was not particularly long, or as long as Members like "Sister Han" or "Uncle Wah", who have served as Members of the Legislative Council since the days of the former administration to the present, I will still cherish the days when we worked hard together on various policies, and I feel that it is indeed my honour to have spent six happy years with all of you.

I am also grateful to various labour unions for giving me this opportunity to serve the labour sector. In fact, everything can be transient like a bubble. However, on introspection, I found that I had done my best to help the labour sector resolve their difficulties and problems, and even though I did not adopt a high profile, I cannot be considered lazy — however, the only thing that worries me is that civil servants and grass-roots workers will face even greater blows, for example, the Government is stressing that the establishment has to be compressed and manpower reduced. On the other hand, with the deteriorating employment situation, the bargaining power of wage earners has not seen any marked improvement. Therefore, no matter in the Council or outside the Council, I will continue to serve the labour organizations and lobby for our legitimate rights.

Today, after the end of this debate on the valedictory motion, there is no telling when we will meet again and there is no saying if we will have the opportunity to return to this legislature to relay the sentiments of the public or convey the demands of labour unions. However, I wish everyone good health and felicity in their work, and for the SAR, ongoing prosperity and boom that will never see any twilight. Finally, I will wrap up by citing a line from An Ode to an Old Cypress, a poem by DU Fu, "Its only protection the Heavenly Power/Its only endurance the art of its Creator". I hope Honourable colleagues and I can all draw inspiration from this. We only have to follow the natural course of events and worry not too much about the future. Thank you, Madam President.

**MR ABRAHAM SHEK:** Madam President, to err is human, to forgive is divine. With this belief, I would like to pay my respect to the few officials who have left and who are going to leave. They are Antony LEUNG, Regina IP, and

E K YEOH. For the good they have done to Hong Kong, they must be remembered.

**MR ABRAHAM SHEK** (in Cantonese): Madam President, I do not know what to say on this valedictory motion. Therefore, in the Ante-Chamber, I have asked several Members who are more experienced than I am what I should say. *(Laughter)* Some Members told me, "Have a cup of tea and a cake and save your breath." *(Laughter)* Some Members said, "Ah Shek, just tell a joke." I asked, "What sort of joke?" They said, "Simple. Just wish the 22 Members in the pro-democracy camp that they will obtain their Home Visit Permits very soon, so that they will not come back for the election on 12 September." Here I wish that you will obtain your Home Visit Permits very soon. *(Laughter)*

**MR ABRAHAM SHEK:** Madam President, that is all for jokes. Goodbye is the hardest word to utter, and for this reason, I shall not say goodbye here, but wish each and every one of you the best of health and good luck in whatever you do or contemplate to do.

Madam President, as a freshman in the Legislative Council for the last four years, you have been my role model of patience, tolerance and perseverance. Your application of rules and regulations in this Chamber was done in a manner of fairness and firmness. This, I think, has the respect of all of us. But behind that firmness, there are always elements of kindness and gentleness, especially when I made mistakes, which I often did, speaking at times when I should not. I thank you for your accommodation. I wish you the best of health and best of luck in the coming election.

Talking about strength of characters and strength, I look to the Members of the DAB, for during the last four years, their strength has been evident in their defence of a Government which has been subject to attacks from all fronts. Defending government policies in this Chamber is not easy, and must have cost them valuable votes and support in the community. They have played the role well and are a good model of what loyalty is. Most importantly, if you look at the award lists, on the list of Chairman of statutory bodies, they are not recipients, they have not asked for reward for what they have done, and for this, I respect them.

As a good model of what loyalty is, I would like to talk about Mr IP Kwok-him. I have known him for many years, and we have fought many

battles out in the Western District. Even though his chairmanship of the Bills Committee on the legislation for Article 23 of the Basic Law might not have been completed, the work he had done will go down well in the annals of this Chamber as a loyal supporter of the Government. I am sure Members of this Chamber, whether they agree with his views or not, cannot deny that he had tried very hard to sell a government policy. For this, he is a good legislator.

From government party to opposition of the Government which I shall now speak, even without an introduction, you will all know who I am referring to — they are the democrats, the Democratic Party. Like many in Hong Kong, I thought that, before I came here, the Democratic Party's Members were anti-government in everything, 逢政必反. But after working with them for four years, fighting with them at times and eating with them, I find that I am holding a different view.

Sometimes, I would ask myself, are they a government party? Yes, they are. Why do I say this? If you look at the chairmanship of the Bills Committee and the members of the Bills Committee, without them, many bills will not have seen the light of days, particularly the Inland Revenue (Amendment) Bill 2000 when the Government stooped so low to gather their support. They have become a government party. Putting jokes aside, they have contributed greatly to the working of the legislature. Most importantly, on behalf of their constituents, they have ensured that the Government has displayed the best of governance according to a very high standard. Without the democrats, it is like going to heaven for me, because this would be a very lonely place and I would not have my friends. Similarly, in this Chamber, without the democrats, it would be a lonely and very quiet place; we would not have been able to listen to the speeches of Mr CHEUNG Man-kwong, Mr Martin LEE, Ms Audrey EU and the like. They have contributed to the academic and scholastic work of this Council.

Now, I would like to move on to my good friend, Dr Eric LI, the convenor of Breakfast Group and the Chairman of the Public Accounts Committee (PAC). Your absence from this Chamber is a loss to the Council, the community and particularly the Breakfast Group. Your leadership in the PAC would not be forgotten, and in the history of Hong Kong's legislature, you would secure a notable place.

As for the Liberal Party, I have known its members for many years. Many of you ask what exactly do the Liberal Party Members think and what are their convictions? The answer is very simple. They believe in liberalism and practise what they preach: freedom of thoughts and freedom of actions among their members.

James — he is not here, if your departure from the Functional Constituency in the forthcoming election is true, then, the Functional Constituency would have lost a very formidable friend, and I hope the other side would gain an enemy.

Miriam — she is also not here. To me, you are a true representative of 業界 · (*the buzzer sounded*).....

**PRESIDENT** (in Cantonese): Mr Abraham SHEK, I am sorry, time is up.

**MR ABRAHAM SHEK**: for you fought for your industry. Thank you.

**MR LEUNG YIU-CHUNG** (in Cantonese): Madam President, when it comes to bidding farewell, people will more or less be affected by a feeling of sadness. There is no telling when people will meet again after bidding farewell, therefore, it is inevitable that there will be a tinge of sadness. However, no matter what, if there is a beginning, there will always be an end, and the day to bid farewell will always come. We have to take bidding farewell bravely, otherwise, we will not be able to take any new step. I think this is what everyone wants to do.

I also hope that every Member seated here, including I myself, will bid farewell this time with a feeling of hope. This is the third time that I have served either as a Member of the Legislative Council or the former Legislative Council. Frankly speaking, Madam President, in every term, what I like to listen to most is the valedictory motion debate. I may not necessarily dislike other motion debates, but I definitely like the debate on the valedictory motion most. Why? As we have all seen, the scene can sometimes be hilarious, at other times, the valedictions could be serious and heavy. Even though I love to listen to them, do I myself want to speak? In fact, the more I listen to the



valedictions here, the less I desire to speak because the rhetorical skills of many Honourable colleagues are simply outstanding. On the one hand, they can elicit bursts of laughter from many Honourable colleagues, and on the other, they would make us reflect deeply on some issues and matters.

However, what can I say in this valedictory motion debate? This is really tough. Anyway, I have thought long and hard and concluded that I should say something. Why? Because this is a rare opportunity for all Honourable colleagues to express their personal feelings. Usually, when giving their views on other motions, Members will only express their political views or analyse a policy but not express their personal feelings. However, in the debate on the valedictory motion, all Members would want to express their feelings and views on their work, the legislature or their relationship with other colleagues. Therefore, I think I should make good use of this opportunity to talk about my personal feelings.

In fact, of my three terms in the legislature, I hold the first term, that is, the term from 1995 to 1997, in the fondest memory. Why am I always nostalgic about that term? Because I believe Members in the legislature should not simply aim at expressing their views or the sentiments of the people. On the contrary, the most important thing is that they should aim at getting actual results through the legislature. If Members just talk, the public will think that they too can just voice their opinions on the radio or through other channels and it is not always necessary to ask Members to speak for them. Therefore, what matters most is, as Mr Andrew CHENG has put it, to get actual results, otherwise, people will call the legislature the junk assembly rather than the Legislative Council.

Why do I always hark back to the term from 1995 to 1997? The main reason is that, as popularly elected Members, we were not subjected to any major handicap in the legislature. Why do I say that there was no major handicap? Because at least we could propose private bills to give expression to the demands of the public through legislation and debate them in the legislature, and should the opportunity arise, the private bills could even be passed. That was very important, otherwise, things would have been as it is now, that is, a lot of difficulties will be encountered because it is impossible for Members to raise many issues at their own initiative. Although they may want to do so, they can only wait for the Government to do so because they cannot take it upon

themselves to propose any motion. For us Members, we really have our hands tied and we cannot do what we really want to.

What I feel most nostalgic about is that, in the last meeting of the 1995-97 term, I proposed a private bill to restrict the increase in public housing rentals. This bill is now causing a furore and a lot of problems have occurred, however, I think that my conscience is clear. This is because what I did was to mirror the need of society at that time. Since I was able to perceive the demands of the general public, I therefore proposed the bill. I changed the interval of the rent increase from two years to three years and stipulated that the rate of increase must be lower than that of inflation. I believed that was an appropriate move and still believe so even now. However, a Member amended the bill at that time so that it acquired another form and that gave rise to more problems. In any event, we really had the opportunity to express our opinions, discuss them in the Legislative Council and even endorse them, whereas in the Legislative Council after the reunification, the good old days are gone. What we could do before is no longer possible nowadays. What we can do at the most is to do as Ms Emily LAU does, namely, expressing our strong emotions or blasting away. Apart from that, what else can we do? There is nothing else that we can do.

Therefore, I am really nostalgic about that period and wish to see a return to those days so that we can try to relay issues of people's livelihood and political issues as well as our voices to the Government through legislation. However, this is really difficult. Why? Because it involves amendments to the Basic Law. Is it easy to do so? Not at all. In the past two terms, I had moved amendment proposals of this nature for two successive years but they all ended in total failure. Meanwhile, the recent issue of the interpretation of the Basic Law further highlighted the increasing number of barriers imposed on propositions to amend the Basic Law. Therefore, we will still have a difficult time in the days ahead.

However, in spite of this, on the last day of this term, there is still one matter that makes me feel delighted, that is, I have been following up the issue of sentences imposed on juvenile offenders since 1996 and it was finally resolved yesterday. This will enable them to know for sure the length of the prison term that they have to serve, so that they will have a clear prospect. Of course, I am not trying to claim merit here because credit should be given to many other Honourable colleagues. The greatest consolation for me lies in the fact that the Government was able to propose a bill to introduce improvements to the existing

situation, although I am not sure if it is merely giving in or really seeing the problem.

I so submit, Madam President.

**MISS CHOY SO-YUK** (in Cantonese): Madam President, in no time, the second term of the Legislative Council is coming to a close. The motion today gives us an opportunity to speak our minds as much as we like. Originally, I have prepared a speech of a more serious tone, however, after listening to the light-hearted speeches of Honourable colleagues — even though I have not been sitting here all the time, I have in fact listened to the speeches of every Member — I decided to speak on some light-hearted topics instead, that is, on what Members will call "nonsense", and what I am going to say is even more nonsensical.

Just now, I asked Dr Philip WONG if he was going to speak. This is because every Wednesday at dinner time, he would often come and sit next to me, then begin to tell some jokes, some of which are stronger than category II. However, Dr WONG said he could only tell his jokes in the Dining Hall, so he is not going to tell them here.

Now, I am actually speaking on the feet and everyone knows that this is not my strength, and still less can I be considered a humourous person. The question of what issues Members had not touched on but were more light-hearted in nature kept running through my mind. I finally hit on clothing.

When it comes to clothing, our attention will all be focused on Members of the fair sex. The 11 Honourable female colleagues have indeed made the legislature much more colourful. As far as I can see, when it comes to clothes that are beautiful, refined and different every day, it goes without saying that only Ms Audrey EU, who sits next to me, will fit the description. She has actually given me immense pressure. Her clothes are diverse in style as well as beautiful. Ever since she joined this Council, many people began to criticize my clothes and I believe I owe this to her. Therefore, there is little wonder why the camera is always trained on her. However, people may only be able to see her clothes on television but there are two items that have escaped them. One of them is her handbag, which she places on the floor. This I can see every day. She carries a different handbag every day. Members might sometimes

see me talk with her, in fact, we were discussing about her handbag. In addition, the diamonds on her hands were really impressive. Add to this her fine clothes and her attire was really multifarious.

As far as I am concerned, everyone knows that it is the same for me every day. My new handbags are used until they are worn, my shoes will be replaced only when they are threadbare and the style of my handbag is always the same. Therefore, it can be said that, sitting next to her, I feel that I have very good self-control.

There is nothing much to say by way of the gentlemen's clothes. They invariably wear dark-coloured suits except Dr LAW Chi-kwong, whom I found to have a propensity to wear light-coloured ones. I think that as far as the attires of the gentlemen are concerned, it is the ties that will stand out. I wonder if Members have ever noticed that on one occasion, on the day when the World Cup matches began, Mr NG Leung-sing came to the meeting wearing a tie full of football prints but no one noticed him. In the end, he had to make a declaration before everyone took notice of his tie and a discussion then ensued around it. This shows that the clothes worn by the gentlemen cannot command as much attention as those of the ladies.

As far as I can remember, I have never seen Mr LEUNG Yiu-chung wearing a suit. He is always wearing a T-shirt or a shirt and pants. In winter, he would wear an additional jumper or jacket. This is also the same for Mr LEE Cheuk-yan. I do not remember ever seeing him wearing a suit, on the other hand, I seldom see Mr James TIEN wearing anything other than suits. Even on the Dress Casual Day organized by the Community Chest, I can still see him wearing a suit and he would just remove his tie.

I do not know if it is a personal preference, but it seems that the sleeves of the suit worn by Mr Jasper TSANG are always an inch too long. Together with his suit which he never likes to button up, it looks as though his suit is oversized. Every time I see him in his suits, I am reminded of the pitiable looks of Oliver Twist.

Another matter that the gentlemen themselves may not be aware of is: Do you know which washroom is the most frequently patronized by the gentlemen? I hope Members will not laugh at me. The answer is the washroom for the disabled adjacent to the ladies' on the second floor. This is probably because

the washroom is located on the second floor and is more convenient. Every time I passed that washroom, it was always jam-packed.

In fact, there are many many things that I can talk about. Just now, Mr Martin LEE said that I encroached on his parking lot in 1997. I have to tell him why I encroached on his lot, because he had a driver while I did not, so I needed a parking lot. Anyway, I want to salute all Honourable colleagues seated here. Throughout the years, all Honourable colleagues have been very friendly to me, in particular, I wish to thank Mr CHEUNG Man-kwong. Apart from the one occasion when he blasted me in the Chamber, he promised afterwards that he would never refer to me explicitly again when blasting me in the Chamber. For so many years, he has kept his promise, so I have to thank him. Although we have different political views, however, having the opportunity to engage in wars of words in the Chamber has indeed raised my standard in commenting on public affairs. Thank you.

**MR AMBROSE LAU** (in Cantonese): Madam President, this four-year term of the Legislative Council has seen the occurrence of many significant events in society, such as the SARS onslaught, the 1 July marches, the series of measures adopted by the Central Authorities to assist Hong Kong's economic recovery, the interpretation of the Basic Law by the National People's Congress and its related decisions as well as the resignation of several accountability officials. The occurrence of so many significant events over a short span of just four years is very rare in the history of Hong Kong and is thus something that warrants our rumination.

The current political and economic conditions in Hong Kong have not only induced an increasing number of Hong Kong people to worry about their future, but also aroused the grave concern of the Central Authorities over the Hong Kong issue, besides making Hong Kong affairs the subject of widespread attention and discussions among overseas media and certain foreign governments.

The assessments of the political and economic developments of Hong Kong are clearly made from a wide variety of perspectives and motives. This has led to the emergence of different interpretations and value judgements, some being capable of co-existence and others simply mutually exclusive. Under such a situation, I maintain that from the perspective of safeguarding the

well-being of Hong Kong people, we should reach a consensus on the handling and development of our political and economic situations, and such a consensus should be built upon three premises. First, it must be conducive to the political stability and social harmony of Hong Kong; second, it must be conducive to our economic and livelihood improvements; and third, it must be conducive to the establishment of a sound and constructive relationship between Hong Kong and the Central Authorities within the framework of "one country, two systems". I am of the view that any political pursuits or actions that may endanger these three premises are all undesirable, regardless of who the advocates are.

The political system and the economy are both very important to Hong Kong, so they should be developed with co-ordination. At present, there is already very close economic co-operation between Hong Kong and the Mainland. Since 1 July last year, the Central Authorities have been introducing a series of measures to assist Hong Kong in its economic recovery: the Individual Visit Scheme, CEPA, the enhanced efforts to co-ordinate the division of labour between Hong Kong and Guangdong, the construction of the Shenzhen-Hong Kong Western Corridor and the Hong Kong-Zhuhai-Macao Bridge, the consideration given to establishing an offshore RMB centre in Hong Kong, the active studies on QDII, that is, qualified domestic institutional investor, and also the promotion of co-operation and development within the Pan-Pearl River Delta Region. All these are aimed at strengthening the complementary economic partnership and co-operation between Hong Kong and the Mainland.

We of course cannot deny that there are marked differences between Hong Kong and the Mainland in terms of their political and legal systems, cultures and values, but I insist that politically and culturally, it is still possible for Hong Kong and the Mainland to seek common grounds, to forge compromises and to tolerate each other. The key to all this is mutual respect. The essence of "one country, two systems" is that the two systems must be prepared to co-exist, and to recognize, respect and tolerate each other, instead of trying to change the other side.

Co-existence of the two systems and their mutual tolerance aside, there should also be mutual tolerance within the society of Hong Kong. Traditional Chinese culture emphasizes harmony and integration. "Harmony" also implies amity and peace, while "integration" also carries the additional meaning of co-operation and unity. "Harmony and integration" as a concept therefore denotes the co-ordination, unity and harmonious co-existence of different

essential elements. All the political parties, organizations and sectors in Hong Kong should strive for "harmony and integration". Hong Kong politics must tread a path of sound development, and the concept of "harmony despite differences" in Chinese culture can be a source of enlightenment for us in the course of forging co-operation and agreement amidst differences.

Madam President, at this very time when the current term Legislative Council has completed its work, I hope that Hong Kong people can uphold their fine tradition of constantly striving for self-improvement and bring the spirit of tolerance into full play, so as to foster social harmony, economic development and livelihood improvement. I also hope that the third Legislative Council can be elected smoothly to serve the people of the Hong Kong Special Administrative Region.

Madam President, I so submit.

**DR TANG SIU-TONG** (in Cantonese): Madam President, now that the current term of the Legislative Council is soon drawing to close, it is again time for recapitulation and good wishes. As also asked by the House Committee Chairman at the beginning of this motion debate, what is the special feature of this term of the Legislative Council? I think an apt description is that the past four years was marked by "numbers". Since the start of the new millennium, numbers of all types (including those representing dates) have been stirring up various kinds of feelings and emotions in the people, some being sad and others joyous.

The new millennium ushered in an era of 0101. The fever of technology stocks resulting from 0101 subsequently engulfed the whole of Hong Kong. All listed companies with a name starting with the letter "i" or "e", or ending with ".com", would have the Mida's Touch. At one time, due to the fever of technology stocks, people even thought that the days of "shark's fin and rice" had returned to Hong Kong, and that the unemployment rate would also plummet. In the end, however, it was the Hang Seng Index that really plummeted — from 18 000 points to 13 000 points. In just half a year, society as a whole plunged from heaven to hell; all people, stocks speculators or not, were impacted by the bursting of the new bubble economy. In the meantime, a fiscal deficit also re-emerged in 2000-01.

The year 2001 marked the commencement of the era of huge fiscal deficits. It was then projected that the fiscal deficit in 2001-02 would be as huge as \$65.6 billion, which was so alarming! However, no numbers could in any way be more terrible than September 11; the September 11 incident shocked the whole world, and it not only dealt a heavy blow to the economy of Hong Kong but also altered its course of political development. As the pressure of fiscal deficit mounted rapidly, arguments and disputes emerged one after another. The pay cut of civil servants, the reduction of social welfare funding, the "slimming" of the Government and the increases in government fees and charges and taxes all led to various storms and the accumulation of strong grievances in society. Besides, the September 11 incident also set the stage for the marches and rows associated with the enactment of legislation to implement Article 23 of the Basic Law.

Then, with the Chief Executive's introduction of the Accountability System for Principal Officials in 2002, the "Three Departments and 11 Bureaux" formally came into being — it is the "Three Departments and 11 Bureaux", not the "Three Corpses and 11 Deaths", because the tragic story of LIANG Tianlai should have nothing to do with all this. As a result of this change, 2002 came to be the first year in which there was "0" policy address. The reason is that the Chief Executive had to implement the Accountability System, so he must defer the announcement of his policy address. In the whole of this year, the Government paid all its attention to numbers, focusing on the eradication of the fiscal deficit. In the same year, the grand project of cutting expenditure by \$20 billion was formally launched, with the goal being the total eradication of the fiscal deficit in 2006-07. Unfortunately, owing to unforeseeable changes, it subsequently became necessary to defer the target date from 2006-07 to 2008-09.

The rise and fall of numbers in 2003 was even more sensational. Between March and June, the number of SARS infected cases announced every day gripped the hearts of all in the city. On 23 June, the World Health Organization formally deleted Hong Kong from the list of SARS infected areas. But as Hong Kong people rejoiced in their deliverance, the rows over the enactment of Article 23 legislation had already turned white-hot. Then came the 1 July march and later, the "Big Earthquake on 16 July in Upper Albert Road", which culminated in the resignation of two senior accountability officials, thus plunging the Government into isolation and desperation in its governance. In the end, on 23 November, 1 million electors voted in the District Council elections, bidding farewell to 2003.



The advent of 2004 was likewise marked by disputes and rows revolving around numbers. Early this year, the poultry industry and the Government argued incessantly over the proper timing of resuming the importation of live poultry. All the arguments were focused whether the importation of live chickens should be resumed after 21 days, three months or half a year. The anxieties about avian flu were followed immediately by concerns over Article 45 of the Basic Law and the introduction of universal suffrage in 2007 and 2008. Before 1 July, there were all sorts speculations about the turnout at the imminent march — 200 000, 300 000, or 500 000, and so on. After 1 July, arguments went on as to whether there were 530 000, 260 000 or 200 000 participants. And, there are still the Legislative Council elections on 12 September, the outcomes of which will probably be the focus of all attention this year.

Like it or not, all these past numbers have given us more sorrow than joy, and they were invariably the bones of endless contentions. The beauty of numbers is that they can be easily remembered and understood, are simple and straightforward and can elicit empathy very easily. However, their shortcoming is that they are superficial and can be distorted and juggled at will. An over-serious attitude towards numbers will only result in endless disputes, doing no good to our work of resolving problems. It is even more regrettable to exaggerate numbers and even turn them into one's chips of political bargaining through "auto-pay".

However, I do believe that in the next Legislative Council, numbers will probably bring us more joy than sorrow. The intensification of CEPA, the Individual Visit Scheme and the "Nine plus Two" Agreement on Greater Pearl River Delta Region Co-operation, together with the sustained improvements in external economies and the completion of the Hong Kong Disneyland in 2005, will definitely bring us very bright economic prospects. Before this year draws to a close, we can at least say goodbye to deflation; the unemployment rate may hopefully drop below 7%; and, the number of negative equity assets may also go further down.

Although the Cyberport has been largely overtaken by events, the Electronic Service Delivery Scheme and the widespread application of information technology have undeniably brought much convenience to people's life, besides upgrading the productivity of small and medium enterprises and widening their business prospects. Although the plans to turn Hong Kong into

"a centre or harbour of so and so" have all fallen flat, they have nonetheless paved the way for the Government's efforts to revitalize the four pillars of the economy. There is after all a return to pragmatism.

SARS claimed 299 lives and this is truly a bitter memory, but society as a whole has since become much more aware of environmental and personal hygiene, and we have also established a preventive and surveillance system on infectious diseases. All this will bring about immense improvement to environmental hygiene. We may thus say goodbye to SARS and avian flu this year.

Following the Legislative Council Election on 12 September, disputes over constitutional development will become less heated, so the possibility of calm discussions will re-emerge. The approach and tactics of Greece, the European Cup champion this year, were not at all pleasing to the eye, but they were nonetheless practical and effective, so it managed to beat France, Czechoslovakia, and Portugal, bringing forth this Legend of Greece in the end. In contrast, with all the fans rooting for it across the nation, the Portuguese team was very confident and over-ambitious, so in the end, just because of one single mistake, it failed on the verge of success. Democratization does not always need to be as heroic and moving as the French rendition, nor must it always be as grand and epic in scale as the movement in Czechoslovakia. It can be realized through a course of steady development in a gradual and orderly manner. If we pursue our goal blindly, even to the point of intensifying conflicts and confrontation, then even one single mistake may make us all suffer. Over the past two years, the discussions on constitutional development have been marked more by impulsive arguments than by any constructive proposals. And, I must add that even the rules of the game have changed — the Hong Kong Special Administrative Region Government, the business sector and political parties are no longer the only players, for the Central Government and people from all sectors are also getting involved. *(The buzzer sounded)*

**PRESIDENT** (in Cantonese): Dr TANG, time is up.

**DR TANG SIU-TONG** (in Cantonese): I so submit.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**DR RAYMOND HO** (in Cantonese): Madam President, I have heard many Honourable colleagues speak with flair and in a light-hearted and humorous manner when bidding farewell and expressing their reluctance in doing so. However, it will be impossible for me to do so because I have been keeping my mother company, the person for whom I have the greatest respect in my life but who was in a critical condition in hospital, throughout last night.

In the four years in this term of the Legislative Council, that is, from 2000 to 2004, the situation can be described as tumultuous. The Hong Kong economy has been always in a plight and the overall unemployment rate, due to the impact of the SARS epidemic last year, rose to 8.7% at one point last year. At the same time, the unemployment rate in the engineering and construction sectors in the past several years was particularly high, soaring from 16.9% last year to over 20% this year. Although the implementation of CEPA and the Individual Visit Scheme has made the overall unemployment rate drop to 7%, they are of little help to unemployment in the engineering and construction sectors.

In the construction industry, which was heavily stricken by unemployment, the number of unemployed workers, technicians and professionals was over 300 000. Together with their family members, the number of people affected is close to 1 million. Therefore, on behalf of the industry, I have constantly urged the Government to expedite infrastructural projects during my term. More than three years ago, the cross-party coalition formed by seven parties and the Breakfast Group reached a consensus on the seven proposals to improve the employment situation and alleviate people's hardship and one of them was the "three- in-one proposal" made by me. This includes: (1) speeding up infrastructural and public works projects; (2) to expedite the 160 outstanding works projects totalling \$20 billion in value left behind after the dissolution of the two Municipal Councils; and (3) to commit \$6 billion each year to repairing and maintaining ageing infrastructure and building amenities for a period of five years. Meanwhile, in order to follow up these requests, I, in conjunction with two Members in this Council, business associations, trade unions and professional bodies in the construction industry, including the Hong Kong Institute of Engineers, organized the Public Works

Concern Group. Although the above "three-in-one proposal" was accepted by the Chief Executive, unfortunately, in the end, it was not implemented.

Furthermore, in the course of my hard lobbying, I also encountered other resistance. For example, in 2002, the former Financial Secretary proposed the principle of shelving some projects and imposed additional conditions on the implementation of public works by the Government, namely, it will only invest in items with economic return, that is, items that can make money, and those with no or little economic return will be deferred and even cancelled, or "knocked off the horse". He also said openly that in Hong Kong, some roads and bridges constructed are taking us nowhere. I consider his comments to be unreasonable criticism of the government works departments, the District Councils and the Legislative Council. After learning of these remarks, I immediately criticized his views in many radio and television programmes for nine days and expressed my discontent with his remarks in my capacity as the Chairman of the Public Works Subcommittee. Eventually, the Government also made a positive response. In the Budget last year, the Financial Secretary increased the expenditure on infrastructure by 10%, from over \$26 billion to \$29 billion. At the same time, it also tried to streamline the vetting procedure for public works with a view to reducing the lead time to launch infrastructural programmes. However, the relevant measures were in the end not successful.

At the same time, I suggested to the Government three years ago that in order to continue to invest in infrastructure, bonds should be issued and the PFI mode should be adopted. Unfortunately, the proposal was not accepted by the former Financial Secretary, Mr Antony LEUNG. However, the incumbent Financial Secretary, Mr Henry TANG, finally decided to issue bonds this year and to securitize the five links, as well as implementing the PPP mode.

However, the latter is somewhat different from the PFI mode advocated by me. I do not agree with the privatization of existing government facilities and services but believe that private investment should be encouraged and private capital, that is, the deposits in banks amounting to \$3,600 billion, should be made use of to create or initiate new programmes in addition to the existing works programmes, so as to achieve the goal of increasing infrastructural investment and creating job opportunities. Since some of the PPP programmes being implemented by the Government involve existing public facilities such as the reprovisioning of the Sha Tin Water Treatment Works and are at variance

with the aforementioned goals, I therefore do not approve of them. Regarding the issue of bonds, I think \$20 billion is too little and will not meet the needs of future infrastructural investment.

On the other hand, to address my concern about the shrinking amount of preliminary work for projects (including preparing project feasibility reports and construction programmes), the Chief Executive stated in paragraph 38 of the policy address this year, ".....The Government plans to earmark an average of \$29 billion per year for capital works projects for the next five years, higher than the \$27 billion for each of the past five years. Apart from providing funding for the preliminary feasibility studies of these projects, we have also secured recurrent funding for their operation. These projects will require on average 4 200 professional and technical staff per year. Also, in awarding various tenders and consultancy contracts, the Government will try its best to minimize obstacles to the participation of local small- and medium-sized professional organizations." In fact, it can be said that this problem was created by the internal notices issued by the Secretary for Financial Services and the Treasury, Mr Frederick MA, to various departments at the end of August 2000. The document required the departments to re-examine existing capital works projects and the expenditure on them as well as deferring or terminating some non-essential capital works projects. Meanwhile, in launching new projects, the recurrent expenditure had to be borne by the department concerned.

Although an undertaking in this regard has been made in the policy address, the issue of recurrent expenditure for the projects has not been resolved. For more than half a year, I have been discussing the problem with the Chief Executive, the Financial Secretary and the Secretary for Financial Services and the Treasury. Although Mr TUNG and Mr TANG both said that funding for recurrent expenditure could be allocated to departments if necessary, Secretary Frederick MA said that this would depend on the priority of a project. Their remarks have indeed made me and other people concerned feel totally at sea.

Madam President, I also wish to take this opportunity to pay tribute to Honourable colleagues and say thank you to colleagues in the Secretariat for their utmost diligence and their race against time every day in the past four years.

Here I wish to express my utmost respect for everyone. Thank you, Madam President.

**DR DAVID CHU** (in Cantonese): Madam President, today I will talk about the "Barbecued Pork Theory — Second Part" and hope that we can conclude the work in this term of the Legislative Council in laughter.

Will I have the opportunity to talk about the final part of the "Barbecued Pork Theory"? According to Mr Martin LEE, it will depend on whether CHU<sup>8</sup> can fly these days. *(Laughter)* Members will remember that last time when we talked about grilling an official, Ms Emily LAU was the first person to dash forward with a long knife to stab the official. She said that with a few stabs, the grilling would be more thorough and transparency could be enhanced. This time things are different. She has not come forward herself but given a small knife to another Member instead. She says that she is now promoting "one person, one knife". *(Laughter)*

Mr SZETO Wah suggests that since we have grilled an official last time, this time we should grill a Member instead, that this is very reasonable. Mr SZETO Wah said that this can help improve the relationship between the executive and the legislature. Mr LAU Chin-shek's legs may have become jelly on hearing this suggestion. *(Laughter)* I ask Mr SZETO Wah how we should decide which Member to grill? "Uncle Wah" says that I can just go and ask Peter and Judas. *(Laughter)* Mr Martin LEE stands up immediately, saying that if an official has to be grilled, this will be a major event and we have to consult the international community. Therefore, he has to make a trip to the United States to pay homage to a foreign Buddha and invite the United States to make comments. *(Laughter)* Mr James TIEN also agrees that grilling an official is a major event, therefore he has to call the central leadership in Beijing to consult them. However, he makes it clear that after he has come back, no one should call him. He will not return any call of which the caller identity carries the letters "CE". *(Laughter)* As far as the chairman of the party that I belong to, Mr Ambrose LAU, is concerned, last time when an official was being grilled, he ran about looking for a fire-extinguisher but could not find any. This time around it is different. He has brought two huge bottles of thinner along, *(laughter)* saying that this will make things burn faster because he is in a hurry to find himself a place somewhere in the next term. *(Laughter)* Ms Audrey EU likes to eat barbecued pork the most and she does not merely help herself to it, but has also taken Mr TONG Ka-wah and Mr LEONG Kah-kit along for a free treat.

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<sup>8</sup> the surname "CHU" and "pig" are homonymous in Cantonese

Seizing the opportunity offered by the burning fire, I quietly burn the list containing the names of democrats which is to be taken to Beijing (*laughter*) because Ms Emily LAU keeps asking me all day, "Old CHU, is my name on your list?" After burning it, I can say loudly, "Of course it is, sister Hing." (*Laughter*)

Member may recall that last time when an official was being grilled, Dr David LI said, "Please do it quickly and have it done before three o'clock." (*Laughter*) This time around it is different. He says, "Just take your time, since I will not be in Hong Kong anyway. After the grilling, please prepare two servings and send them to the hotel I am staying in Paris by express and put them next to my shoes." (*Laughter*) Thank you, Madam President.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**MRS SELINA CHOW** (in Cantonese): Madam President, first of all, I wish to pay tribute to Dr David CHU for his consistent great sense of humour. I must also apologize to him, because I heard that he had intended to be the last Member to speak so that we could say goodbye to one another in laughter. However, I have a rather special identity and I hope he can forgive me. I am the most senior Member here. Twenty-three years are by no means a short period of time. But I am most senior not in terms of age, but only in terms of my years of service here. The election is impending, and I do not know whether or not I will return to this Chamber. So, I think I have to say a few words.

Over the past two decades or so, I believe Members who have sat and worked in this Chamber must have experienced countless hardships. To me, I have experienced the good and evils of human nature. Many people said politics are ugly, but I think politics are necessary. Where there are people, there are politics. Politics are sometimes beautiful, and ugly at other times. Nevertheless, I maintain that on the whole, I can say from my own experience that my work in this Chamber has enriched me with many experiences of life and this, on the whole, is wonderful.

Earlier on Ms Miriam LAU mentioned that I had been the Chairman of the House Committee for three years, while she assumed the Chairmanship only in the last year. I must take this opportunity to thank Members. Indeed,

Members have thrown great weight behind me, and this has given much comfort to this "old" Member of me. They have given me lots of sound advice, suggesting in particular that the meetings must be kept short. So, I have always remembered this wish of theirs by heart. I thought I could set some records, but my records have been broken by Ms Miriam LAU.

I believe that we, being Members of the parliamentary assembly, can take pride in one thing and that is, we have played a very significant role in upholding "one country, two systems". In this connection, I think we have delivered, insofar as our work for Hong Kong people is concerned. Certainly, in the course of my work, I have learnt a lot and in particular, I have learnt to put myself in other people's shoes. Be it different political parties or people with different political opinions, and be it individuals or organizations, I think in order to genuinely tackle problems or to resolve some major problems for Hong Kong, this attitude and mindset of putting ourselves in other people's shoes is very important, because it is very important to understand each other's thinking. This may make it easier for us to fight for our causes, or to come to terms with any eventual defeat. This may also apply to our relationship with the Government because, very often, I think our relationship with the Government is sometimes good but sometimes very tense. If only we can do more in this regard, it should be easier to find solutions to problems.

However, if I may tender my sincere advice to the Secretaries of Departments — it so happens that two Secretaries of Departments are here — I do hope that the Civil Service, senior officials and accountable officials will consider Members' position and thinking by putting themselves in our shoes. Why is there often tension between us? In fact, this is due to problems with our mutual understanding. Sometimes, a very trivial matter will develop into a very tense situation or become very serious. This is indeed unnecessary. If we can understand each other's viewpoints and perspectives as well as each other's position, I believe there will be a better chance for us to come up with a solution which is acceptable to both sides.

As to the question of whether Members will continue with their political career or leave this very hot kitchen which is often so fascinating in Dr David CHU's descriptions, if you cannot stand the heat, get out of the kitchen, that is, if one feels too hot, one will have to pull out of the place, I believe some Members will very wisely make such a choice. In any case, I wish that we will all



maintain a sense of humour, and I wish you all happiness and good health. Thank you, Madam President.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**MR SIN CHUNG-KAI** (in Cantonese): I am looking for my microphone, not BBQ pork. I will definitely not eat the piece of BBQ pork held by Dr David CHU with his barbecue fork. However, I have had an experience of tasting the sugar cane harvested by Dr David CHU in Panyu and visiting his farm.

I have greatly enjoyed the past eight years in this Council for I have made a lot of friends here. I was advised by colleagues from the Liberal Party that I might have joined the wrong party; I find Dr Eric LI very congenial; and Philip has often invited me for a drink. Yet, I have to tell him that I am not fond of whisky for I prefer red wine. I will definitely join you if you treat me to red wine next time. I am glad that I have had an opportunity of sharing a hot pot with Mr MA Fung-kwok, Mr LEUNG Yiu-chung and Dr Philip WONG and getting so drunk.

I am particularly fond of "sexually harassing" three male Members, namely Mr Abraham SHEK, Mr Tommy CHEUNG and Mr CHAN Kwok-keung because they all have a "big belly", a symbol of lacking conscience. (*Laughter*)

Frankly speaking, the Member I miss most over the past eight years is not a Member of the current term, but Mr Ronald ARCULLI, a Member of the first Legislative Council, who was also known as the king of bills and now replaced by a new queen of bills. With his rich experience in chairing bills committees, Mr ARCULLI was often able to look at things in a meticulous and a most consummate manner. Having worked with him for so many years, I find him the most outstanding colleague in scrutinizing bills. Of course, I do not rule out the possibility of Ms Audrey EU surpassing him after two more terms.

I would like to share with Members the two records set by me in this term. In chairing the most time-consuming Bills Committee, namely the Securities and Futures Bill, I have held more than 80 meetings. Mrs Sophie LEUNG has often

complained me for scheduling the meetings at half past eight in the morning. Yet, it was impossible to accomplish our mission had I not done that. I have also had the experience of chairing the least time-consuming Bills Committee by completing all of its work in half an hour. I can tell Ms Miriam LAU that it was indeed unnecessary for a Bills Committee to be set up to deal with the bill relating to the airport. I can thus say that I have had the experience of handling both the most and least time-consuming bills.

I have to take this opportunity to give my sincere blessing to Mr James TIEN, a friend I have known for two decades. Members might find it very strange for I did not join this Council until 1995. Actually, I had worked with Mr James TIEN in the Kwai Tsing District Board for a very long period before joining this Council. Mr LEUNG Yiu-chung, Mr LEE Wing-tat, Mr James TIEN and I first joined the Kwai Tsing District Board in 1985. Mr James TIEN became Member of this Council in 1991. This time, he has really taken up the gauntlet of Ms Emily LAU to take part in the geographical direct election. In this connection, I would like to express my sincere congratulation to him. I hope he can demonstrate his determination and win in the election.

Actually, this is also my personal hope. Though I am a member of the democratic camp, I have chosen to stand in the functional constituency election. There were times when I suspected myself to be a political bat, as Mr SZETO Wah put it, for I support universal suffrage while taking part in the functional constituency election, or the so-called small-circle election. However, I have a conviction to back me up — I believe the community will become more harmonious should all of us make an attempt to fit ourselves into the others' shoes, just like the comment made by Mrs Selina CHOW earlier.

The participation of the Liberal Party in the direct elections this time is worthy of our support. Yet, I find it even more necessary for the democrats to launch a joint attack on all the functional constituencies. Conversely, the community will not be harmonious, or cannot converge should emphasis be placed on one aspect only. The entire thinking or political or economic inclination of the Democratic Party might become more middle-of-the-road if it could play a more active role in taking part in functional constituency elections. The community will surely see a definite change when the Liberal Party opts to take part in direct elections because it will then have to switch to a middle-of-the-road strategy.

Speaking of elections, Mr James TIEN is not the first one shifting from functional constituency elections to direct elections. I notice that Mr Martin LEE and Mr SZETO Wah were his predecessors. However, apart from myself, I have not seen other Members attempting to shift from direct elections to functional constituency elections. I hope Ms Emily LAU can accept Mr James TIEN's challenge to stand in the functional constituency elections. *(Laughter)*

With these remarks, Madam President, I support the motion.

**MISS CHAN YUEN-HAN** (in Cantonese): Madam President, I have actually prepared a script for my speech, and I have also wondered if I should use my speech on the valedictory motion four years ago. But then, I tell myself that one should really be more easy-going, because my families have repeatedly reminded me that I should live a happy life and embrace the world. I therefore think that if I can be more easy-going, everybody will feel more comfortable. There are radicals in the two major political parties, and I think it is very hard for any outsiders to imagine that these radicals can still joke with one another so very happily over a glass of wine or the dinner table, as described by Mr SIN Chung-kai. Our arguments in the Chamber are very heated, but back in the Ante-Chamber, we can still chat and joke with one another like friends. This means that democracy can likewise be achieved through many different channels.

My greatest shortcoming is that I am much too serious about things, to the extent that I also find myself unbearable. Just today, for example, when I think of those people in society who are over 40 years of age and jobless, I feel compelled to talk on and on about the market, the Government, and so on. But I do know that if only I could just take one step back, I will see the open sea and sky, where I can enjoy the freedom to roam. Over the last couple of years, many good friends of mine have been telling me to relax a bit. Well, I also give the same advice to others, especially when tension between the two political parties runs high. I always advise them to relax, telling them that it is all just a problem of divergent views.

I can remember that ever since the holding of the first direct elections in 1991, my constituency has been Kowloon East. This is really a "terrific" constituency. Even in the first direct election, there was already a very "fierce battle" in this constituency, because it was then a well-known arena for young political hopefuls, who invariably appeared so antagonistic. But I observe that

after a decade or so, the campaigning teams are now made up of a wider variety of members, and people are no longer so tense. My election rival in most cases has been Uncle Wah, but, well, I do not know whether he will run again in the coming election.

On one public occasion, I explained that democracy should be all about the tolerance of divergent views. My heartfelt advice is that whenever there is any dispute, if we can pause a while and consider the position of the other side, we will do ourselves immense good. This is the lesson I have drawn from my experience since 1991. I suppose those colleagues who have also taken part in the democratic elections to the Legislative Council will share this feeling. I wish that there can be a joyous atmosphere in Hong Kong, and that everybody can be happier. It does not matter even if there are divergent views because we can always conduct negotiations to strike a balance, in very much the same way as we have to strike a balance when discussing the enactment of legislation.

So much for that. Now I wish to come back to my own "trade", but, today, I will not lose my temper. Well, I do not want to read from my script, so what am I going to talk about? A very good atmosphere has by now emerged in Hong Kong, and this is the kind of atmosphere in which everybody can just relax. I hope that while everybody does so, they can bear Hong Kong's well-being in mind and join hands in opening a path of democratization for it. As for what path should be taken, they do not necessarily have to follow my advice or that of anybody else, for that matter; the important thing is for everybody to find the point of balance.

Next, I want to say a few words on what happened yesterday. Yesterday, I ran into Chief Secretary for Administration Donald TSANG. We talked about the motion related to Dr YEOH Eng-kiong, and I told Mr TSANG that if only the Government could be more broadminded in its dealings with us, we might be able to achieve more. Our experience this morning is a good example. This morning, we were in the Legislative Council for a case conference. There, we met a very nice government official. We mentioned the disposal of sludge off Kwo Chau Kwan To, questioning him why compensation was paid to those people in Sai Kung who were affected but none was available to those on the opposite shore of Lei Yue Mun and also Tung Lo Wan. It transpired that the sludge dumped at a certain location will not remain stationary but will be carried by currents to other places. That government official might have heard a lot of views recently, and he was very nice, very tolerant throughout. But he also

talked about the Government's difficulties, explaining that since all the money had been used up, it would be hard to offer any more compensation. But he still undertook to explore whether there were any other solutions. His sincerity softened even the stance of "difficult persons" like the several of us, especially Mr WONG Yung-kan, who is not present now, and who will invariably lose his temper whether the interests of fishermen are affected. But even he was willing to negotiate patiently with the government official.

The case of chilled poultry was a stark contrast. In this particular case, the government official we dealt with was also an official from the Health, Welfare and Food Bureau. I must say that this official was "absolutely unbearable". I for one, and also Selina and many others, such as Ms LI Fung-ying, were all outraged by this government official, who simply spoke like a gramophone. We asked him to listen to the views of Members from different political parties and factions, to explain why the Government agreed to compensate live poultry traders but refused to offer any compensation to chilled poultry traders, bearing in mind the latter were also rendered jobless by the Bureau's decision of not to import live poultry. This government official replied that all was because live poultry traders suffered heavier losses than chilled poultry dealers, who might still sell meat. How dared he say something like this?

Frankly speaking, we do not intend to "checkmate" the Government, but we do wish to share our feelings with the Chief Secretary for Administration and the Financial Secretary. Why are we so angry in some cases? Or, why are they also very angry sometimes? Actually, if we can calm down, we will always be able to strike a balance. In the two cases cited by me, both officials were from the Health, Welfare and Food Bureau, but their different approaches produced vastly different outcomes. The outcome this morning was very good, but several days ago, Members belonging to different political parties all lost their temper. This is an apt reflection of the developments in Hong Kong. Over the past few years, life in Hong Kong has been very eventful, and there have been many "storms", such as the 1 July marches this year and last year, in particular. Since the various sides have already made friendly overtures to tackle the problems faced by Hong Kong, I hope that everybody can join hands to work out the solutions.

Madam President, having engaged in bargaining for workers for more than 30 years, I must say I still find some phenomena unbelievable. Yesterday,

I accompanied a group of workers to the Labour Department for negotiations on a labour dispute, but the officials there simply gave us the runaround, telling us to approach the Legal Aid Department instead. But then the Legal Aid Department told us that the Labour Department had actually given us the runaround. I was understandably very frustrated, so I led all the workers back to the Labour Department. When the officials there sorted out what our problems were, they eventually worked out a way under the Protection of Wages on Insolvency Fund to assist the workers in solving their problems. These desperate workers have in fact been seeking help since April. The reason for my mentioning this case is to illustrate the point that whatever issues we are dealing with, as long as we can take a step back, we will always be able to identify a road for Hong Kong people.

With these remarks, Madam President, I wish everybody a happy life and the best of health.

**MS LI FUNG-YING** (in Cantonese): Madam President, through the valedictory motion today, I wish to talk about my feelings over the past four years. I would also like to take this opportunity to thank the Members present one by one. I of course know that while some of those whom I wish to thank will run in the coming election, others have already announced that they will not.

Four years ago, with the support of my unionist friends, I began my work in the Legislative Council Chamber, somewhat warily. At that time, I had one conviction, that I hoped that after switching from the trade union environment in which I had been working for several decades, I could continue to fight for the rights and interests of the grass-roots labourers. However, sooner after I had joined the legislature, the economy of Hong Kong declined rapidly, and the wages, fringe benefits and interests of grass-roots workers all started to worsen incessantly. Although we shouted ourselves hoarse and worked very hard to safeguard workers' interests, we still found it extremely difficult to make even one single step forward. I have come to realize over time that besides having a Member in the legislature to defend workers' interests, there must be the support and co-ordinated efforts of everybody both inside and outside the legislature before the objectives of trade unions or other grass-roots organizations can be realized.

Four years has slipped past very quickly, but I am still as chary as ever before. The only change is that because those colleagues who have been fighting beside me at the front line of labour welfare have also joined the legislature, I have had more opportunities to co-operate and work with them. Besides, over the past four years, I have made many new friends, and they have given me immense support in my trade union work. I have managed to broaden more horizons and learnt many new things in the process. Therefore, I wish to take this opportunity to express my heartfelt gratitude to Members of the Breakfast Group for their accommodation. Though not a member of the Breakfast Group, I was still frequently invited to their meetings. However, Madam President, I have always been such a "pragmatic" person, so unless the topics were about the interests of workers and employees, I would not show up at all. But they simply did not mind and still gave me opportunities to express my views. And, as much as possible, they also considered whether to support me. I wish to express my thanks particularly to Dr Eric LI, Mr Abraham SHEK, Mr LAU Ping-cheung and Dr Raymond HO, who are all very nice gentlemen. We basically come from different social strata, and they are all elites in their respective sectors, but they are ever so happy to share their expertise with me and render their support to trade union work. They have even agreed to serve as advisers to some of our affiliated organizations, so as to serve workers and trade unions with their professional knowledge. I am deeply grateful to them all, especially Dr Eric LI. I hope that he will continue to support workers after he has left the legislature.

In addition, I must also thank Mr Jasper TSANG, who is not here now, and also Miss Margaret NG. Although they were always very busy, they still found time to attend our seminars as host speakers. Their insights and wonderful speeches invariably elicited empathy and warm responses from the attendants. I also wish to thank Ms Audrey EU, because whenever she organized any law seminars on employee interests, she would ask me whether our trade union colleagues would be interested in attending. I am most grateful to them all for supporting the work of our trade unions. And, of course, the quality of their work in the legislature is also evident to all. I particularly appreciate the fact that although they might hold very different views in debates and I might not concur with them every time, they were nonetheless so rational and logical, ever so articulate in trying to convince colleagues holding divergent political views and win their support. I very much appreciate such a quality.

Madam President, I must of course also express my gratitude to you, because from time to time, you allowed me to hold residents' and workers' meetings in your offices. Besides, you also spared time from your tight schedule to officiate at our activities. I must therefore express my gratitude to you.

I must also express my thanks to Mr CHAN Kwok-keung and Mr LEUNG Fu-wah particularly, both from the labour sector. We have known one another for decades, or, precisely, one or two decades — well, this may make people think that we are very old indeed. Anyway, I am especially grateful to them for rendering me so much support since I joined the legislature. For example, whenever there was an activity of some kind, they would immediately think of me, asking me whether I knew the way to the venue and whether I would want them to take me there. They were very nice to me, and I am so grateful because I simply do not have any sense of direction once outdoors. They always took me to the venues and back, and when I attended some labour seminars, they also offered lots of help to me. Therefore, I am really very grateful to them. Besides, I must also thank Mr WONG Yung-kan, whom I did not know until I joined the legislature. He is also very nice. Because we live in the same district, he has been rendering much help to me in many ways. To sum up, I am deeply grateful to all of you.

Madam President, four years has passed. I must say that it is indeed my honour to have been able to work with all of you at some point in my life to serve the people. Actually, I still wish to thank many more nice people one by one for the help they have given me. But owing to the time constraint, I am afraid I will not be able to do so. I hope that in the next term — regardless of who will stay and who will not — all of us can still join hands to take Hong Kong forward smoothly along the correct path, to serve the people, and to shape a better tomorrow for Hong Kong. Thank you.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

**MR IP KWOK-HIM** (in Cantonese): Madam President and Honourable colleagues, after several days of hard work, we have finally come to the time for



speaking on the valedictory motion today. The conclusion of this motion debate will mark the end of the current term. As the cliché goes, "there is no feast that does not come to an end." I have worked with you, ladies and gentlemen, for four years, and in some cases, even longer. But even four years is not a short time already. The past four years has been an eventful period, both for the wider community and this legislature — this Chamber of ours can in fact be described as the eye of all political storms in society. My strongest impression and feeling about this legislature is Members' insistence on defending the very principles they uphold. Very often, when expressing their views, Members may give others an impression that they have gone to the extremes, have become downright antagonistic. But the truth is that everybody is just trying to address practical issues, instead of targeting on any individuals. To me, such has been a distinctive feature of this Chamber since the days of the Legislative Council before the reunification. However, I sense that in recent years, or over the past four years, this feature has gradually faded. In the past, once Members left the Chamber and went into the Ante-Chamber, they would have many, many topics to talk about, like the "Legend of Greece" in the European Cup, maybe. But over the past one or two years, the tension in the Chamber has virtually spread to the Ante-Chamber and even the Dinning Hall. This is something I loathe seeing. I hope that while we keep on expressing our own views on political issues in the Chamber, we can continue to share our divergent political views in other places, just like friends, as described by some Members just now.

In the past four years, our society underwent the most difficult period in its history. A financial turmoil plunged many Hong Kong people into financial predicament and the worst times of their life. Then, there was the catastrophic outbreak of SARS, leaving many in bereavement. The ensuing grievances against certain individuals and issues are therefore perfectly understandable. As for Members of the legislature, since we represent the people and must therefore identify with them and "share their urgent concerns and aspirations", we are bound and indeed duty-bound to voice the people's aspirations. However, precisely because we are the representatives of the people in this Chamber, there are all the more reasons, it is all the more necessary, for us to behave sensibly, objectively, reasonably, impartially and fairly in our attempts to analyse, handle and solve problems, to monitor the operation of the Government, and to discharge the three main duties of all of us in the Legislative Council.

In retrospect, my most unforgettable experience as a legislator in the past four years must be my task of chairing the Bills Committee on the National Security (Legislative Provisions) Bill (the Bill), a matter that Mr Abraham SHEK also talked about just now. The enactment of legislation to implement Article 23 of the Basic Law (Article 23) is meant to protect national security and is a civic duty that Hong Kong people must discharge under the Basic Law. From the establishment of the Bills Committee in March 2003 to the end of June in the same year, members of the Bills Committee all worked very hard, meeting for eight hours a week. But after an "arduous period" of nearly four months, after more than 110 hours of deliberations, the Bill was eventually withdrawn by the Government.

Even today, Members may still be discussing Article 23, and when doing so, they are likely to think of one name, my name, that is. Even at this very moment, if anyone says "IP Kwok-him, if you could choose again, would you still choose to chair a Bills Committee on such a thorny and highly contentious bill?" (Highly contentious, because there were many heated arguments in the meetings), I can firmly reply that if Members still want me to chair the Bills Committee, I will accept the honour without any regret, for I regard the task as a way to fulfil my duty as a Chinese citizen and a Hong Kong resident. I deeply regret that the enactment of Article 23 legislation cannot be completed within the current term. I hope that in the next term, having allayed the public anxieties about the Bill, having heeded the views of Hong Kong people and won their support, we can complete the enactment of Article 23 legislation in this very same Chamber.

Finally, I wish to express my heartfelt gratitude to all staff members of the Secretariat for the assistance they have rendered to Members over the past four years. Thank you.

**PRESIDENT** (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

**PRESIDENT** (in Cantonese): Ms Miriam LAU, you may give your reply. You have only 43 seconds.

**MS MIRIAM LAU** (in Cantonese): Madam President, I have only 43 seconds left. Like other Members, I very much hope that I can be given four more years to speak in this Chamber.

Madam President, more than 30 Members have spoken today, expressing their viewpoints in various different ways. Some have humorously described their views and how they look at other Members. Others have treated this as an occasion to submit their work reports, and yet some others have so seriously spoken on the issues they take to heart for the record. No matter how Members have sought to express their views, I can invariably sense a touch of sadness behind their speeches. Since this motion is a valedictory motion, sadness is inevitable. But I must say the joy of reunion actually consists in the sadness of separation. I hope that all those who wish to come back can do so. As for those who do not, I wish them very bright prospects and a happy life ahead. Thank you, Madam President.

**PRESIDENT** (in Cantonese): I now put the question to you and that is: That the motion moved by Ms Miriam LAU be passed. Will those in favour please raise their hands?

(Members raised their hands)

**PRESIDENT** (in Cantonese): Those against please raise their hands.

(No hands raised)

**PRESIDENT** (in Cantonese): I think the question is agreed by a majority respectively of each of the two groups of Members, that is, those returned by functional constituencies and those returned by geographical constituencies through direct elections and by the Election Committee, who are present. I declare the motion passed.

**PRESIDENT** (in Cantonese): Honourable colleagues, please do not hurry to rise because there is still my turn to speak. (*Laughter*)

I have addressed you all as colleagues instead of Honourable Members or government officials because I think that all of us in this Chamber have been working for the people of Hong Kong over the past four years, though everybody is in some measure unique in their manner of work. And, the speeches of Members, or the replies of government officials, also reflect individual personalities. In brief, there is the freedom of expression here, with everybody being able to choose the best expositions for themselves.

The Legislative Council is a miniature of the society of Hong Kong, and every Member is elected to do the work of enacting legislation. Therefore, Members (myself included) are all representatives of the wide variety of views in society, and our task is to give concrete expression to all these views. Ours is a society of pluralism, which is why all the arguments and opinions we put forward in the course of deliberation in this Chamber are also marked by diversity. Sometimes, sparks may fly, but at other times, when we do concur, all of us will raise our hands in unanimity. This is only normal. Some critics say that there are very often too many disputes in the Legislative Council. To them, I wish to say that the very day when there is no dispute but just one single voice in the Legislative Council will indeed be the very same day when we should start to worry. It is only healthy and natural to have divided opinions.

I am much honoured to have worked with you all for four years. And, I also love the Chair up here. (*Laughter*) This may be the last time that I address you in this Chair in the current term. Although we will have one more meeting — it is a bit unusual this year, for today's meeting is not going to be the last one — I shall not be sitting in this Chair but one of the seats down there. This is why I wish to make this address now.

My wish to share my feelings with you. Some colleagues have likened this Chamber to a school, and others the Colosseo. The fact is that the proceedings of the Legislative Council are always scripted, so this Chamber may as well be compared to a stage. But I wish to say to you, and the public, through the media, that we have always played our roles in the drama with true feelings and emotions.

Naturally, you are sometimes the leads, but at other times, you may just be the co-stars. What then is me? My role is a dual one. To begin with, I serve as an animate stage prop, without which a meeting cannot be convened — "animate", because I will sometimes utter a sentence or two though I will sit here

most of the time. Besides, I also serve as a prompter who reminds you of what you should do at a particular stage of the proceedings. And, sometimes, when the protagonist is not yet ready to take the floor, the prompter will have to say, "Let us draw the curtain now and resume the performance a moment later."  
*(Laughter)*

Since I sit in the Chair up here, I have been described by some as being high and mighty. I am not, as a matter of fact. Honestly speaking, I am just the common servant of you all, Honourable Members and government officials, because my job is to diligently preside over meetings. However, sitting up here is good for me in one way, because I can thus have plenty of opportunities to observe others very clearly, learning secretly from them on such skills as how to conduct a debate, how to present a case, and how to refute the arguments of the opposite side one by one, and why some particular comments should never be made.

Since I sit in the Chair up here, I have had lots of opportunities to listen to how you conduct your debates, and I have thus come to realize that all of you are so dedicated to your work in the Legislative Council, always giving your best and working very hard. Most colleagues spend eight, 10 or even 12 hours in this grand old building every day. Most Members in fact devote all their time to the work of the legislature though I am aware that many people still do not think that we are full-time Members. Admittedly, a small number of us are not, but as I observe from the current trend, Members do need to work full time, or else they will be unable to cope with the heavy workload in the Legislative Council and live up to their constituents' expectations.

I would also like to take this opportunity to express my gratitude to Dr Eric LI and Dr LAW Chi-kwong. I suppose the third Legislative Council may really run into a crisis of some kind, for how can we possibly find another Public Accounts Committee Chairman who is equally resilient, selflessly dedicated and conversant with accounting? This is a question that warrants pondering. Besides, the third Legislative Council Commission may also have a headache. The current Legislative Council Commission had to handle a number of relatively difficult tasks, one example being the review of the structure of the Legislative Council Secretariat. This was a very difficult task at that time and there were many constraints and divided opinions. However, I was fortunate to have secured help from a "brain", Dr LAW Chi-kwong, that is. Whenever I encountered any problems I could not solve, he could invariably work out some

solutions for me. For this reason, the next Legislative Council Commission will have to search far and wide for such a brain. I must take this opportunity to thank these two Members for their contribution. Actually, they are not the only ones who have made contribution. All Members sitting in this Chamber have also done so. Besides, the Secretary General, who is also here, and the Secretariat staff working in the rooms behind the Chamber have also been rendering tremendous support to all of us. My thanks are also due to the two successive Chairmen of the House Committee and its Deputy Chairman. Without their assistance, it would not have been possible for me to have this "middle age spread" today (*laughter*). I mean, without their help, I would have to sit here till the end of all meetings. This would have meant that I could not have any dinner. Fortunately, they were all so competent, and they chaired meetings for me very efficiently. As a result, I could dine without any worries and then resume the Chair afterwards — hence this unusual bodily development of mine. (*Laughter*)

Incidentally, I am rather puzzled by one phenomenon. There are in fact more male Members than female Members, but, for reasons unknown, Legislative Council Members seem to have a preference for ladies when it comes to electing chairmen. I am much honoured to have your support; Mrs Selina CHOW was Chairman of the House Committee for three years. Although she claims that she could not meet Members' expectations and every House Committee meeting chaired by her ran for a very long time, her decisive and competent image is only so vivid in our minds. When it comes to Ms Miriam LAU, she succeeded in doing what Mrs Selina CHOW could not do. Do you know why? For Ms Miriam LAU would always study all the relevant issues thoroughly beforehand, so she knew what had been going on and would never let any Member speak for too long. That is why I consider myself very fortunate to have these two wonderful ladies as Chairmen of the House Committee. And, there was also the occasional assistance from Mr Fred LI, which enabled me to take a short break in the course of meetings.

Why have I said all this? My purpose is to make you realize that this legislature actually has a preference for lady Members. Therefore, Mr LEE Cheuk-yan (It is a pity that he is not here now) should not say that I treat lady Members better. He once complained to me, saying that I had criticized his attire (Miss CHOY So-yuk also talked about attire just now). I once requested him not to wear a jacket which was green to the extent of being dazzling. He asked why he should not wear it. I told him that it would be more appropriate

for men to wear darker clothes. Basically, my colleagues, it is not within the President's authority to make such a request. But I did so anyway, and he was so co-operative, I must say, because from then on, he gave up dazzling attire and has since been wearing dark clothes only. Actually, he still asked me one more question at that time. He mentioned the colours of Ms Audrey EU's clothes, seeking my comments as the President. Not knowing how to answer his question, I could only tell Mr LEE Cheuk-yan that he might as well treat this as a measure of sexual discrimination on my part. Following this, however, I went on to tell him that ladies' wear is fashion, which requires the matching of colours. As for gentlemen, I added, they should be more solemn in their attire. Anyway, what I always have in mind is just the public image of Members.

Actually, I have always adhered to the rules in the conduct of any business. Whoever you are and however deep your friendship with me is, I will always adhere to the rules. I hope that whoever is the President of the Legislative Council, whoever presides over its meetings, will always adhere to the rules, because the one feature that Hong Kong needs badly is respect for the rules of systems. Such rules must not be violated at whim by any individual. Nor should we tolerate any practices that may be perceived as violations of the rules. This explains why some colleagues in this Council may sometimes feel that I am somewhat too stern. But I hope Members can appreciate that I just want to adhere to the rules, because if we do not respect the rules even in the Legislative Council, the very place where laws are enacted, what will happen elsewhere in Hong Kong? Therefore, we in the Legislative Council are obligated to uphold the rule of law, not the rule of man.

Lastly, I wish to tell you a story. A decade or so ago, in this very Chamber, my seat was next to where Mr Fred LI is now sitting. During one debate, I argued bitterly with Dr YEUNG Sum (who was, I think, seated on the other side). He said to me afterwards, "Let us just have a good laugh and may all our grudges hence vanish." I replied, "How can this be possible? *(Laughter)* How can I forget my grudges after you have said all that of me?" However, I think today is really the time to tell you that it is indeed necessary for us to forget our grudges. It is only when we can dislodge the burden of our grudges that we can move on at a greater pace and in a more steady manner. I hope that when we meet again, regardless of what has happened in the interim, we will still be good friends. We need to be good friends because we must join hands to move forward. In the interest of our beloved Hong Kong, we must join hands to move forward.

**NEXT MEETING**

**PRESIDENT** (in Cantonese): As the President of the Legislative Council, I now adjourn the meeting. The Chief Executive's Question and Answer Session will be held in this Council at 3 pm on Thursday, 13 July 2004.

*Adjourned accordingly at twenty-nine minutes to Four o'clock.*