

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 25 June 2009

The Council continued to meet at Nine o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

DR THE HONOURABLE MARGARET NG

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN KAM-LAM, S.B.S., J.P.

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

THE HONOURABLE LEUNG YIU-CHUNG

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

THE HONOURABLE WONG YUNG-KAN, S.B.S., J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

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

THE HONOURABLE VINCENT FANG KANG, S.B.S., J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

DR THE HONOURABLE JOSEPH LEE KOK-LONG, J.P.

THE HONOURABLE JEFFREY LAM KIN-FUNG, S.B.S., J.P.

THE HONOURABLE ANDREW LEUNG KWAN-YUEN, S.B.S., J.P.

THE HONOURABLE ALAN LEONG KAH-KIT, S.C.

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE CHEUNG HOK-MING, S.B.S., J.P.

THE HONOURABLE WONG TING-KWONG, B.B.S.

THE HONOURABLE RONNY TONG KA-WAH, S.C.

THE HONOURABLE CHIM PUI-CHUNG

PROF THE HONOURABLE PATRICK LAU SAU-SHING, S.B.S., J.P.

THE HONOURABLE KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING

DR THE HONOURABLE LAM TAI-FAI, B.B.S., J.P.

THE HONOURABLE CHAN HAK-KAN

THE HONOURABLE PAUL CHAN MO-PO, M.H., J.P.

THE HONOURABLE CHAN KIN-POR, J.P.

THE HONOURABLE TANYA CHAN

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

THE HONOURABLE WONG KWOK-KIN, B.B.S.

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE IP WAI-MING, M.H.

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

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, G.B.S., J.P.

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN

DR THE HONOURABLE SAMSON TAM WAI-HO, J.P.

MEMBERS ABSENT:

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

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

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

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

DR THE HONOURABLE LEUNG KA-LAU

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE WONG YAN-LUNG, S.C., J.P.

THE SECRETARY FOR JUSTICE

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.

SECRETARY FOR EDUCATION

THE HONOURABLE STEPHEN LAM SUI-LUNG, J.P.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

THE HONOURABLE AMBROSE LEE SIU-KWONG, I.D.S.M., J.P.

SECRETARY FOR SECURITY

PROF THE HONOURABLE K C CHAN, S.B.S., J.P.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE EVA CHENG, J.P.
SECRETARY FOR TRANSPORT AND HOUSING

MR GREGORY SO KAM-LEUNG, J.P.
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

CLERKS IN ATTENDANCE:

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MRS PERCY MA, ASSISTANT SECRETARY GENERAL

PRESIDENT (in Cantonese): Good morning. The Council now resumes to continue with the motion on "Seizing the chance to turn the risks from the 'Three Direct Links' across the Taiwan Strait into opportunities".

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): I now call upon Mr Tommy CHEUNG to move his amendment to the motion.

SEIZING THE CHANCE TO TURN THE RISKS FROM THE "THREE DIRECT LINKS" ACROSS THE TAIWAN STRAIT INTO OPPORTUNITIES

Continuation of debate on motion which was moved on 24 June 2009

MR TOMMY CHEUNG (in Cantonese): President, I move that Mrs Sophie LEUNG's motion be amended.

Mr Tommy CHEUNG moved the following motion: (Translation)

"To add "Hong Kong has all along been an important platform for commercial and social exchanges across the Taiwan Strait" after "That"; to delete "and" after "creativity, etc."; and to add "; (e) assisting the Mainland and Taiwan in concluding the Economic Cooperation Framework Agreement at an early date to eliminate the trade barriers between them and jointly create common markets in the Greater China, as well as fully utilizing the functions of the Trade Development Council's Taiwan Office to help Hong Kong businessmen to further develop; (f) studying the feasibility of promoting mutual recognition of professional qualifications among the Mainland, Hong Kong and Taiwan, so as to foster the development of Hong Kong's professional services industries; and (g) bringing forward arrangements with Taiwan to avoid double taxation, so as to enhance the competitiveness of Hong Kong, strengthen Hong Kong's position as a business platform of the Greater China and promote a win-win situation for the three places across the Taiwan Strait" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment moved by Mr Tommy CHEUNG to Mrs Sophie LEUNG'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 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, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr Alan LEONG, as Mr Tommy CHEUNG's amendment has been passed, I have given leave for you to revise the terms of your amendment, as set out in the paper which has been circularized to Members. When you move your revised amendment, you may speak up to three minutes. You may now move your revised amendment.

MR ALAN LEONG (in Cantonese): President, I move that Mrs Sophie LEUNG's motion, as amended by Mr Tommy CHEUNG, be further amended by my revised amendment.

President, the revised part of the amendment is really very simple. First, I have not retained the amendment to the preamble of the motion; second, I have added the part on "so that Taiwan businessmen who set up companies in Hong Kong and operate businesses on the Mainland can avoid paying taxes in Taiwan and Hong Kong at the same time" as mentioned in item (f) of the original

amendment to the last part of item (g) of Mr Tommy CHEUNG's amendment; and third, I have retained the remaining proposals of the original amendment and made the necessary textual amendments and renumbered the paragraphs.

Mr Alan LEONG moved the following further amendment to the motion as amended by Mr Tommy CHEUNG: (Translation)

"To add ", so that Taiwan businessmen who set up companies in Hong Kong and operate businesses on the Mainland can avoid paying taxes in Taiwan and Hong Kong at the same time; (h) expeditiously setting up an office of the Special Administrative Region Government in Taiwan; (i) performing Hong Kong's special role as an intermediary in a more proactive manner, turning Hong Kong into a platform for exchanges among the three places across the Taiwan Strait, jointly promoting development in areas of rule of law, corruption prevention, culture and arts, environmental protection, etc on the Mainland and in Hong Kong and Taiwan, thereby enriching non-government and official exchanges among the three places; (j) strengthening cooperation with the Chung Hwa Travel Service, and enhancing its functions in areas of trade, investment and tourism, etc; and (k) promoting cruise tourism among the three places across the Taiwan Strait" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Alan LEONG's amendment to Mrs Sophie LEUNG's motion, as amended by Mr Tommy CHEUNG, 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)

Mr IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him 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:

Dr Margaret NG, Mr LAU Wong-fat, Ms LI Fung-ying, Dr Joseph LEE, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Mr Paul TSE and Dr Samson TAM voted for the amendment.

Dr Raymond HO, Mr Abraham SHEK and Prof Patrick LAU voted against the amendment.

Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Tommy CHEUNG, Mr Vincent FANG, Mr WONG Ting-kwong, Mr IP Wai-ming and Mr IP Kwok-him abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr Andrew CHENG, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr Ronny TONG, Mr KAM Nai-wai, Miss Tanya CHAN and Mr WONG Sing-chi voted for the amendment.

Dr Priscilla LEUNG and Mrs Regina IP voted against the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr CHEUNG Hok-ming, Mr CHAN Hak-kan and Mr WONG Kwok-kin abstained.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 20 were present, nine were in favour of the amendment, three against it and eight abstained; while among the Members returned by geographical constituencies through direct elections, 22 were present, 13 were in favour of the amendment, two against it and six abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MR FRED LI (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Seizing the chance to turn the risks from the 'Three Direct Links' across the Taiwan Strait into opportunities" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Fred LI be passed.

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

(No Member indicated a wish to speak)

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 respectively of each of the two groups of Members present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of the motion on "Seizing the chance to turn the risks from the 'Three Direct Links' across the Taiwan Strait into opportunities" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Mr Albert CHAN, as Mr Tommy CHEUNG's amendment has been passed, you may now move your revised amendment.

MR ALBERT CHAN (in Cantonese): Good morning, President. Some Members are still not awake.

President, I move that Mrs Sophie LEUNG's motion, as amended by Mr Tommy CHEUNG, be further amended by my revised amendment.

President, there is not much difference in terms of content and principle between my revised amendment and my original amendment. All along, I have remained the same in the sense that I have been condemning the Government for neglecting its work in respect of Taiwan over the years.

Mr Albert CHAN moved the following further amendment to the motion as amended by Mr Tommy CHEUNG: (Translation)

"To add "; in addition, as the Administration has ignored the importance of establishing a close relationship with Taiwan for many years, causing the relations between Hong Kong and Taiwan to be at a standstill, and the

Hong Kong Government's prohibition of the entry of officials of the Taiwan authorities and related individuals into Hong Kong for many years is even a greater insult to the relevant departments and officials of Taiwan, this Council is therefore extremely disappointed at and strongly condemns the Special Administrative Region Government's change of attitude from arrogance to subservience" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Albert CHAN's amendment to Mrs Sophie LEUNG's motion, as amended by Mr Tommy CHEUNG, 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)

Mr IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for one minute.

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:

Dr Margaret NG, Dr Joseph LEE and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr LAU Wong-fat, Mr Abraham SHEK, Mr Tommy CHEUNG, Mr Vincent FANG, Mr WONG Ting-kwong, Prof Patrick LAU, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Mr IP Wai-ming, Mr IP Kwok-him and Dr Samson TAM voted against the amendment.

Ms LI Fung-ying and Mr Paul TSE abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr Andrew CHENG, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN and Mr WONG Sing-chi voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin and Mrs Regina IP voted against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, three were in favour of the amendment, 16 against it and two abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, 14 were in favour of the amendment and nine against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr Fred LI, as Mr Tommy CHEUNG's amendment has been passed, you may now move your revised amendment.

MR FRED LI (in Cantonese): President, I move that Mrs Sophie LEUNG's motion, as amended by Mr Tommy CHEUNG, be further amended by my revised amendment.

I am also adding the revised item (c), which is about reinstating the right to return to their hometown of Hong Kong residents and Members of the Hong Kong Legislative Council, to my revised amendment.

Mr Fred LI moved the following further amendment to the motion as amended by Mr Tommy CHEUNG: (Translation)

"To add "; and (h) discussing with Mainland departments to reinstate the right of those Hong Kong residents and Members of the Hong Kong Legislative Council who have been barred from entering the Mainland to return to their hometown and to issue the Hong Kong and Macao Residents Entry and Exit Permits to them, so that all Chinese nationals can travel freely to and from the three places across the Taiwan Strait, thereby achieving true links among these three places" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr Fred LI's amendment to Mrs Sophie LEUNG's motion, as amended by Mr Tommy CHEUNG, 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)

Mr Fred LI rose to claim a division.

PRESIDENT (in Cantonese): Mr Fred LI has claimed a division. The division bell will ring for one minute.

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:

Dr Margaret NG, Ms LI Fung-ying, Dr Joseph LEE, Mr Paul CHAN and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mr WONG Yung-kan, Mr Abraham SHEK, Mr WONG Ting-kwong, Prof Patrick LAU, Dr LAM Tai-fai, Mr IP Wai-ming and Mr IP Kwok-him voted against the amendment.

Mrs Sophie LEUNG, Dr Philip WONG, Mr LAU Wong-fat, Mr Tommy CHEUNG, Mr Vincent FANG, Mr CHAN Kin-por, Mr Paul TSE and Dr Samson TAM abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr Andrew CHENG, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat, Mr Alan LEONG, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN and Mr WONG Sing-chi voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Mr CHAN Hak-kan, Dr Priscilla LEUNG, Mr WONG Kwok-kin and Mrs Regina IP voted against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 21 were present, five were in favour of the amendment, eight against it and eight abstained; while among the Members returned by geographical constituencies through direct elections, 24 were present, 14 were in favour of the amendment and nine against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr IP Wai-ming, as Mr Tommy CHEUNG's amendment has been passed, you may now move your revised amendment.

MR IP WAI-MING (in Cantonese): President, I move that Mrs Sophie LEUNG's motion, as amended by Mr Tommy CHEUNG, be further amended by my revised amendment.

Actually, my revised amendment is simply making a specific suggestion on the setting up of a task force on co-operation among airports in the Greater Pearl River Delta (PRD) and the allocation of airspace regarding co-operation among the PRD airports as mentioned in Mrs Sophie LEUNG's motion.

Mr IP Wai-ming moved the following further amendment to the motion as amended by Mr Tommy CHEUNG: (Translation)

"To add "; and (h) discussing the setting up of a task force on an airport cluster in the Great Pearl River Delta to exchange views on issues relating to the positioning, airspace, flight routes, flight schedules, runway

construction and equity exchange, etc of the airports in the region, and studying the construction of the third runway for the airport of Hong Kong as well as discussing with the Mainland to resolve the problem of airspace allocation, etc" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr IP Wai-ming's amendment to Mrs Sophie LEUNG's motion, as amended by Mr Tommy CHEUNG, 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 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, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr WONG Ting-kwong, as the amendments by Mr Tommy CHEUNG and Mr IP Wai-ming have been passed, you may now move your revised amendment.

MR WONG TING-KWONG (in Cantonese): President, I move that Mrs Sophie LEUNG's motion, as amended by Mr Tommy CHEUNG and Mr IP Wai-ming, be further amended by my revised amendment.

Mr WONG Ting-kwong moved the following further amendment to the motion as amended by Mr Tommy CHEUNG and Mr IP Wai-ming: (Translation)

"To add "; (i) stepping up efforts to attract Taiwan enterprises to raise capital through Hong Kong, so as to optimize Hong Kong's function as an international financial centre; and (j) actively participating in the planning and construction of the economic zone on the western side of the Taiwan Strait, and optimizing Hong Kong's function as an international financial, shipping and trading centre, so as to enable Hong Kong to continue to maintain its active role and functions in the economic and trading exchanges among the three places across the Taiwan Strait and give new impetus to Hong Kong's economic development" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr WONG Ting-kwong's amendment to Mrs Sophie LEUNG's motion, as amended by Mr Tommy CHEUNG and Mr IP Wai-ming, 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 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, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Dr Priscilla LEUNG, as the amendments by Mr Tommy CHEUNG, Mr IP Wai-ming and Mr WONG Ting-kwong have been passed, you may now move your revised amendment.

DR PRISCILLA LEUNG (in Cantonese): President, I move that Mrs Sophie LEUNG's motion, as amended by Mr Tommy CHEUNG, Mr IP Wai-ming and Mr WONG Ting-kwong, be further amended by my revised amendment.

As the amendments of the three Members have been passed earlier, I will remove the part on landing visa in the original amendment and only propose the streamlining of customs clearance procedures for residents of the three places across the Taiwan Strait travelling to and from these places in item (k). As for the strengthening of education, environmental protection and mutual legal assistance, it will be renumbered as item (l), and the establishment of official offices will be renumbered as item (m). I implore Members to support it.

Dr Priscilla LEUNG moved the following further amendment to the motion as amended by Mr Tommy CHEUNG, Mr IP Wai-ming and Mr WONG Ting-kwong: (Translation)

"To add "; (k) actively studying the streamlining of customs clearance procedures for residents of the three places across the Taiwan Strait travelling to and from these places; (l) strengthening exchanges and cooperation in areas of education, environmental protection and mutual legal assistance among the three places across the Taiwan Strait; and (m) in accordance with the existing mode adopted by the Special Administrative Region Government in establishing offices on the Mainland, commencing a study on the feasibility of establishing a government office in Taiwan" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Dr Priscilla LEUNG's amendment to Mrs Sophie LEUNG's motion, as amended by Mr Tommy CHEUNG, Mr IP Wai-ming and Mr WONG Ting-kwong, 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 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, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mrs Sophie LEUNG, you may now reply and you have five minutes 28 seconds.

MRS SOPHIE LEUNG (in Cantonese): My motion today has drawn the response of so many colleagues, and the debate even had to be extended well into the next day, I think this is a good sign. However, Members have to keep this matter in mind, pay more attention and try their best to take it forward because Hong Kong cannot only eye on itself. It is my wish that just like the other matters, this motion today can yield positive results a few years later.

Some colleagues have proposed adding some amendments to my original motion. Although some of amendments are not passed today, we should not be dejected. We only have to be moderate and calm, and progress gradually and orderly from some practical and feasible angles, then, we will surely make achievements.

President, my name is such a tongue twister. Having called my name so many times and after so many years, today, I finally heard that many colleagues have said it correctly. *(Laughter)* Thus, so long as we follow this way, our wish will be realized soon. We only have to be more moderate. Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mrs Sophie LEUNG, as amended by Mr Tommy CHEUNG, Mr IP Wai-ming, Mr WONG Ting-kwong and Dr Priscilla LEUNG, 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, who are present. I declare the motion as amended passed.

PRESIDENT (in Cantonese): Second motion: Strengthening human resources in the fields of finance and trade.

Members who wish to speak in the debate on the motion will please press the "Request to speak" button.

I now call upon Dr Philip WONG to speak and move his motion.

STRENGTHENING HUMAN RESOURCES IN THE FIELDS OF FINANCE AND TRADE

DR PHILIP WONG (in Cantonese): President, I move that the motion, as printed on the Agenda, be passed.

It is a known fact to all that the Central Government has recently announced to develop Shanghai into the finance centre and the logistic hub of

China. In view of the prevailing financial tsunami and the worldwide spread of influenza A, Hong Kong must rise to an array of challenges. The impact of these challenges on Hong Kong is prominent. Given the imminent challenges and long-term worries faced by Hong Kong, there is a pressing need for Hong Kong to maintain adequate talents with innovative thinking, global vision, management experience and professionalism, in order to enhance its competitiveness, and consolidate its position as the financial and trade centre of the Asian-Pacific Region, which will steer our economy along the track of diversification and high value-added production.

I propose this motion to urge the SAR Government to consider this issue in greater depth and to comprehensively review the existing policies and measures for achieving the ultimate goal of training, attracting and keeping talents.

President, education is the cornerstone for economic development. In the past year, a number of tertiary institutions in Hong Kong were ranked among the top universities in the region, which shows evidently that the tertiary education of Hong Kong has made considerable achievement. But now in Hong Kong, less than 20% of youth of suitable age are offered a university place. This percentage is not only lower than that in European and American countries but also lower than that in Singapore, Taiwan and the Mainland. I think the Government should invest more resources in education and training.

To facilitate Hong Kong to achieve its target to develop into an educational hub of the region, I hope the Government and the institutions concerned will vigorously absorb mainland and overseas talents with good potential to pursue education or studies in Hong Kong. The Government should examine ways to relax the restriction on non-local students for taking up employment in Hong Kong, which will encourage them to stay in Hong Kong for further development.

In recent years, inadequacies are found among some of the university graduates with regard to their language proficiency, holistic personal, intellectual and physical development, and the balance of knowledge in arts and science subjects, as well as the ability to integrate theories into practice. Regarding language proficiency, Hong Kong, being a financial and trade centre, has to raise the Chinese and English language standard of our students. In times of a knowledge-based economy, the education system and teaching methods in Hong Kong must keep up with the times. I welcome the policy on fine-tuning the

medium of instruction recently introduced by the Education Bureau, which offers greater autonomy for schools to make arrangement for the medium of instruction for their students, so that students will have more opportunities to get in touch with English during the junior secondary forms. To implement the fine-tuning policy, the Government should step up its effort in training English teachers and improving the teaching approaches. I hope that the Government will keep a close watch on the effectiveness of the relevant proposals, conduct regular reviews and consider further improvement measures. Moreover, with the growing connection between Hong Kong and the Mainland, the learning of Chinese and Putonghua is becoming increasingly important. I support using Putonghua as the medium of instruction for Chinese language, and hope that the Government will seriously consider this proposal, thereby realizing the vision of biliteracy and trilingualism in education.

I welcome the Internship Programme for University Graduates introduced by the Labour Department, which provides about 4 000 places for university graduates to work as interns and receive training for six to 12 months in local or mainland enterprises and organizations. The programme will help to alleviate the employment problem. More importantly, receiving training in enterprises is usually the best way to enhance the capability and communication skills of young people. I hope the Government will increase the places of the programme in future, or even consider extending the programme to cover undergraduates, so that they can enter the financial sector and trading sector earlier to gain experience and equip themselves. I believe the business sector will support the programme.

President, Hong Kong is a small place; if we want to secure Hong Kong's status as a financial and trade centre, we cannot rely solely on local talents. Rather, we should follow the footsteps of New York, London and the neighbouring places like Shanghai and Singapore in taking on a wide global perspective and proactively absorbing more well-educated overseas talents of high standards. This will bring enormous benefit to the long-term development of Hong Kong.

Outstanding overseas talents, particularly top financial and trading talents, will not only attract more foreign enterprises and capital to Hong Kong, but will also enhance the commercial viability, productivity and research and development capability of Hong Kong enterprises, which will in turn promote

industrial diversification and provide more employment opportunities for Hong Kong. Despite the recent sluggish employment market, we should stand firm on our policy on tapping overseas talents.

The Quality Migrant Admission Scheme of the Government, which has been implemented for three years, has brought in many talents for Hong Kong from various regions and sectors. I welcome the relaxation of the eligibility criteria and the streamlining of approval procedures by the Government since last year. The Government should step up its promotion effort on the Scheme on the Mainland and overseas through various media and activities, to enable more overseas talents, particularly talents in the fields of finance and trade, to gain understanding of the Scheme and make up their mind to come to Hong Kong to develop their career.

President, apart from training and attracting talents, efforts to retain talents should not be neglected. It would be much regrettable if, after all the efforts made in training or bringing them in, they just leave the territory in no time. Whether or not we can attract talents to come to Hong Kong and stay here for a long time, as well as convince talents who have left to come back hinges on the overall environment of Hong Kong and their employers. Specifically, these include a high standard of living, a simple tax regime, a well-developed communication system, easy access to financing, favourable treatment of talents by the Government and the employers, and so on. In my view, while providing good services, all departments should consider measures to retain talents for Hong Kong, so as to prevent a drain of talents because of adaptability problems or other reasons. For instance, there have been reports in the past that some overseas talents chose to leave Hong Kong because of the air pollution problem. Not only will this affect the image of Hong Kong, the competitiveness of Hong Kong will also be undermined. I hope that the Government will continue attaching importance to environmental protection and work hard to alleviate the air pollution problem.

I have a friend who comes from Europe and works in the financial sector. He is the vice president of a bank and has worked continuously in Hong Kong for more than seven years, during which he has resided in Hong Kong shortly as a tourist as he switched his job. He has an affection for Hong Kong. Apart from Hong Kong, he has no other residence, not even in his hometown, and he wishes to apply for the permanent resident status in Hong Kong. I think the department concerned should exercise discretion and grant approval for his application. Since the scramble for high-end talents around the world is getting more and

more intense, I hope the Government will seriously consider making necessary amendments to the relevant immigration legislation to cope with the development and needs of Hong Kong.

President, all along, the finance industry and the import and export trade have played a pivotal role in the development of the economy of Hong Kong. According to the figures for 2007 supplied by the Census and Statistics Department, the finance industry and the import and export trading industry have each accounted for roughly 20% of the GDP. As at the end of last year, nearly 700 000 employees were engaged in these two industries. Although new organizations, new products and new businesses keep emerging, these two industries, hard hit by the global economic recession, are confronted by thorny problems. I think, on one hand, the Government has to alleviate the burden of enterprises and assist them to overcome their difficulties, and weather the hard times with the public, and on the other, it has to work out the overall planning for the long-term development of these two industries.

Finance and trading talents are the most precious "wealth" for a financial and trading centre. To promote a speedy recovery of the financial and trading industries in Hong Kong, which will haul the economy out of the doldrums and enhance the competitiveness of the two industries in the region, I urge the Government to act proactively in training and attracting financial and trading talents.

On talent training, the Government should consider raising the subsidy ceiling of the Continuing Education Fund for employees of the financial and trading sectors, so as to encourage them to equip themselves in times of adversities. Many members of various sectors are interested in obtaining various professional qualifications. Through measures such as increasing subsidies, the Government can ease their financial burden.

To attract talents, the Government should consider establishing a database for overseas financial and trading talents, relaxing the rules on importing talents, and making reference to the policies adopted by Singapore and the different levels of government on the Mainland of awarding overseas talents, to enable the talents to grow with the enterprises. For some positions in these two sectors which are facing a shortage of local talents, the authorities may consider allowing employers to import overseas professionals direct without having to first conduct local recruitments.

President, all in all, under the new developments of globalization, there is an ever-increasing demand for financial and trading talents in the market. In addition to amassing capital, talents should also be amassed, and while attracting capital, talents also have to be attracted. To shake off the impact of the financial tsunami soon and to realize sustainable development, I urge the Government to conduct a thorough review of its policy on talent resources and adopt flexible and effective measures to bring in and train talents, so as to ensure the effectiveness of efforts made in training, attracting, utilizing and retaining of talents. Hong Kong will then become a piece of "talent magnet", breaking new ground for Hong Kong's financial and trading industries, and making more contribution to the taking off of our nation's economy.

Thank you, President.

Dr Philip WONG moved the following motion: (Translation)

"That, in the face of the impact of the financial tsunami, as well as many uncertain factors in the development of the global economic situation, Hong Kong must strengthen its own human resources in order that its position as a regional financial and trade centre can be consolidated; in this connection, this Council urges the Special Administrative Region Government to comprehensively review the existing policies and measures, with a view to strengthening the manpower training provided by local tertiary institutions in the fields of finance and trade, and further attracting relevant professionals across the world to Hong Kong."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Dr Philip WONG be passed.

PRESIDENT (in Cantonese): Four Members intend to move amendments to this motion. This Council will now proceed to a joint debate on the motion and the four amendments.

I will call upon Mr James TO to speak first, to be followed by Mrs Regina IP, Mr WONG Kwok-hing and Mr LEUNG Kwok-hung; but no amendments are to be moved at this stage.

MR JAMES TO (in Cantonese): President, the premise underlying the motion proposed by Dr Philip WONG is that Hong Kong has the need to consolidate its position as a financial and trade centre. The specific suggestions made by him centre on strengthening the manpower training provided by local tertiary institutions in the fields of finance and trade and attracting the relevant professionals to Hong Kong. President, I strongly concur with the views put forward by Dr Philip WONG in his motion.

The amendment proposed by me relates to the provision of training to these talents. However, having regard to some recent incidents, including the Lehman Brothers incident, the Octave Notes incident and the CITIC Pacific incident, I must ask what experience must be gained and what lessons must be learned insofar as the provision of training to talents is concerned. Moreover, under the prevailing situation, when it comes to nurturing and attracting talents, what are the matters that warrant our attention, in order to consolidate Hong Kong's position as a financial centre?

I will begin by referring to a rumour prevailing in the financial services sector, which I personally believe to be true. A staff member from the senior management of a major bank indicated that his bank eventually did not engage in the sale of minibonds for the reason that even he himself was unable to fathom out what these products were about. His colleagues, having heard of these products, also failed to grasp and explain what they were and the risks involved. Therefore, the bank did not engage in the sale of such products. As to other banks' participation in the sale, so be it. This rumour reveals to me two interesting points. First, given that a staff member from the senior management of a bank and even his whole team alleged that minibonds were beyond their comprehension, does it mean that such products are too complicated to be comprehended and even staff members of major banks are also unable to tell what they are — I am not saying that they refused to participate in the sale of minibonds after fathoming out eventually what kind of products they were. On the contrary, they found these products incomprehensible and that was why they did not participate in the sale. This is precisely a situation of avoiding a big trouble by undertaking less work.

When we do not understand these products, does it mean that there is something wrong with us? Please bear in mind that it is not the case that Members or I find such products incomprehensible, but staff members from the senior management do find them incomprehensible. Second, looking at this

matter from another angle, their incomprehension of minibonds caused them not to sell these products. This indicates that they would refrain from doing something incompatible with their professional ethics and participating in the sale of minibonds, given their incomprehension of such products. When compared with other banks that had eventually sold these products (as an inquiry is being conducted by a subcommittee, I will not make any judgment on any established conclusion), at least, from the present information, for example, the report released by the Hong Kong Monetary Authority, and in particular, from the deleted parts of the report which have eventually been declassified now, or, as revealed by the considerable complaints lodged by thousands of victims, we have reason to believe that many talents engaging in the financial services sector and front-line staff members of banks actually have not received sufficient training. Worse still, they even participated in the sale of certain products, albeit their incomprehension of such products.

Members have to bear in mind that the provision of training to talents for our international financial centre as referred to in Dr Philip WONG's motion should not be confined to the aspects of basic knowledge and professional ethics, particularly as the motions highlights the existence of many uncertain factors in the development of the global economic situation, and the financial products are also changing rapidly over time. Although many of such products are not introduced by Hong Kong, as an international financial centre, Hong Kong should not trim its toes to suit the shoes and refrain from engaging in the sale of any of these products. For that reason, we must understand the latest development, in particular, that of financial products, so as to enable Hong Kong to serve as a suitable platform for various clients or international institutional investors, thereby allowing Hong Kong an opportunity to have a slice of the pie in the investment made by these investors. Therefore, we must nurture sufficient talents who are able to comprehend various kinds of financial products. Now that Hong Kong has been leveraging on the Motherland for support and the Three Direct Links policy has been implemented, which has created a new source of investors from Taiwan, and it means that our sale of financial products will not target solely on Hong Kong people, but also international and mainland investors. Recently, I handled a case involving a mainland investor who had purchased "Octave Notes" and "minibonds". I have gained considerable insight from, and was very much saddened by, this case. Mainland investors come to Hong Kong to make investment in financial products for a number of subtle reasons, for example, the free flow of money into and out of Hong Kong and also to various places in the world. Most importantly, they have faith in the professionals of

Hong Kong, including bank staff, lawyers, and accountants, as well as in the listing legislation and the entire financial regime in Hong Kong. Therefore, if we are to compete with Shanghai and other international financial cities, staff members involved in the front-line promotion of financial products and those responsible for conducting risk analyses and assessments on such products, when considering clients' suitability of investing in certain financial products, must not just give them simple leaflets and ask them what gifts they would like to have, such as digital video disc players, compact disc players or supermarket coupons. In addition to attaching importance to maintaining a good relationship with clients and offering gifts, should they honestly give detailed explanations on the risks involved in investing in certain financial products?

In the cases involving the sale of "minibonds", one of the banks had not only sold these financial products in Hong Kong, but also in the Philippines, Singapore and Taiwan. It even targeted at a specific clientele, including overseas Chinese. These overseas Chinese, when lodging complaints in Hong Kong, aired considerable grievances and alleged that although their relationship with the bank is just a bank-client relationship, they had past dealings with the bank and some other historical factors were involved. For that reason, they had never come to imagine that the bank would deceive their money in the Philippines, in spite of the bank's close acquaintance and historical ties with them. This is what they actually said and they really feel distressed. Given that Hong Kong is an international financial centre, the products of the banks in Hong Kong will not only be promoted in Hong Kong, but also in other countries around the world. In my view, the above comment will very much compromise Hong Kong's reputation as an international financial centre. We should not be complacent about the remarks made by the Secretary. I have heard someone raise this question: Were "minibonds" not sold in the United States and Singapore? However, we have to look at what they do to handle the problem afterwards. Is our handling method much better than those adopted by these two countries? Now that there are considerable victims and some months have lapsed since the incident happened, have we resolved this matter in a satisfactory manner?

This situation arose out of two possibilities. On the one hand, despite the fact that staff members of banks found these financial products incomprehensible, owing to the entire banking system, or reasons relating to commission and performance, these staff members might have made omissions because of insufficient training. On the other hand, although some staff members of banks

might have acquired some knowledge of these products, they did not pay attention to, and take into account of, the question of ethics. It was even some staff members from the middle or upper echelon of banks who still insisted on the sale of such products in this fashion.

In summary, I hold that the provision of training on professional ethics to front-line staff members is necessary and important. In order for Hong Kong to develop into an international financial centre, I call on those members of the public who have been affected by improper sales practices to urge the Government to make improvements to the system in a serious and determined manner. They should pursue the matter and gain valuable experience from it. I appeal to those who have been affected to demonstrate their power on 1 July, thereby urging the Government to seriously carry out reforms in the future and conduct a detailed investigation, so that we can really know what has happened, as well as how reforms and improvements should be carried out.

MRS REGINA IP (in Cantonese): President, I welcome Dr Philip WONG's motion, which alerts us to the need for attaching importance to manpower training in the fields of finance and trade. Recently, a well-known financial analyst cum fund manager in Hong Kong, Andrew LOOK, was invited by my think tank to give a talk. He compared the Hong Kong economy to a plateau (I am not sure whether it is "平原" or "高原" in Chinese) supported by four pillars — the property market, the financial industry, trade and the tourism industry. Our Chief Executive has been making active efforts to develop new industries, but while seeking to promote economic restructuring and upgrading, we should also pay heed to how best we can consolidate and sustain the four pillar industries.

My amendment today aims to draw special attention to shipping, a trade-related service. I remember that when the staff of the Legislative Council Secretariat noted the mentioning of shipping in my amendment, they were very puzzled, for they could not understand why shipping should be related to trade. My point is that Hong Kong is endowed with a harbour which can be used by vessels as a port of call. This is our natural endowment. And, it is with this advantage that the development of trade can be possible. In brief, shipping and trade are inter-related.

A look at some labour statistics will show that there are actually many trade-related industries, including wholesale, retail and import/export. According to the statistics compiled by the Census and Statistics Department, such industries employ 42.8% of the total labour force. Besides, there are still other trade-related industries, such as the transport, warehouse and communications industries, which account for 7.8% of the labour force. All these industries already account for 50% of our labour force. Hence, we can see that trade can boost the development of many related industries. But, trade must in turn require the support of other related industries, one example being shipping. The special objective of my amendment today is to alert this legislature and others to the serious implication of insufficient shipping talents.

Recently, there have been many media reports on the local shipping industry. I find the comment made by Arthur BOWRING, Managing Director of the Hong Kong Shipowners Association especially worth noting: the shipping industry actually accounts for 2.2% of the Hong Kong's Gross Domestic Product (GDP). Some people point out that the local shipping industry is faced with a crisis because many trade-related industries, such as the transportation industry, are declining, as shown, for example, by the drop in the volume of incoming containers for handling. It is further pointed out that while Hong Kong is being overtaken by others as a container port, it must still face the challenge posed by the new container terminals on the two flanks of Shenzhen. But we must at the same time realize that despite the decrease in the number of incoming cargo ships, Hong Kong is still capable of becoming a shipping centre. The reason is that Hong Kong has a very successful record of ship registration. The shipping register is one of the most successful transitional arrangements negotiated between China and Britain before 1997. As at the end of April this year, the number of ships registered in Hong Kong was among the largest in the world, standing at 1 500, with a total tonnage of 40 million tons. Tokyo was far behind us in this regard.

Despite the decreasing numbers of incoming vessels and container ships, our shipping industry can still propel the development of many trade-related industries, such as shipping-related financing and lawsuits, including maritime arbitration and insurance, which are all high-value added industries. Some people with a good understanding of the shipping industry has told me that shipping is actually a very high-value added industry. People engaged in the industry, I have been told, can make a fortune without being noticed by others.

Its per capita GDP is very high, and it is actually the best-kept economic secret of Hong Kong. The shipping industry has always kept a very low profile because people do not want anyone to know that they have been making so much money lest salaries may be forced to go up. However, why has the Managing Director of the Hong Kong Shipowners Association still made the abovementioned comment? The reason is that if Hong Kong is to consolidate the development of its shipping industry, it must enhance manpower training in the field of shipping. And, there is presently an inadequate provision of such training in Hong Kong.

As revealed by my own survey, the Department of Logistics and Maritime Studies of The Hong Kong Polytechnic University is the only provider of shipping-related training in Hong Kong. As mentioned by some Legislative Council Members in a recent motion debate, a university in Hong Kong plans to establish a faculty of veterinary medicine. I think instead of establishing a faculty of veterinary medicine The proportion of agriculture in the GDP of Hong Kong is negligible (Even in the case of Shenzhen, the proportion is also as small as 1%). The establishment of a shipping and maritime studies department or the strengthening of existing departments to form a faculty of maritime studies will be more useful in consolidating Hong Kong's services sectors, its trade and other trade-related industries. Some in the shipping industry has told me that Hong Kong is in most dire need of pilots. Not many people know that the salary for a pilot may amount to several hundred thousand dollars a month. But since no one wants to become a pilot, this occupation may well face "extinction". In that case, trading vessels in need of piloting will surely sustain a very heavy blow.

Besides, a maritime career can also enable one to earn a good salary. There is a sea school in Hong Kong. But perhaps because young people in Hong Kong do not want to leave their families, there is a shortage of talents who want to work as mariners and qualify as Chief Mate and Second Mate for promotion to Captain. I am glad to hear that Hong Kong will soon have its first female Captain. This is a very delightful piece of news indeed. Why must we encourage more young people to start a maritime career? The answer to this question is that Hong Kong's status of a shipping centre and the popularity of its shipping register are all attributable to its sound shipping management.

How can we ensure sound shipping management? The application of technology, which enables us to keep track of the voyages of vessels, is one thing. But at the same time, shipping management personnel in the office must also

have maritime experience because in case a vessel runs into any dangers, shipwreck and pirates or is in need of repairs, shipping personnel should be able to direct it to the nearest port for berthing or repair, or give it advice on changing its course. For this reason, Hong Kong should encourage more young people to be more far-sighted and venturesome and consider a career as a pilot or mariner, so that they can later take up shipping management after gaining some experience (Before the financial tsunami, everybody would just consider financial and investment jobs such as financial management and accounting).

If the Government really wants to consolidate Hong Kong's position as a financial and trade centre, especially a trade centre, it must strengthen our trade-related services, such as shipping management and registration, especially the training of the required talents. In this way, Hong Kong can follow the example of London (which now calls itself "Maritime London"). Even though fewer vessels come to Hong Kong, and the turnovers of our container terminals decrease, we can still rely on our sound shipping management and other related services and call ourselves "Maritime Hong Kong", a place that can remain firmly as a world financial, trade and shipping centre despite a decrease in visiting vessels. Thank you, President.

MR WONG KWOK-HING (in Cantonese): President, I welcome and support the motion proposed by Dr Philip WONG. My amendment only serves to make several additions on the basis of the original motion.

President, following the economic take-off since the 1970s, Hong Kong has been developed into an industry-oriented and labour-intensive economy. However, over the past two decades, Hong Kong has transformed from a labour-intensive economy into a cosmopolitan city, with emphasis being placed on the financial services industry, the service industry and the trade industry. The fields of finance and trade highlighted in the original motion are precisely two of the four major economic pillars in this cosmopolitan city.

These two major economic pillars have taken up an increasing proportion of the overall economy of Hong Kong. In 2000, the contribution made by the financial services industry only accounted for 11.6% of the Gross Domestic Product (GDP). However, in 2007, the figure rose to 19.5%. The contribution made by the trade industry bears an even larger proportion of the overall

economy of Hong Kong. In 2000, it already accounted for 20.7% of the GDP and in 2007, the figure exceeded 20 percentage points and reached 21.2%.

President, the economic restructuring that has been underway over the past two decades has brought about considerable changes to the labour market. The number of people engaged in employment in the trade industry and that in the financial services industry have witnessed a continuous growth. In 2007, the former amounted to some 630 000 while the latter accounted for almost 200 000. These two figures made up some 30% of the local labour force.

In view of the increasing share taken up by the financial services industry and the trade industry in the overall economy, the Administration must attach particular importance to the planning of the policies on manpower resources, so as to tie in with the development of these two industries. The SAR Government should actively map out strategies for the effective nurturing of local talents and increase the investment in education, with an aim to actively grooming local talents in the fields of finance and trade through the provision of a greater number of related undergraduate programmes by the eight local tertiary institutions.

President, in my view, the Government's recent decision of implementing the recommendation made by the Task Force on Economic Challenges on the provision of land for the development of private universities represents a move in the correct direction. Of course, graduation from university by no means brings an end to a person's learning. Be it learning or training, lifelong participation is deemed necessary. That said, in Hong Kong, people in employment generally encounter the problems of heavy workload and long working hours while the latter problem is particularly serious in the financial services industry and the trade industry. In fact, there is the starting time for their work, but there is never a finishing time for them. They very often have to bring their computers back home and may have to work very hard into the middle of the night. For that reason, their pursuit of further studies after working hours will not only require them to dedicate money but also time and energy. Moreover, their families have to make a great deal of sacrifices. Therefore, the Government should actively consider enacting legislation to regulate the number of working hours. We are aware that for over a hundred years, wage earners have been striving for a life that allows them to have eight hours of work, eight hours of rest and eight hours of learning. However, to date, the proposal of eight hours of work still remains an empty talk.

As a matter of fact, each year witnesses the graduation of thousands of local students in finance. This, together with the return of students who have completed their overseas studies, brings new pools of talents to the financial services sector each year. However, the financial tsunami that broke out last year has yet to subside. In fact, it is relatively difficult for graduates in finance and trade to seek employment. Coupled with the minibond incident, what we see in the financial services industry is that dead bodies are lying all round. In fact, it is difficult for people to seek employment in the present circumstances. My friend's younger brother, having graduated in finance last year in the United States, had sought employment for over a year. Although he was fortunate enough to land a job recently, the salary offered to him has been significantly reduced. I hold that wage earners of the trade well understand the pain suffered by him and I hope the Government and members of the business sector can understand this situation. As to the field of trade, the beginning of this year saw a rapid decline in the volume of import and export trade. Not only do young people find it difficult to join this sector, but many of those engaged in this field have been laid off while some others have their salary frozen or slashed.

Therefore, in these circumstances, I hold that the Government should join hands with the relevant organizations in enhancing the contents of training courses; introduce the relevant degree, diploma and certificate courses on an ongoing basis; and through the Continuing Education Fund, render support to those members of the trade who have encountered difficulties, as well as providing graduates with training on professional know-how and other aspects of employment.

In the face of the abovementioned employment situation, my amendment hits the nail on the head by proposing the principle of giving priority to local talents, in the hope that the trade can apply the same principle in conducting recruitment exercises. This has been advocated by the Federation of Trade Unions over the past decades. Hong Kong, as an international financial centre, has attracted a number of foreign institutions to make investment here. Consequently, the deployment of key officers or professionals from overseas countries to Hong Kong by these institutions may be inevitable. That said, I call on various institutions to give opportunities to local talents, such that they can have the opportunity to strive for social advancement and only in this way can Hong Kong have its own local professionals. Let me cite several examples in support of my argument. For example, Chief Executive Joseph YAM of the

Hong Kong Monetary Authority, "Tai Pan CHENG" of the Hang Seng Bank Limited and even Mr CHIM Pui-chung of this Council are actually exemplars of elites in the financial services sector. There are talents in Hong Kong, and Hong Kong is able to groom talents. For that reason, I call on the SAR Government and investors to accord priority to local talents in offering opportunities.

As I highlighted just now, each year there are thousands of graduates in finance and trade. These graduates are in dire need of employment to put into practice the knowledge they acquired. It is through so doing that the huge investment made by the SAR Government in education will not go to waste. Members, the enormous investment made by the Government in education actually comes from the public money of Hong Kong people, who earn their money with blood and sweat. How can we afford to let it go down the drain? Therefore, I very much hope that Members can lend their support to the original motion and the amendment proposed by me about giving priority to local talents in employment, so as to afford them an opportunity to bring their abilities into play.

I so submit. Thank you, President.

MR LEUNG KWOK-HUNG (in Cantonese): President, though I am speaking here, I am mentally elsewhere because later on, I will hurry to the Liaison Office of the Central People's Government in the Special Administrative Region of Hong Kong to petition for the release of Mr LIU Xiaobo. Of course, I am not going to talk about Mr LIU Xiaobo today because you will certainly rule that this is a deviation from the motion topic and so, I will not talk about him.

Yesterday, I heard Mr WONG Kwok-hing criticize the League of Social Democrats for being illogical. I now want to sort out the logic with him. The Federation of Trade Unions (FTU), to say the least of it, has been "nurtured" by the Communist Party since the 1940s. He should be aware that capitals should know no national boundaries, and that workers should have no motherlands. Just now, he called on international capitalists to make huge investments in Hong Kong, and he also remarked that public money should be spent on developing private-sector education. He went on to remark that priority must be accorded to local workers, especially those in the financial industry. But such priority can never be possible in all places of the world.

Capitals are very powerful, as can be shown in this Council. This Council has been turned into a "business council"; it is no longer a "Legislative Council". Concerned about the interests of different consortia (including Red Chip consortia), Members have tried to relate every topic to what they want to say — just like me, just like Mrs IP, who immediately jumped to shipping shortly after starting to speak. In other words, this Council has Yesterday, Mr Paul CHAN behaved exactly as I have described. When speaking on Taiwan, he also found time to discuss the establishment of a platform, depository receipts and so on. Capitals are put together very quickly. All is just like what you, President, read from the Communist Manifesto in your youth: a spectre is haunting Europe. Dozens of spectres are haunting the Legislative Council. I can see many such spectres, all hungry for business opportunities. This Council is used as a platform of furthering the respective interests of specific industries and consortia. They all want to tell the Government and "the old folk", that is, those watching this debate, "We do have a say. We will definitely voice our views." In this way, all the four pillar industries can voice their views one by one through these representatives (that is, the representatives of large consortia).

Mr WONG Kwok-hing remarked He has even left now. Since workers should have no motherlands and capitals should know no national boundaries, Mr WONG's advocacy is actually a paradox. He welcomes inward investments, and he urges capitalists to give priority to Hong Kong. But I must ask him why capitalists want to invest in Hong Kong in the very first place. Do they come to support our livelihood? No, they only want to make money in Hong Kong. Even if their investments can really enable us to earn a living, all will just be a by-product, right? I must therefore say that the FTU is really a freak. All the time, they hope that capitalists can have pity for workers. But I am different from them. I have always held the view that capitalists are greedy creatures, just like spectres. Therefore, my proposal, my advocacy, is that the Government must impose supervision.

Speaking of the financial tsunami again, I must say that many innocent bank employees were ordered by their supervisors to sell some toxic financial products. And, in many cases, a bank could earn only a meagre commission. This can aptly show the ruthlessness of international capitals. Despite all their strength, bankers were still forced by fierce competition to adopt shameless and misleading marketing tactics, so as to sell such toxic products to their long-time customers, many of whom were retirees and persons with mental or physical

disabilities. What I mean is that they adopted downright deceptive tactics in order to sell toxic financial products to such customers. What has our Government done in response? I have already pointed out that a fool cannot be relied upon to aid the weak, and that we must suppress the strong to aid the weak. The present situation is that the Secretary is under the Government's instruction to play the monitoring role in a certain committee. And, John TSANG monitors the Securities and Futures Commission (SFC) and the Monetary Authority by sitting on the management committee of a certain financial institution. There is a "three-horse chariot", and they thus tell the International Monetary Fund that they are overseeing the whole situation. But what have we seen? Dead bodies all round, in the words of Mr WONG Kwok-hing.

President, you are responsible for managing this Council. Suppose you find this Council in a complete mess, will you say anything? Once when I used a certain expression, you also ruled that it was unparliamentary. But when it comes to the loss of billions in the present case, there is no supervision at all. John TSANG is the Chairman, but I do not know what he has been doing. It seems that he just wants to drop in to say "hello" and then leave. I have asked Joseph YAM, K C CHAN and John TSANG whether they can show us all the documents. He is in charge of the two committees, so I want to know whether he can show us the emails. I have asked Richard TSOI whether Joseph YAM could show Legislative Council Members any emails and documents he wrote before the incident occurred, that is, around 2008. There has been no answer, and the whole thing is just like throwing a rock into a pool. Well, even throwing a rock into a pool will make a "splash". But what do we have now? Does Richard TSOI agree to give us the information? We have asked him for information, but he has not given us any.

This Council is regarded as rubbish by large consortia and organizations with public powers. Flaunting the public interest or some make-believe public-interest concerns, they refuse to give us the required information and co-operate with us in the investigation. This will arouse the concern of the "the old folk" sooner or later, and WONG Yan-lung will be instructed to issue arrest warrants for contempt of the Legislative Council. This alone is sufficient proof that supervision is impossible. Besides furthering business interests, have Members of this Council ever considered how they are going to do fairness to individual investors?

President, you should be aware that in your capacity as the President, you must manage the affairs of this Council. But K C CHAN and John TSANG, who are in charge of these two committees on behalf of the Government, who are responsible for running things, have simply refused to give us the information, and they have even given us the runaround. The case of Joseph YAM is even more absurd. His appointment is not subject to any fixed tenure, and I suppose his salaries are paid by bankers. He is responsible for supervising banks, but they have been selling toxic financial products. How can this be called supervision?

Why do I want to raise all these points? The reason is that I want to point out that the Government must be elected in accordance with democratic procedures. I believe this can at least ensure more transparency in its operation. What is the name of that man? I cannot remember his name. What is the name of that aide of Donald TSANG? Oh, yes, he is called Norman CHAN. The circumstances surrounding Norman CHAN's appointment as Joseph YAM's successor are still a mystery now — we do not know when the nomination was first mooted and made, who endorsed his appointment and who nominated him in the first place. Buddy, does he think that he is handling the private assets of the TSANG's family? President, I am not talking about you. Does Donald TSANG think that he is handling his private assets? How can they do things that way? Do they think that younger brothers must be the successor of their elder brothers? Are we back to the Zhou Dynasty?

Honourable Members, I am not going to dwell any further on this issue. But I must still ask a question here. When can the Special Administrative Region Government complete its investigation into all minibond cases? The very "competent" Joseph YAM is paid by the Government — no, he is paid by the people. But he does not share the people's concern. He only said that he would make the best use of the remaining three months to complete investigation into 70% of the cases. I really want to ask him one question. He has divided the powers with the SFC under the MOU, but after this, he cannot get things done. All people are right now dying, and they just want to take to the streets on 1 July. And, there are all those victims in ETF cases. They all sounded hysterical over the phone yesterday because they had learnt that there would be no investigation for the time being. What has he done to deal with this issue? K C CHAN, you must give a reply later.

President, I admit that I have been using this motion topic as an excuse for voicing my other views. But I think if I do not do so, I will have a guilty conscience because it is a matter of life and death. If no change is introduced, more people will die when the next wave batters us. If the platform is enlarged, even our compatriots in Taiwan and the Mainland will also die. Does he feel ashamed? K C CHAN must give us a reply.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, first of all, on behalf of all the relevant Policy Bureaux, I would like to thank Dr Philip WONG for putting forward this motion, which enables all of us to discuss our manpower training in the fields of finance and trade, and the issue of further attracting relevant professionals to Hong Kong. As for the respective amendments of Mrs Regina IP, Mr WONG Kwok-hing, Mr James TO and Mr LEUNG Kwok-hung, the Secretary for Commerce and Economic Development and I shall give our replies when we speak later on at this meeting.

Talents have always been a key to the success of our financial industry. And, whether Hong Kong can continue to be a world financial centre must depend on how best we can improve our manpower training and attract more talents. The Government has put in place systematic measures to strengthen local manpower training in the field of finance. On the one hand, efforts are made under the formal education system to nurture local financial talents. On the other hand, it has been working closely with the industry and tertiary institutions to encourage financial institutions to provide on-the-job training and their employees to pursue continuing education, with a view to catering specifically for the market demand for financial talents. Besides, in 2000, the Government also set up the Advisory Committee on Human Resources Development in the Financial Services Sector as a platform for representatives of the Government, universities, the financial industry, regulatory bodies and training institutions to exchange views on the issue on a regular basis.

In Hong Kong, nearly 200 000 people of the workforce are engaged in the financial industry. Although this is just 5.5% of the total workforce, the industry nonetheless accounts for more than 19% of the Gross Domestic Product (GDP). Earlier, the Government put in place the cross-sector Qualifications Framework (QF) and a related quality assurance mechanism. In 2006, the banking industry established the Industry Training Advisory Committee under the QF to develop

the Specification of Competency Standards, which sets out the skills, knowledge and outcome standard of qualifications demanded of banking employees. In this way, course-providers can design training programmes that meet the requirements of the industry, thus assisting the banking industry in enforcing the QF. Apart from encouraging employees to pursue continuing studies and lifelong learning to enhance the competitiveness of the industry, this can also assist in the long-term development of the industry and help minimize manpower mismatches.

In regard to the immigration policy, the Government relaxed the eligibility criteria of the Quality Migrant Admission Scheme in January 2008. The age requirement was relaxed, so that even people over 50 of age may also apply. The scoring factors in the points-based tests were also adjusted to enable relatively young people with less working experience to receive further assessment. It is hoped that more professional talents from the Mainland and overseas can thus be attracted to Hong Kong. So far, some 1 000 applicants have been allocated a quota. More than one third of these applicants are from the fields of finance, commerce and trade.

Hong Kong is characterized by a sound legal system, unrestricted movements of capitals, free dissemination of information and a vibrant economy. All these are the very conditions that have enabled Hong Kong to become a world financial centre that attracts financial talents. But we also believe that if Hong Kong is to continue to attract the required professional talents from all over the world, it must review its existing policies and measures on a continuous basis and further promote the development of its financial industry, with a view to increasing the depth and width of its financial market. I believe that by incessantly improving our business environment and grasping the opportunities presented by our country's rapid economic progress and financial reforms, Hong Kong can certainly identify new opportunities in the present financial crisis and continue to expand into emergent markets. That way, we will be able to strengthen our leadership status in the financial field of the region and consolidate the position of the financial industry as a major pillar of our economic development.

In order to increase the depth and width of local financial market, the Government has put in place a whole series of measures, such as inducing enterprises in emergent markets to apply for listing in Hong Kong and exploring opportunities of Islamic finance. The Government will also actively promote the strategic financial co-operation between Hong Kong and the Mainland. It

will, among other things, strive to make Hong Kong the first RMB trade settlement centre outside the Mainland and allow more financial institutions to issue RMB bonds in Hong Kong, with a view to deepening the financial co-operation between Guangdong and Hong Kong.

Besides, the Government will also actively implement various support measures to address the concerns of talents from outside Hong Kong. For example, we will strive to improve our air quality, so as to upgrade Hong Kong's competitiveness.

I note that a Member has expressed concern about corporate governance in his amendment. The Government has already taken a series of measures to upgrade corporate governance in the financial sector and enhance the protection of investors' interests. Such measures include proposals on increasing corporate transparency and enhancing the quality of information disclosure. For example, it is proposed that the directors' remuneration reports of publicly-listed companies should give more details and their business reviews should also be more analytical. Stricter requirements on directors' conflicts of interests are also proposed.

President, the above is my tentative reply. After listening to Members' views, I shall give a reply to sum up the debate.

Thank you, President.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): In his remarks, the Secretary for Financial Services and the Treasury already outlined the Administration's overall view on manpower resources. I will first listen to Members' opinions and speak on the training of commercial talents later on at this meeting.

Thank you, President.

MR CHAN KAM-LAM (in Cantonese): President, the financial services sector, commerce and trade as well as the logistics industry are the major pillars of Hong Kong's economy, accounting for about 40% of our Gross Domestic Product (GDP). This can show that manpower training in these fields is of very great

importance to economic development in Hong Kong. Among all the 14 Competitiveness Factors adopted by the City of London for the computation of the Global Financial Centres Index (GFCI), "the availability of skilled personnel" is ranked first in relative importance. The latest GFCI shows that in terms of "the availability of skilled personnel", Hong Kong has been overtaken by Singapore, with its ranking dropping to the fourth position, down from the third position last year.

In 2000, the Advisory Committee on Human Resources Development in the Financial Services Sector was set up in Hong Kong, and in 2007, the Government launched the Hong Kong Maritime Scholarship Scheme to offer financial assistance to the full-time students of the Master of Science Degree in International Shipping and Transport Logistics offered by The Hong Kong Polytechnic University. In addition, the Government also provides employees in the financial services sector and the logistics industry with assistance in continuing studies through the Continuing Education Fund and the Qualifications Framework. As the financial services sector plays an increasingly important role in Hong Kong's economy, the proportion of those who hold tertiary commercial qualifications in our population also increases. Every year, more than 4 000 students graduate from the business schools of the various universities. Therefore, the manpower training problem in Hong Kong's fields of finance, commerce and trade should not be serious.

In recent years, in a bid to attract overseas talents to Hong Kong, the Government of the Hong Kong Special Administrative Region (SAR) has been relaxing various requirements and prerequisites to induce more overseas students and professional talents to come to Hong Kong for education and work. The Commission on Strategic Development has held topical discussions on this policy and put forward a series of recommendations, including the possibility of designating a special organization or co-ordination group to lead the implementation and promotion of policies and to encourage Hong Kong and overseas professional bodies to reach agreements on mutual qualifications recognition. The Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) hopes that the Government can actively follow up and implement these recommendations.

Over the past few years, Hong Kong has indeed nurtured large numbers of financial talents and attracted many professional talents from all over the world. Direct recruitments are even held in the Mainland, and mainland financial talents

with overseas master or doctoral degrees are recruited. One example is Charles LI, the new Chief Executive Officer announced by Hong Kong Exchanges and Clearing Limited. He is very familiar with the situation in Hong Kong and has extensive knowledge of the mainland and global markets. A talent with international exposure, he can certainly offer very great help to Hong Kong. I can therefore say that purely from the perspective of existing market demand, Hong Kong does not face any serious shortage of financial manpower. However, after analyzing available information and the views of the industry, we can notice that we must pay heed to two major issues concerning the training of financial talents in Hong Kong. First, it is more difficult to train up financial elites and the personnel required for filling high-value added posts. Second, with the gradual liberalization of the mainland financial industry and the competition posed by neighbouring markets, there has been a continuous drain of local talents, thus worsening our manpower shortage. The DAB therefore emphasizes that the SAR Government must plan ahead, with a view to meeting the huge manpower demand generated by Hong Kong's increasing trade ties with Southern China, including Taiwan.

President, let us look at Shanghai, so as to find out what relevant efforts they have made. Shanghai is able to understand that while first-rate financial leaders can be imported from other countries, it is still necessary to tackle the severe shortage of high-level local talents through the provision of training. Therefore, in an attempt to nurture financial talents at master degree level and above, the Shanghai Jiao Tong University established the Shanghai Advanced Institute of Finance in April this year. The Institute will receive a funding of some RMB 300 million yuan over a period of six years. This will be the largest amount of government support for higher education in its one hundred years of development.

Hong Kong needs to make active efforts to nurture financial elites. In 2007, when Secretary Prof K C CHAN was still teaching in The Hong Kong University of Science and Technology, he wrote an essay in which he explained that if it is our intention to consolidate Hong Kong's position as an international financial centre and expand the dimensions of its market, we must realize that from the perspective of long-term strategies, Hong Kong is actually facing a severe shortage of financial professionals and mathematics experts at doctoral level. The DAB believes that our ability to build up a pool of local financial talents by attracting quality people to read for doctoral degrees in finance in Hong Kong will be one of the key factors determining whether Hong Kong can

intensify its development and increase the Central Authorities' confidence in Hong Kong as a world financial centre. We hope that during his term of office, Secretary Prof K C CHAN can expeditiously explore the investment of additional resources and the implementation of relevant policies and measures.

The DAB maintains that under the changed situation, Hong Kong must step up its co-operation with the Pearl River Delta, the Yangtze River Delta and Taiwan. Provided that our industries can continue to have a competitive edge, enterprises and talents will certainly be attracted to Hong Kong. The DAB hopes that the Government can release the Report on Manpower Projection 2013 as early as possible and formulate a comprehensive range of manpower training policies and measures for all the pillar industries and economic areas with clear advantages.

President, I so submit.

MR WONG YUK-MAN (in Cantonese): President, the financial tsunami has battered Hong Kong very greatly, and all of us are suffering. The Legislative Council has already set up a subcommittee for investigating the Lehman Brothers incident. At this very time, a motion entitled "Strengthening human resources in the fields of finance and trade" is put forward by Dr Philip WONG. I certainly do not think that his perspective is short-sighted. If we look at the current situation of the financial industry, we will see that many former students of K C CHAN are also unable to land a job. Am I correct? Many large financial institutions have also laid off their employees. But he still advocates that we must nurture talents, so he must be looking at the development of Hong Kong from a long-term perspective, hoping that Hong Kong can thus consolidate its position as a financial centre. These days, the mere mentioning of Shanghai will scare the wits out of many people, including our government officials. What is so formidable about Shanghai anyway?

Just now, CHAN Kam-lam talked about how the Shanghai Jiao Tong University had enhanced the training of financial talents. But I do not think that there is anything so special about such efforts. The universities in Hong Kong have also been training up financial talents. If they do not do so, how can we meet the demand in Hong Kong, a global financial centre? Such efforts are only normal. Hong Kong does not face any serious manpower training problem. Honestly, how can anyone argue that our spending on manpower training is

smaller than that of the Mainland? The RMB 300 million yuan spent by the Mainland is meant for meeting the expenditure over a six-year period, right? Well, if we care to make any simple calculations, we will see that our expenditure is larger than that of the Mainland. The problem actually lies with the contents of manpower training programmes. What kinds of people are supposed to train up the required talents? What kinds of systems are supposed to be adopted for the purpose? The present systems are plagued with problems. Are there any problems with our higher education system? Are there any problems with our basic education system? If all these problems are not solved, what kinds of talents can the Government expect to train up?

I often advise young people that structural thinking is preferable to functional thinking. But Hong Kong is a capitalistic society that attaches paramount importance to utilitarianism. In such a society, functional thinking is emphasized, and young people are trained to ask whether things can really work out, whether there are any benefits, and whether there is any chance of success. They are taught, for example, that if there is no chance of ever achieving democracy, they should stop struggling for it, right? They are taught that if there is no chance of success, no actions should be taken. They are taught to weigh the gains and losses all the time, to determine whether there will be any results, and to talk about efficiency.

Honourable Members, the civil service system during the time of the British-Hong Kong administration was also characterized by such a way of thinking, right? Efficiency and functions are considered the most important. As a result, all people are used to such a way of thinking, which is not guided by any principles, convictions and visions. It is only when life is so difficult these days that we talk about visions so often. Dr Philip WONG's motion today is actually all about visions. Visions are very important. How can we live without any visions? If the government and people of a society do not have any visions, there will never be any progress.

This motion on "Strengthening human resources in the fields of finance and trade" brings home to us the message that we must not be so myopic, must not focus only on the present and tackle problems on a piecemeal basis. Conditions are very bad these days. Battered by the financial tsunami, we do not know when the economy will recover. The United States is a good example. The United States is the biggest economy in the world. It has sustained all the huge impacts of the financial tsunami, and its economic recovery is nowhere in sight.

No matter what OBAMA does, he cannot possibly achieve much. This is a fact because the damage is really very great.

In the case of Hong Kong, the damage we have sustained in the financial tsunami is largely the result of our economic connections with the United States. We have sustained damage, but since the basis of our economy is comparative strong, we can still manage. But the problem is that the Government does not have any visions. The Government has simply adopted a piecemeal approach. I can cite an example to illustrate my point. Why should it set up the Task Force on Economic Challenges (the Task Force)? What recommendations has the Task Force put forward after holding several meetings? It is better and more realistic to compile a set of recommendations on the basis of the amendments and proposals put forward by Members today, right? What recommendations has the Task Force put forward anyway? Every now and then, Donald TSANG will announce that the Task Force has come up with this or that major measure. But what has the Task Force done so far? I frankly do not know of any. I only know that there are some plutocrats in the Task Force, and these plutocrats all like to lay off their employees. I only know that no recommendations of the Task Force have ever been put into practice. I do not know whether Under Secretary Gregory SO will talk about the Task Force in his reply later. But, I am sorry to say that the Under Secretary is not quite so qualified to do so. The Task Force is under the personal leadership of the Chief Executive, right?

Recently, the Chief Executive has once again announced something, saying that he wants to develop certain industries. Has there been any single instance of success? Have we been able to see any results at all? Is his plan taking shape? No. We can see neither any "shape" nor any concrete results. He should at least show us that something is beginning to take shape, even if we can forget all about concrete results for the time being. But there is neither any "shape" nor concrete result. All we can hear are empty talks. He just prattles on, and very soon, a year will pass, right? He just prattles on. The actual situation is very miserable. Large enterprises are miserable, and so are small enterprises. And, small and medium enterprises (SMEs) are facing the bitterest plight. I can tell Members that the plight of SMEs will mean even greater plight for the grassroots. If the Government does not have any visions and refuses to rescue those SMEs that are on the verge of collapse It does not have any rescue measures; worse still, it is simply at its wits' end. What it has done is just the waiving of the annual Business Registration fee of some \$2,000. How can it save SMEs in this way? There are other licence fee waivers. But all these are

just short-term measures. The Government must create a favourable business environment for SMEs, Buddy. Can the Government think of some ways to make landlords reduce the rents they ask for? All is very simple. Are there any ways to make landlords reduce their rents? No.

Therefore, in the words of "Long Hair", I am also using the motion as an excuse for voicing my other views. Naturally, we do support the idea of strengthening manpower resources in the fields of finance and trade. And, I must even add that since Hong Kong is a metropolis, we should not impose any restrictions on the entry of overseas and mainland talents. Honestly speaking, many financial elites in Hong Kong are from other places. It is only natural for large financial institutions in Hong Kong to station some of their men here. Ours is a metropolis, so pluralism and tolerance are necessary, right? Thank you, President.

MISS TANYA CHAN (in Cantonese): President, financial and trade industries are undeniably the most important pillars of the economy of Hong Kong. Quality talents are definitely the key to success of the two industries. Talent training is surely important, but the enhancement of the quality of talents and the provision of a favourable environment is also vital, for only this can bring sustainable development.

In an article published on newspaper days ago, the Chief Executive said that for the further development of the economy of Hong Kong, we have to bring the Hong Kong brand into full play. The core values of the Hong Kong brand are credibility, systems and rule of law. I agree with the Chief Executive that it is necessary for Hong Kong to first enhance our system in order to strengthen the talents in the fields of finance and trade.

First, concerning the financial industry, many people worry that Hong Kong's position as a financial centre will be threatened by Shanghai. Frankly, talents in the finance fields will consider Shanghai very attractive, if its system is not a matter of consideration. Take the securities market as an example. According to the statistics, the trading volume of the Shanghai Stock Exchange all along exceeds that of the securities market in Hong Kong. Besides, there is still enormous room for development for the derivatives market and the futures market in Shanghai. Therefore, to those who want to pursue a career in the

finance field, they may consider Shanghai extremely attractive. However, when the regulatory regime is also taken into account, the competitive edge of Hong Kong stands out at once, for investors in general will surely choose to place their investment in a market with a proper regulatory regime. If Hong Kong manages to maintain its competitive edge in the regulatory regime, it will naturally attract investors. As the investment market prospers, the demand for talents will surely increase, and we will be in a better position to attract high quality talents.

When it comes to leading financial markets in the world, the United States will naturally be one of them. Many talents in the finance field aspire to work in finance corporations of the United States. It is probably their ideal career or even their dream. Nonetheless, the financial tsunami triggered by the subprime mortgage crisis in the United States has dealt a heavy blow to its financial sector. More so, this has prompted Barack OBAMA, the first black American President just assumed office, to roll out a reform package on the regulatory regime of the financial market, the largest in scale in the American history since the Great Depression in 1930's in the last century. I believe Hong Kong must do something too.

Regrettably, since I joined the Legislative Council, I always think it is an uphill task to enhance the regulatory regime of the investment market in Hong Kong. Let us not talk about the Lehman Brothers incident mentioned by many colleagues earlier. The promotion of the reform of the Hong Kong Monetary Authority and reinforcement of the checking and approving of derivatives are already no easy tasks. On the extension of the black out period imposed on shares owned by directors of listed companies alone, I already feel quite helpless.

Actually, there is still enormous room for improvement in the regulatory regime in Hong Kong. However, as far as I know, the Securities and Futures Commission and the Hong Kong Exchanges and Clearing Limited (HKEx) have made many attempts to this end. Take Mr CHOW who has just retired from the post of the Chief Executive of the HKEx as an example. During his office, he has implemented the closing auction session to prevent possible price manipulation and proposed the publishing of quarterly reports. These measures will enhance the transparency of companies and facilitate investors to make effective decision. Measures conducive to the regulation of the market do merit commendation. We look forward to the introduction of measures in various aspects, be it on the legal system or the institutions, in future, for the

reinforcement of these measures will enhance the quality of the regulatory regime in Hong Kong.

President, apart from the enhancement of the regulatory regime of the financial market in Hong Kong, I would like to talk about the university places and training mentioned by a number of colleagues earlier. Talents attracted by the regulatory regime are after all imported talents, while training and education will nurture our own talents. Concerning university places, since I joined the legislature, Members have been making strenuous effort to fight for the increase of university places. Yesterday, 120 additional subsidized university places have just been provided to the Hong Kong Institute of Education (HKIEd). However, it is still limited to 120 only, and many colleagues indeed hope that more places can be added. But why was there only the HKIEd being granted additional subsidized places but not other institutes? Today, education has become one of the six economic areas in which Hong Kong enjoys clear advantage. How can the Government still remain indifferent in increasing subsidized university places? What kind of attitude is it?

Many people consider that more university places related to the fields of finance and trade should be provided. However, the existing policy on university education is like a tightening grip which restricts the total number of university places, and adding places in one department will mean reducing places in another department. Should we sacrifice places in humanities subjects in exchange for more places in the fields of finance and trade? I believe Members definitely consider this unacceptable.

Hence, for the training of talents in Hong Kong, I once again urge the Government to increase the number of subsidized university places, for this will increase the provision of professional talents in the fields of finance and trade without affecting the training of talents in the field of humanities. If this paradox caused by the capping of the number of subsidized university place is unresolved, thus resulting in problems with talent training, I believe we will all consider it regrettable.

The Task Force on Economic Challenges held its last meeting the day before yesterday. The Government announced after the meeting that two lots of land in the urban area would be reserved for the establishment of private universities. We do not object to the establishment of private universities in principle, but if this is regarded as a solution to address the shortage of places

brought about by the policy on associate degrees and the failure to increase subsidized university places, we cannot agree with this. We also hope that the Government will pay special attention to the quality of private universities, for I believe the fees charged by private universities surely will not be low. If those associate degree graduates who fail to enter universities have to continue their studies in private universities, they may end up becoming heavily in debt. I believe the Government would not wish to see that. I hope that the Government will consider this seriously in implementing the relevant policy.

I mentioned two aspects earlier, one was on imported talents, which is related to the system and the environment for development, while the other one is on "home-made" talents, which is related to education and training. I hope the Government will strike a balance between them and double its effort in these two aspects. Thank you, President.

PRESIDENT (in Cantonese): Two Members have indicated a wish to speak, but they are not in the Chamber now. Does any other Member wish to speak?

MR ALBERT CHAN (in Cantonese): President, I believe no one in Hong Kong will oppose the promotion and the consolidation of the finance industry. With regard to the so-called economic integration, the League of Social Democrats is terribly worried about international funds flowing into Hong Kong that aim particularly at making quick money to the neglect of the long-term development needs of the economy, as well as the daily needs of the working class in Hong Kong. The development of the financial market takes a direction which is markedly different from Hong Kong's tradition of relying on industries, particularly the development of small and medium enterprises in the 1980's and the 1990's. An economy relying on industries is labour intensive in nature. For a labour-intensive economy to be restructured into a capital-intensive economy that relies on the financial industry, the public will have to pay a price for it. Semi-skilled and non-skilled workers, in particular, will have to pay an infinite cost or price for this. Many of them will become unemployed or underemployed, and their income will drop significantly, which will lower their standard of living substantially.

I did come across many middle-aged people with similar experience. Some of them, though remaining unemployed and living in dire straits refused to

apply for the Comprehensive Social Security Assistance (CSSA), and chose to resort to suicide. A day or two before they committed suicide, members of our offices kept persuading them to see things in a positive perspective and told them that it was not a shame to apply for the CSSA. But in the end, they failed to face the economic restructure and chose to commit suicide. As we move towards a prosperous financial market where gold is everywhere, many people have been sacrificed. Surely, many in the market manage to summon the wind and command the rain. Listed company "No. 8" is a case in point. By taking advantage of information and by making use of the Cyberport, it has orchestrated speculation time and again, causing tens of thousands or hundreds of thousands stock investors to suffer tremendous loss. But those several people who are good at financial skills manage to reap great profit, which I would say a no-cost business. Since they know how to take advantage of certain political relationship, certain interests, certain information and the mindset of some members in the financial market of trimming their sail to the wind, they have caused many elderly to lose all their hard-earned savings; the elderly are left in great despair worrying about their living in future. These are the evils brought forth by a financial market.

Hence, President, our concern is not about the consolidation of the financial market and the training of talents, for the question at issue is what kind of talents should we train? Should we train financial talents who have no social conscience and know only how to make quick money and deceive the public and the elderly? If we are to nurture some upright talents with social conscience, I believe they will soon disappear from the existing financial market in Hong Kong, and they will soon lose their source of income. I have seen many similar examples. We often receive complaints against a certain financial company for making "cold calls" to deceive people, claiming that they can purchase gold and other commodities on behalf of their clients. Recently, I came across a very ridiculous case. The company concerned, which charged US\$40 handling fees for every transaction, conducted 30 to 40 transactions in one day on behalf of its client and this practice could go on for a whole week. They did not refer to the information about the financial market, nor did they have any justification in making the transactions. They did so for the sole purpose of earning the US\$40 handling fees charged for each transaction, while the interest of their clients was totally ignored. Eventually, the client lost the several hundred thousands dollars that he deposited in this company in a fortnight, not because of the loss incurred from the transactions but the handling fees charged for the transactions. When the case was brought to the knowledge of the financial authorities, they said they

could do nothing about it for the client had signed the authorization document for the broker to conduct transactions on his behalf. This is obviously unscrupulous and immoral practice.

One should not exercise his power in such a manner even if he is authorized to do so. This is an abuse of power. Are we looking forward to talents like these to be trained for the financial market in Hong Kong? Has any mechanism been put in place under the law and the existing system to regulate these unscrupulous and shameless practices? If both the law and the system fail to regulate these shameless practices, the officials concerned are also shameless. President, we have to establish a system and ensure that it operates smoothly. The system, whether it serves to protect the ignorant and uneducated investors or some greedy people, should allow no one to take advantage of the situation to make money through unscrupulous means and deceive ignorant members of the public. This is the vital link of the entire system; if it fails to achieve this goal, the entire system will collapse.

The Hong Kong Monetary Authority (HKMA) is ridiculous. The composition of the HKMA reflects that it is controlled by bankers. How can the persons-in-charge of banks be in control of a monitoring body of banks? If you look at the composition of the committees under the HKMA, you will find it most outrageous. The entire financial market in Hong Kong can be likened to a fraternity association where its members conduct underhand dealings and black-box operation, and they will shield each other's interests and transfer benefits to each other. The entire system is like that. Given such a system, Hong Kong will never become a financial organization with credibility worldwide, for the system will only bring about corrupt practices and tactics that rip off the poor. Finally, I must appeal to the people of Hong Kong to remain vigilant, so as not to be exploited or cheated in the financial market.

MR KAM NAI-WAI (in Cantonese): President, the topic of our discussion today is strengthening human resources in the fields of finance and trade. Mr James TO, one of my colleagues, said earlier that the Lehman Brothers incident had brought to the fore problems with the training of talents engaging in the sale of this type of products. I have to point out that the training provided in Hong Kong for talents selling these products is inadequate. In the recent investigation of the Lehman Brothers incident, Members should have noticed the views presented by Mr Joseph YAM. He thinks that the monetary system in Hong

Kong is stable and healthy. In his views, the system in Hong Kong is stable and healthy for no bank in the territory has to close down during the financial crisis. In comparison with many European and American countries, the monetary system in Hong Kong is extremely sound and healthy. His remarks are indicative of self-complacency, and he also mentioned earlier that he had foresight.

Certainly, I will not go into the details of the investigation today. The Hong Kong Monetary Authority (HKMA) undertook that the investigation of 70% of the complaints concerned would be completed by March next year. The HKMA seems to encounter much difficulty in recruiting investigation staff. Up to date, it may have only recruited some 200 employees, which fall short of the original target of 300 employees. Members can see from this as to whether the training for talents in this regulator is adequate. Do talents in this financial regulator have adequate knowledge of these rapidly changing financial products? Do they have adequate training? Indeed, are we capable of monitoring the continuous circulation of these "poisonous" products on the market? But the problem is that the regulator is still kept in the dark, knowing nothing about these products. Is there any problem with the training of talents for carrying out monitoring work?

Apart from the Lehman Brothers incident, Members may notice from the CITIC Pacific incident the quality of training of management talents of listed companies. A lot of people have told me that a majority of listed companies are still adopting the family-business style of management, which falls short of the world standard. The CITIC Pacific incident reveals to the public that a company can lose half its assets just because of the purchase of certain derivative products. It is really terrible. This has also seriously undermined Hong Kong's position as an international financial centre. Hence, the training of management talents for listed companies is equally important.

Regarding the training of management talents for listed companies, we definitely are not only concerned about their skills and knowledge, but also attach great importance to the so-called corporate ethics. When it comes to corporate ethics, I have to cite the PCCW incident. We all know that many of their tactics may seem to be legal on the surface, but whether they are considered acceptable in terms of social ethics is in question. To what extent is corporate ethics being upheld by listed companies nowadays? This definitely may not be achieved through training, but it all depends on the core values held by society in Hong

Kong. I believe the PCCW incident this time around can awaken the social conscience of operators of large corporations.

The training of human resources is the focus of the debate today. I believe if Hong Kong has to consolidate its status as an international finance and trade centre, focusing on human resources training alone will be far from adequate. If no parallel efforts are devoted to the rule of law and the democratic system on the whole, talking about enhancing talent training alone can hardly maintain Hong Kong's position as an international finance centre.

Some people mentioned the case of Shanghai. If we can take over Shanghai, not only in terms of talents, but also on the rule of law which we surely have Let me tell you this: I often have the opportunities to have exchanges with mainlanders. They compare no less favourably with the people of Hong Kong in terms of knowledge, experience and academic qualifications, but Hong Kong people have a more developed concept on the rule of law of society. If we want to proceed farther ahead, a democratic system must be implemented, for this can further underscore the competitive edge of Hong Kong in comparison with the Mainland.

Yesterday, I asked a question: With how many people taking to the streets will the Government attach importance to public views? Secretary Stephen LAM said yesterday that irrespective of the number of people taking to the streets, the Government attached great importance to the various aspirations expressed by the public. As I said yesterday, had there not been some 500 000 people taking to the streets in 2003, TUNG Chee-hwa would not have stepped down, nor would the Government have withdrawn the legislation on Article 23 of the Basic Law. By the same token, if only a small number of people take to the streets on 1 July this year, we will have to endure the recurrence of the Lehman Brothers incident, the CITIC Pacific incident and PCCW incident, for a democratic system is lacking in Hong Kong. We can only use our legs to express our dissatisfaction with the existing monetary framework to the Government. We have to ensure that Hong Kong will continue moving ahead; we have to ensure that Hong Kong will not only focus on talent training For the implementation of a democratic system, we cannot but take to the streets on 1 July. Only by expressing our dissatisfaction with the financial incidents occurred recently will the Government face the problem squarely. Thank you, President.

MR PAUL TSE (in Cantonese): President, in my younger days, people were saying that "three professions prosper in Hong Kong" — doctors, lawyers and architects, and I believe like most of the colleagues in the Chamber also heard of this. But then, the values held by Hong Kong people changed. They started to consider people with professional knowledge and ethics more welcome. Nonetheless, no one knows since when this set of values has again changed. I discover that at least in the recent decade, people seem to regard those well versed in financial skills and working at the International Finance Centre the elites of Hong Kong.

Earlier on, many colleagues have mentioned the Lehman Brothers incident, the financial crisis and the problems of the system brought to light by the financial tsunami. It thus seems unnecessary for me to say any more about these. In response to the original motion proposed by Dr Philip WONG, I have to point out that Hong Kong, by all accounts, does not lack the measures for nurturing talents, neither do we lack the measures to bring in international professional talents to serve in the financial sector. The key is whether they can make money in Hong Kong. If they can, this large "fishbowl" of Hong Kong will naturally attract all the local elites, as well as talents all over the world, including the United States and London, to work in Hong Kong. However, is this a blessing for Hong Kong?

Macao will likely become the largest casino in the world very soon. There was a time when Macao had actually taken over Las Vegas, luring all university graduates to focus on their career development in the betting industry. But is this a blessing for Macao? By the same token, Hong Kong, being an international casino in a certain sense, will soon attract the best talents in Hong Kong and those around the world to come here. But is this a blessing for Hong Kong?

This morning, we read from the newspaper that a female manager of a bank cheated customers for their money. The maximum amount involved was over \$500 million at one time, while the charges against her involved some \$100 million. Among the victims were celebrities in the entertainment business and well-known figures in the comics business, and they were being cheated tens of millions dollars. Similar cases are not uncommon. But I am afraid that cases being discovered and resulting in successful prosecution are just the tip of the iceberg. More often than not, large corporations will resort to offering compensation by all means to play down the incident. I have handled cases like

these before, and some of my friends and relatives have also been cheated. I believe, in addition to the Lehman Brothers incident now in question, many cases have not yet been discovered. They cheat deliberately, trying to rip off their clients by hook or by crook. Or, as in the case mentioned by Albert CHAN earlier, it is common that brokers will keep on making investment transactions on behalf of their clients not in the real interest of the clients but merely for their own benefit. There are thousands of such cases.

President, if we exaggerate the importance of "making quick money" and elites in Hong Kong and if we give undue emphasis to the fact that the salary earned by the Chief Executive of the Hong Kong Monetary Authority (HKMA), Joseph YAM, is the highest among all financial chiefs in the world, we will come to this pass.

The Lehman Brothers incident has brought to light the misleading situation and the lack of monitoring related to those so-called minibonds. Even for the tourism trade, the provision of any misleading information on guided tours offered by travel agents will lead to the penalty of the closure of business. But large banks and organizations are allowed under the system to employ such tactics to cheat the public. Up to this very moment, an official solution to the problem has not been worked out and the parties concerned are still in a stalemate. What is brought to the fore here? There are actually too many problems which give cause for criticism and which we fail to address properly.

In the long run, I surely support that Hong Kong must maintain its status as the world financial centre, and the training of talents is necessary for this purpose. However, investing resources in training undergraduates is not the most pressing task for the time being, nor are we in need of financial talents with doctorates, for the people who are really capable may not necessarily be holders of doctorates. In the professional fields, all the people who are really capable are those who engage in front-line operation to gain experience, and then receive undergraduate training. More often than not, doctorate holders I do not direct this remark against Prof K C CHAN, but front-line staff members holding a doctorate are often not the top-notch professionals. In this connection, I believe the several barristers now in this Chamber Alan LEONG responds to this with a laugh. Graduates who are awarded the PhD by the law faculty may not necessarily worth a higher pay and be more precious than those professionals who have undertaken basic training and worked on the front line.

President, I would like to point out that we should avoid giving too much importance to hardware or figures. On the contrary, we should focus more on the education of liberal studies. Lawyers should not focus only on winning lawsuits. We must understand that we are not training lawyers to work as craftsmen; they must uphold the value of defending the spirit of the law. Likewise, members in the financial services sector should use their professional knowledge to promote the development of society instead of merely aiming at making money, earning commission, buying luxurious limousines, dressing in beautiful attire and dating pretty women. None of these is the social value we should promote. In this connection, colleagues have said much about it and I do not need to dwell on this.

However, I would like to take this opportunity to express my attitude that we should not place overwhelming importance on money and professional talents to the neglect of the importance of general education and many values.

On the recruitment of talents, it is not a cause of worry. As I mentioned earlier, the Chief Executive of the HKMA is earning the highest salary in the world. When there are opportunities for making money, we definitely have no point to worry whether overseas professional talents will be attracted to Hong Kong. We should instead worry that in the absence of a proper regulatory regime, we may be attracting bad elements to come to Hong Kong, for capable people may cause greater harm when they do wicked things. There is no cause for worry that there will be a shortage of talents. On the contrary, our only concern should be that the system in Hong Kong allows too many capable people to come here to do harm to the people, the monetary system and the values of Hong Kong. This should warrant greater attention from us.

Thank you, President.

MR VINCENT FANG (in Cantonese): President, I suggested earlier in this Council that we should ask ourselves this question first if we are worrying that Hong Kong will soon be overtaken by Beijing and Shanghai: What have we done to enhance Hong Kong's competitive edge? The motion today points out precisely what we can do. One of the reasons for our concern is, as is evident to us all, the rapid development of Shanghai, as well as the nation's plans to develop Shanghai into an international financial and shipping centre by 2020. Under the

Central Government's blessing, what future will it hold for Hong Kong as a regional financial hub?

Nevertheless, as pointed out by Premier WEN Jiabao, Hong Kong cannot maintain its status as an international financial centre through affirmation, but through competition in the market. The Premier has also mentioned a lot of our competitive edges, one of which being a large pool of trained financial talents. His advice that Hong Kong risks slipping back if it did not move ahead is most appropriate indeed. In the face of competition from Shanghai, Hong Kong cannot bear to lose, and it must continue to strive for self-improvement.

There were times when Hong Kong's trade and financial industry were experiencing a rapid development and university students studying finance were sought by multinational companies even before they graduated. However, the financial tsunami has led to the shrinking of the financial industry and severe setbacks faced by exports. Banks and financial institutions have even taken the lead to resort to retrenchment. The development of the financial industry, which was considered Hong Kong's pride in the past, has been criticized for being too "vulnerable". Moreover, it is considered necessary for trade in Hong Kong to move northward. Nevertheless, the Liberal Party has always believed that we should look further afield. Finance and trade are still the major industries of our economy. If we want Hong Kong to become the first economy to rebound after the financial tsunami and maintain its status as a regional financial and trade centre, we must, as one of the basic requirements, pool talents together.

The consolidation of the financial industry has led to the wastage of a considerable number of practitioners in the industry. Should we fail to seize this opportunity to strengthen training of talents in the fields of trade and finance, we will face shortage of talents when the economy begins to revive. Although the business schools of the universities in Hong Kong and the standards of their programmes are internationally renowned, and the level and supply appear to be not bad as there are approximately 12 000 graduates in business administration annually, a report published by the Hong Kong Securities Institute on training of financial professionals highlighted a shortage of talents, especially in compliance, product development and marketing.

The Liberal Party hopes that the Advisory Committee on Human Resources Development in the Financial Services Sector can seriously study ways to resolve

the problem of talent mismatch in the financial services sector so that students can practise what they learn and talents can be made available to the financial services sector. As Hong Kong is an international financial centre, practitioners in the sector should have a high standard of language proficiency. However, the study conducted by the Hong Kong Securities Institute also revealed that the mean ratings for spoken English and Putonghua by employers were less than three, which should be considered as disappointing or even failing grades. Hence, the authorities are indeed duty-bound to prescribe the right remedy expeditiously for upgrading the biliteracy and trilingual proficiency of the students.

In the area of absorbing overseas talents, it was reported that the committee set up by the Immigration Department for approving applications submitted under the Quality Migrant Admission Scheme has decided to reduce the number of financial talents approved to come to Hong Kong in view of the poor economic environment at present. While I think it is too short-sighted for the Government to do so, I agree, as pointed out by Mr WONG Kwok-hing in his amendment, that we must ensure that the employment opportunities of the locals must be fully protected. I am even more pleased that Mrs Regina IP supports the Liberal Party's persistent demand for the Government to strengthen training of talents for our shipping and logistics industries. Given the increasingly keen competition from the Mainland and overseas, Hong Kong's logistics industry must, apart from moving in the high value-added direction, enhance the quality of service in order to boost its competitive edge. In order to achieve this goal, enhanced manpower training is a vital complementary measure.

As regards Mr James TO's amendment, the Liberal Party has all along believed that improvement must be made to aspects from the sale of financial products, corporate governance of industries to manpower training, and that the interests of small investors must be protected. Although the victims of the Lehman Brothers incident have to give vent to a lot of grievances, they have already indicated that they will take to the streets to air their grievances. Therefore, I think there is no need to make an appeal here through this motion. As for Mr LEUNG Kwok-hung's amendment, I think that he is somehow seeking to make use of the subject under discussion to voice his views on other matters. Therefore, we can hardly support these two amendments.

I so submit. Thank you, President.

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

MR RONNY TONG (in Cantonese): President, I was very disappointed when I heard the Secretary's response just now. First of all, the Secretary seems to demonstrate that he has no sense of crisis at all. Second, he has failed to give any concrete response to this motion today. According to the figures provided by the Centre of Development and Resources for Students of the University of Hong Kong, the number of job vacancies of the banking and financial industries this year has seen a substantial decline of 50% to 60%, whereas the number of job openings in investment banks has even fallen by almost 90%.

President, job vacancies are only an apparent sign of job loss. With reference to overseas experience, local academics have already estimated that our financial industry will probably lose 10% of its original posts in the coming few years. According to a study conducted by the International Labour Organization, amid the financial tsunami, the European Union alone lost 640 000 posts last year, accounting for about 10% of the general workforce in the financial industry. If peripheral industries are taken into account, it would mean a loss of 1.8 million posts, or 10% of the total number of posts. In the United States, 42 000 financial posts were lost in 2008. Some personnel consultants have estimated that some 3.5 million posts, or 10% to 20% of the overall number of posts, will be lost as a result of the financial tsunami in the coming few years.

President, despite the loss of posts, this does not mean our financial industry will collapse as a result. As previously pointed out by us repeatedly, while there is a need for diversification in the Hong Kong economy, the financial industry is still our pillar industry. Not only does the financial industry support a workforce of 200 000, or 5% of the workforce of Hong Kong, it also contributes to 12% of our Gross Domestic Product (GDP). As regards the workforce of the financial industry in the United States, though the country's financial workforce is only double that in Hong Kong, its contribution to the GDP is four times higher than that of Hong Kong. This demonstrates that Hong Kong's financial industry, though in the face of the financial tsunami, still have considerable room for development and value enhancement. In fact, the economic adjustment happens to give us room for respite towards higher value-addedness. I hope the SAR Government can make effective use of such room. But how can value be enhanced in the local financial industry? I believe targeted strategies should be adopted to cope with changes.

To start with, President, the policy on training financial talents must be professional or specialized. After the financial tsunami, though there might already be an over-supply of local financial talents, there is still a lack of certain types of financial professionals. Before the financial tsunami, it was already pointed out by a survey conducted in the industry that Hong Kong lacked high-level financial management and creative talents, as well as high-quality financial marketing talents. This has become even more obvious after the financial tsunami, particularly after the Lehman Brothers incident. For instance, during the past decade or so, only two of the nine PhD students studying Financial Mathematics in The Hong Kong University of Science and Technology were willing to work as professors, while the rest had all chosen to work in the financial market.

A lack of quantitative finance talents would create an impact in two aspects: First, although new structural financial products were put on sale one after another before the financial tsunami, there were only a few people in the industry who have a good understanding of the nature of these products. As a result, the creativity of local financial institutions in researching and developing financial products was very low. Consequently, most of the local financial institutions had to rely on overseas countries by selling financial products designed by them. Not only had this undermined the autonomy in risk control of the products but, more importantly, the local market had become less capable of understanding these complex products. President, the Lehman Brothers incident is precisely a case in point.

Second, the competitive edge of local students in the financial market was already a cause of criticism before the financial tsunami. After the tsunami, the situation might become even more worrying. President, each year, Hong Kong's international investment banks prefer employing graduates from prestigious universities in Britain or the United States or mainland students returning from abroad. On the contrary, there are only a few local university graduates who can make it to these top financial institutes. One of the reasons may be that the cultural vision and experience of the local graduates are too narrow, and their language proficiency is too low. As a result, they are often not regarded by these international institutions as their first choice.

Global experience is not taken seriously by our students as well as our Government. As far as we understand it, it has been a long time since the Hong Kong Government stopped seconding officials to global institutions for the

purpose of broadening the vision of officials and enabling them to absorb experience from actual practice. Our Government, which takes global vision and culture lightly, has created an environment in which economic and cultural advancement is given little weight. This has ultimately resulted in the relatively low competitive edge of our university graduates in the international community.

President, last but not least, the moral education of our financial talents is most important. Moral education is given the top priority by universities in the United States in training financial talents because a sense of social responsibility is most vital to a financial talent, even if he is well versed in financial product design and the operation of the financial market and has a good sense of the market and an excellent ability to communicate with others. A financial talent without a sense of social responsibility will very likely be the root of moral risks. This is definitely not conducive to the overall and long-term development of the industry. Only all-round financial talents can form the cornerstone of our core competitiveness, whereas social responsibility and moral risk education is key to success or failure in all these endeavours.

President, in order to effectively promote training of local financial talents, joint efforts by the Government and the industry are needed. The Government should formulate long-term strategies for nurturing talents and appoint dedicated training institutions to take forward the relevant work, rather than passing on the responsibility to universities or the industry. I believe the incumbent Secretary for Financial Services and the Treasury, who used to engage in teaching as a professor, should understand the philosophy of training financial talents very well. I hope he can live up to the expectations of society and this Council by formulating effective and long-term training policies for Hong Kong. Thank you, President.

MR CHIM PUI-CHUNG (in Cantonese): President, Hong Kong is one of the world's financial centres, and trade has all along been conducted here since the inception of Hong Kong. It is therefore vitally essential for the Hong Kong Government to adopt a policy of strengthening and nurturing talents.

President, let us try to make a comparative financial analysis. It is understood that finance is known as the most vital business for banks. Banks, which have all along been occupying a superior position in Hong Kong, are closely related to the development of the people. Many businessmen cannot

survive without their ties with banks. Without their nurturing and joint efforts, achievements would not have been made, and society would not have become the way it is today.

As regards the financial business in the past, let us try to make an analysis of stocks here. Stock transactions would definitely involve buying and selling. Stock investment can be regarded as a long-term investment whereby buyers and sellers both seek to make profits. For instance, X will make a profit if he buys a share at \$1 and then sells it at \$2; Y will also make a profit if he buys the share at \$2 and sells it at \$3; and something like this will go on and on. Of course, everyone will incur losses if shares in the market plummet. But in recent years, there is a global tendency for stock products to become an alternative betting game. As I explained earlier, everyone will make profits if their investments are long-term. But in recent years, some people in the world employ financial tactics in fact, this is a zero-sum game. By zero-sum game, I mean some people will certainly incur losses while others make profits after transactions. The transactions thus become gambling in disguise. Though rhetorically known as financial tactics, such tactics are actually employed to encourage gambling in disguise. As far as we understand it, gambling is prohibited by the HKSAR Government. Horse racing, though in existence in Hong Kong for a long time, is known as a sport here. There are some other countries and cities in the world, including Macao, where gaming and gambling are accepted. Hence, this sort of zero-sum game, which is being exploited around the world, is gambling in disguise. Such being the case, the SAR Government must understand clearly its own position and what it is trying to promote.

Genuine financial industries are worth encouraging, why? It is because in the past, people, including those in China as well as in other parts of the world, do not have much capital or even lack capital to develop other businesses and are therefore in need of assistance from the financial industry. In this respect, the SAR Government had to formulate a policy to develop Hong Kong into a global financial centre.

Nonetheless, it is understood that the Securities and Futures Commission (SFC), apart from serving as a watchdog for the Hong Kong Government, in fact performs functions and work in four areas: First, it is responsible for enlarging the "pie" by allowing the Mainland and other parts of the world to participate in Hong Kong's financial policies. Second, it is responsible for encouraging investors to receive new education, so that they understand the risks of their investments or speculative activities with a view to preventing the recurrence of

the Lehman Brothers minibond incident. Certainly, the Government would say that this happens once in a century. But in any case, or whether it happens once every century or every year or whatever, the Government, after all, has a duty and responsibility to perform. Third, the SFC has to balance the interests of various parties. Although we welcome global financial institutions, we must not discriminate against or neglect participation by local people and people from the Mainland in the future. Fourth, monitoring must be carried out in a reasonable manner. Relatively speaking, sometimes legislation can be too harsh. It must be understood that such an investment environment should not be unique to Hong Kong. Therefore, the Government's policy must complement the SFC in performing its tasks in the four aspects mentioned by me just now. The Government must clearly understand that financial investment or excessive speculation, so to speak, is basically a zero-sum game and can be quite dangerous.

More importantly, betting can be employed to promote other businesses in a place, including tourism, shopping and the like. By the same token, the Government should be able to bring the financial industry into play for the purpose of raising capital, so that various trades and industries can exploit the capital provided by the financial market to promote development on all fronts. Meanwhile, surplus capital can also generate revenue from interest. In this connection, a responsible government must make prior preparations and prepare itself for relevant work. This is why Mr WONG proposes today that measures should be strengthened. As a matter of fact, such measures are required only if there are inadequacies. Would it be necessary to strengthen the measures if the Government has already done everything properly? In this respect, the Government is obliged to do something because we understand that Hong Kong itself lacks genuine resources and so, it has to absorb resources from around the world, particularly the Mainland. At present, Hong Kong is leveraging on the world and engaging itself with the Mainland. Yet, it should also leverage on the Mainland and integrate with the world in bringing its function into full play. The Government is duty-bound to do so, President.

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

DR RAYMOND HO (in Cantonese): President, the summer holidays are approaching and batches of graduates are about to enter the job market. In the past few years, many graduates were unable to resist the high pay of financial

jobs and gave up their major subject which they were interested in and had spent several years studying. Take students who majored in engineering as an example. In the last few years, 30% or over 30% of the graduates did not work as an engineer but joined the financial, trading and insurance sectors instead. Some think that this is not a good phenomenon, and hold that the Government has wasted its resources. Whether this is right or wrong is subject to individual judgment. But at least in this period of time, the financial and trading sectors have taken in considerable talents. Many of these talents who have joined the financial sector have their original interest in scientific research or other disciplines, or have fared well in their original profession, and this is not a bad thing.

However, since the outbreak of the financial tsunami last year, the situation has changed. Financial and trading companies changed their requirements in response to changes in the world economy and the financial situation. Many enterprises had to restructure their businesses. They must enter a new phase of development in order to cope with the critical economic environment. Moreover, there were unpleasant situations in some industries as they had resorted to layoffs or pay cuts. Graduates may thus think differently. The newcomers who are about to join the job market may reconsider their career path. Graduates who originally plan to join the financial sector, having considered the prospect of the financial industry, will go back to the profession that they previously take interest in. Take the engineering sector as an example. The attitude of some students has changed, as they do not take other subjects in addition the major subject in university. In the past, some graduates joined other professions instead of working as an engineer after graduation, but this has now changed.

The Government has proposed six major industries for development, and I believe this will attract many graduates to consider joining these economic areas. Hong Kong has always taken itself as an international financial centre. But I believe we now have to diversify our development. As the Government has proposed these six directions of development, we should pay more attention to these areas, so as to address the changes in the international arena and cope with the many changes in Taiwan and the Mainland. We need to examine afresh how we should position ourselves. We should also counsel the young people and teach them how to gauge the future development prospect. We should give them more guidance on their career development and foster their interests in developing their career in these new industries rather than staying put at the

traditional industries. I believe veterans like us who have worked in society for years are duty-bound to widen the horizons of these graduates.

The Government should also encourage financial and trading enterprises to devote resources on co-operation with tertiary institutions, so that talents will not be overwhelmingly attracted to join the six major industries at one time — this would be like the waves which swamp the shore this minute and then recede the next minute. This is not a healthy phenomenon. The Government should take special note of sudden economic changes so that people with keen interest in the fields of finance and trade will not join other professions instead due to a sudden concern about the prospect of these fields. This is not desirable. I thus hope that tertiary programmes can be appropriately tailored, and that government policy can enable graduates who intend to develop a career in finance and trade to have confidence in the future prospect, so that they will not be discouraged by the short-term economic hardship and join other professions. This is like the movement of the waves I described just now which rise and recede suddenly. This is not conducive to the stable development of manpower in society. The Government should have a long-term and encompassing goal in its policy and be duty-bound to provide guidance and advice. In this connection, I wish to specially remind the Government of the following. The Government often makes short-term economic forecasts, such as the economic forecasts of the coming few months. I hope that the Government can make more forward-looking forecasts even though it is quite impossible to forecast development in the coming few years. Many people make forecasts of what will happen in the coming few months or at the end of this year. The projections may not be very accurate, and we are not sure of the government view either. In fact, the Government has sufficient resources and its information in various fields is abundant. It should thus be able to inspire public confidence in the long term, rather than in the short term, and provide a long-term rather than short-term vision.

Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Dr Philip WONG, you may now speak on the four amendments. You may speak up to five minutes.

DR PHILIP WONG (in Cantonese): President, I do not need to use up the five minutes. Mr James TO appealed to the public to take to the street on 1 July. He was simply making use of the subject to voice out his demand. I believe he will admit this. As his amendment is completely irrelevant to my original motion, I cannot support it.

Regarding the comment made by Mrs Regina IP, I very much appreciate and support it. In fact, I put forward the same view at the start of my speech. The fields of finance and trade have relatively pressing needs, but this does not mean that other fields do not need to train and attract talents.

Mr WONG Kwok-hing put forth the principle of giving priority to local talents. I understand his intention but his suggestion seems to be contrary to the spirit of anti-discrimination and fair competition. I will thus abstain from voting on his amendment.

As for the amendment proposed by the other Member, I truly cannot find any connection between his amendment and my motion. My motion seeks to address the social concern about manpower shortage in the fields of finance and trade. I think he does not mean to suggest private enterprises to recruit their employees through a democratic system. I will thus vote against the amendment.

SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY (in Cantonese): President, I would like to thank Honourable Members for expressing their views on the motion and the amendments.

Just now, Members have expressed very extensive views about the subject of finance. Although it has come to Members' attention that, under the impact of the financial tsunami, there will certainly be job loss in the financial industry and cases of graduates failing to find a job, we do understand the significance of the industry to Hong Kong. It is imperative for Hong Kong to formulate a long-term policy for consolidating its competitive edge as a financial centre. As I pointed out in my opening speech earlier, in developing Hong Kong as a

financial hub, the Government is determined and has corresponding measures to step up monitoring as well as strengthen Hong Kong's global involvement and competitive edge as a financial hub. In the area of talent training, the relevant systems will also be optimized and strengthened, in order that we will have more talents to cope with future challenges.

In the face of global competition, Hong Kong is certainly not afraid of meeting competition. In order to meet competition, however, we must enhance our own strengths. Talents are undoubtedly vital to Hong Kong as a financial hub. It is evident from their earlier speeches that Members are greatly concerned about this. I will elaborate my views and the Government's policy with respect to several points.

In the area of training financial talents, we must first of all ascertain what exactly financial talents mean. In my opinion, finance is a generic term, and financial centres refer to more than just transactions in the stock markets or foreign exchange markets. As pointed out by Mr CHIM Pui-chung just now, a financial centre should be able to serve the real economy and assist companies in financing and resolving their capital problems. In this context, finance is a very broad term. But in a narrow sense, financial talents include accounting and legal professionals and the like. There are needs for training to be provided for professionals on all fronts to consolidate Hong Kong's status as a financial centre. As pointed out by Members earlier, the education system is most vital to training financial talents.

Of course, I must point out that universities and tertiary institutions in Hong Kong both play a key role in professional education. What I wish to say is that over the years, the Government has injected significant resources in this area. As Members all know, in 2009-2010, the Government has set aside 20% of its annual recurrent expenditure, or \$53 billion, for education. I think Members understand that of this provision of \$53 billion, more than \$11 billion is to be invested in higher education. I would like to point out that in respect of the development of university education, as some Members have mentioned, a number of universities in Hong Kong enjoy very high international rankings, and this is rarely seen in Asia. It is indeed not easy for a number of universities in Hong Kong, being such a small city, to enjoy such a high ranking on various fronts. Since the development of tertiary education in the 1990s, the Government has given universities the impetus to develop rapidly through

injecting resources and adopting a liberal policy of internationalization. Efforts have been made to provide Hong Kong with excellent conditions in training financial talents by attracting international talents to come to Hong Kong for teaching and developing internationally leading academic disciplines.

I think we cannot say, in a narrow sense, which particular academic disciplines are training financial talents. Financial talents also need generalist training, and such talents can also be nurtured by different academic disciplines. Of course, economics and finance might be the major disciplines, but it is also possible for mathematics, physics, history and law disciplines to nurture financial talents. Hence, generalist education is an important requisite for training financial talents. If we look merely at degree places, in the academic year of 2008-2009, approximately 130 programmes relating to such fields as economics, finance, business administration, logistics and so on were funded by the University Grants Committee. These programmes, covering associate degree, bachelor's degree and post-graduate programmes, had more than 15 600 students. In addition to the existing programmes, some individual institutions have even planned to launch quantitative finance and risk management programmes in the three-year period from 2009-2010 to 2011-2012. Actually, I wish to point out that financial risk management programmes have been offered by a number of universities, and the international rankings of these programmes are quite high too.

Apart from these, in recent years, some self-financing MBA programmes offered by local universities have been given very high rankings in business studies worldwide or in Asia. Each year, a large number of overseas elites are attracted to come to Hong Kong, and this has helped Hong Kong develop itself into a base for financial talents and expand its network of talents. This also demonstrates that university education in Hong Kong can develop as an international brand name, which will in turn help us attract overseas talents as well as nurture local talents.

However, how can university education converge with the reality and the actual needs of industry? Universities do not only serve the industry, they also have their own education vision. To better enable universities to converge with the industry, the Advisory Committee on Human Resources Development in the Financial Services Sector (the Advisory Committee) was set up in 2000 to vigorously strengthen collaboration between universities and the financial industry, with a view to nurturing financial talents. The concern of the Advisory

Committee involves a wide range of issues, including students' language proficiency, global experience, communication abilities and values, as mentioned by Members just now. I believe the ongoing communication and discussions between the Advisory Committee, the industry and universities on these issues are very helpful to universities in developing their education programmes. For instance, the numerous overseas student exchange programmes launched by universities over the years have provided Hong Kong students with training in international experience and increasing opportunities of internship.

Over the years, the Advisory Committee has endeavoured to organize various events and make suggestions on manpower training for the local financial industry in the long term. In March this year, the Advisory Committee and The Open University of Hong Kong jointly organized a forum on the impact of the financial crisis on human resources of the financial services sector. At the forum, experienced financial practitioners were invited to share their views with more than 400 university students on the opportunities and challenges brought about by the global financial crisis. I believe such events can help students grasp the latest developments of the financial industry, so that they can equip themselves to cope with future needs. The Advisory Committee will continue to provide a platform to enable the Government, universities, the financial industry, financial regulators and representatives from training institutes to meet regularly to exchange their views on manpower resources development in the financial services sector and facilitate relevant work.

The industry plays a very significant role in training because as the employer of financial talents, the industry best understands its latest developments and the skill requirements and performance of graduates. Besides the valuable opinions provided by the industry to universities, more and more financial institutes are willing to provide internship opportunities for students. All this is the result of the efforts made by the Advisory Committee to enable students to learn in actual working environment and apply their skills.

As regards attracting overseas talents, in view of the trend of globalization, there is a need for Hong Kong, as an international financial centre, to enhance its capacity to attract overseas talents with a view to upgrading our own competitive edge.

The Government has all along been upholding a liberal immigration policy whereby talents from all over the world are welcome to come to Hong Kong for

employment, residence, studies or investment. Since the reunification, more than 240 000 talents have come to Hong Kong for development through various immigration arrangements.

Let me elaborate this point briefly here. At present, local employers may, in the light of their manpower requirements, recruit talents and professionals with recognized qualifications from around the world (including the Mainland, Taiwan, Macao and other parts of the world) to come to Hong Kong for employment. Overseas talents coming to Hong Kong for employment have to meet three major requirements: First, they must possess good academic or skill qualifications; second, their employers are unable to find locals to perform the work undertaken by them in the short term; and third, their salaries are comparable to the market levels. Applications in these categories are not subject to any quota or restriction imposed by any industry.

During the first five months of this year, the Hong Kong Immigration Department received about 11 000 applications from overseas talents for employment visa and permission.

The Government will continue to review from time to time the relevant immigration arrangements, including the arrangement for and details of the Quality Migrant Admission Scheme. Relevant authorities, including the Hong Kong Economic and Trade Offices stationed in the Mainland and overseas, will continue to launch publicity by, for instance, introducing to relevant professional bodies, chambers of commerce, and the like, various arrangements with a view to attracting more overseas talents to come to Hong Kong for development.

We understand that other complementary measures are essential to attracting professionals to stay in Hong Kong. Professionals from other parts of the world attach importance to both employment opportunities and a quality living environment, including air quality, support facilities for their family members, the tax regime, and so on. In this respect, various government bureaux have also adopted a series of related measures to further upgrade Hong Kong's competitive edge and attractiveness on this front.

We have all along been focusing our attention on improving the air quality in Hong Kong. The Government will make persistent efforts in exercising vigorous control over emissions from various major sources of pollution in the territory, especially emissions from power plants and vehicles. The SAR

Government will also work hand in hand with the Guangdong Provincial Government in jointly improving the air quality in the Pearl River Delta Region. Under the joint efforts of Guangdong and Hong Kong, coupled with the active participation of the business sector and the general public, we believe the regional air quality will see gradual improvement.

We understand that a shortage of international school places will be a concern for families of overseas professionals who intend to stay in Hong Kong. In view of this, the Government has assisted four international schools with the expansion of their school premises. Over the past two years, the Government has also reserved four vacant or soon-to-be-vacated school premises, three on Hong Kong Island and one in the New Territories, for allocation to four existing international schools for expansion. Late last year, school sponsoring bodies expressing interest were also invited to submit their plans with respect to the four reserved sites. While selection and allocation are now underway, the results are expected to be announced in July 2009.

As regards Mr WONG Kwok-hing's proposal that overseas talents should be introduced into Hong Kong under the principle of giving priority to local talents, the existing immigration policy has in fact manifested this principle. An employer who intends to employ an overseas professional to fill a vacancy must prove that the vacancy is relevant to the professional's academic qualification or working experience and that it is not easy to find a local to fill the vacancy before the professional will be granted an employment visa.

Next, President, I would like to say a few words about corporate governance, a point raised by Mr James TO in his amendment. Good corporate governance, which is a key cornerstone of success of commercial society, is indispensable to protecting the interest of small investors. At present, the Code on Corporate Governance Practices (the Practices) in Appendix 14 of Listing Rules sets out the principles of good governance and best practices in relation to protection of the rights of shareholders, practices of directors and the board and corporate reporting, as well as disclosure of information.

In February this year, the third review report of compliance by listed issuers with corporate governance practices was published by the Hong Kong Exchanges and Clearing Limited (HKEx). The report analyses the corporate governance practices disclosed by 1 213 listed issuers in their 2007 annual reports. According to this latest report, compliance by listed issuers with

corporate governance practices has, in general, continued to improve since the second review.

The Listing Division of the HKEx will, with reference to the latest international developments in corporate governance, review the Practices and consult the market.

We are in the process of rewriting the Companies Ordinance. One of our highlights is to strengthen corporate governance and enhance protection for the rights of small investors by, among others, proposing enhanced corporate transparency and disclosure of company information. For instance, public companies will be required to prepare more detailed reports on directors' honorarium and more analytical business reviews, and set out more stringent requirements in relation to matters involving directors' conflicts of interest.

Mr TO and other Members have also mentioned that in the area of manpower training, Hong Kong must enable agents selling financial products to fully understand the operation of the financial market and the relevant financial products before explaining to the consumers who intend to invest in financial products the details of the products concerned. After receiving the two reports submitted late last year by the Hong Kong Monetary Authority and the Securities and Futures Commission on the Lehman Brothers incident, the Government has in fact worked with the two watchdogs to take forward various measures in full swing to further enhance the existing regulatory framework, in order to provide greater protection for investors. Some of the improvement measures in the initial phase, including introducing new administrative guidelines or codes and strengthening the regulation of the business operation and conduct of financial intermediaries, have already been implemented immediately.

We understand that the Lehman Brothers incident and the global financial tsunami, coupled with the financial problems that occurred in other places, have made investor protection and education even more important. In this regard, a series of follow-up measures will be formulated. These include considering the establishment of a financial services ombudsman and a cross-sector Investor Education Council by statute. We will strive to conduct consultation by the end of this year and then study the feasibility of putting these measures into implementation.

We also agree with many Members who propose that insofar as nurturing financial talents is concerned, education must be enhanced in respect of the professional conduct in the market. In this regard, I will request the Advisory Committee to advise different universities and training institutes on this subject.

As for the issues in other areas raised in the motion and the amendments, as well as the relevant views expressed by other Members, the Secretary for Commerce and Economic Development will give a response later.

President, in the face of globalization of the world economy, it is necessary for the financial industry, as our pillar industry, to continuously inject "new blood", because only in so doing can we consolidate our status as an international financial centre. We hope Members can continue to support the Government's various measures for strengthening manpower training and deepening the development of the financial industry. We will also continue to discuss, through this Council, with Members ways to enhance corporate management and the sale of financial products.

Thank you, President.

SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT (in Cantonese): President, the Secretary for Financial Services and the Treasury, when making his concluding remarks just now, has given a reply to a majority of issues raised by Members. Here, I wish to add several points from the angle of trade.

The first part of my speech relates to the provision of training to local talents with a business vision. Hong Kong's success in developing from an entrepot into an international financial and trade centre over the past decades is, of course, not attained through its reliance on natural resources but on the manpower resources that are pooled together here in this place. In the first quarter of this year, some 790 000 people were engaged in employment in the wholesale, retail and import and export industries, accounting for about one third of the number of employees taken on by private enterprises in Hong Kong. This highlights the importance of quality talents in the fields of business administration and trade to sustainable economic development.

The Government has been collecting data through various channels to make projections of the manpower demand of different sectors (including the trade sector) in Hong Kong and will seek the views of related parties on the relevant policies. Comprising representatives from the industrial and business sectors, universities and training providers, the Manpower Development Committee will advise the Labour and Welfare Bureau from a macroscopic perspective on the overall manpower needs of Hong Kong and the relevant policies. We will also consult various committees from time to time, including the Small and Medium Enterprises Committee, for the purpose of seeking their views on such significant manpower policies as the Qualifications Framework and the Quality Migrant Admission Scheme.

With regard to the provision of training to local talents engaged in the fields of business and trade, the Secretary for Financial Services and the Treasury has just given a brief introduction of the work undertaken by various tertiary institutions. Covering a wide range of courses, the Continuing Education Fund set up by the Government encourages the local workforce to pursue further studies, so as to tie in with the development of a globalizing knowledge-based economy.

To address the needs of corporate practitioners, the "Meet-the-Advisors" Business Advisory Service is being implemented at the Support and Consultation Centre for SMEs of the Trade and Industry Department (TID), such that small and medium enterprises may seek free-of-charge guidance and counselling services from experts of various industries. Support organizations may also apply for funding provided under the TID's SME Development Fund for organizing training courses.

Regarding the area of professional services, subsidies may be granted to members of the trade under our Professional Services Development Assistance Scheme for carrying out various projects, for example, the Skills Upgrading Scheme, international conferences and training courses, so as to elevate the professional standard of the trade and enhance its competitiveness in external markets.

As for Mrs Regina IP's amendment on assisting the shipping industry in nurturing talents, the authorities recognize that it is necessary for Hong Kong, as an international shipping centre, to have a group of practitioners and professionals with sea-going experience. Various tertiary institutions, including The Hong Kong Polytechnic University and the Nautical Training School, offer a number of

courses in Maritime Studies. The Hong Kong Maritime Industry Council has also established an incentive scheme and provided scholarships to encourage young people to enrol in master's degree courses in Maritime Studies and join the shipping industry, or encourage existing seamen to continue their service in this profession. It will also sponsor the holding of world-renowned training courses of a high standard in Hong Kong. For example, a series of seminars and practical courses have been organized in collaboration with the Baltic and International Maritime Council for three consecutive years to provide training to professionals currently engaged in the shipping industry.

President, the second part of my speech centres on consolidating the strengths of Hong Kong as an international trade centre. Of course, in order to pool the relevant talents together, it is necessary for Hong Kong to maintain its position as an international trade centre and a business-friendly environment. First, Hong Kong enjoys the unique advantage of having the Mainland as our hinterland while maintaining an international outlook. Acting as a bridge for overseas corporations to gain entry into the mainland market and a springboard for mainland corporations to go global, Hong Kong can offer many employment opportunities to local talents while attracting overseas talents to seek development in Hong Kong. The SAR Government also promotes the development of the service industry and the work of trade and investment facilitation through such co-operation frameworks as the CEPA, with a view to further strengthening the economic and trade relationship with the Mainland.

In addition, in response to new trends in world trade, we will seek to enter into more economic and trade arrangements with our trading partners, so that our goods and services can gain access to overseas markets under more favourable conditions.

In order to encourage local enterprises to participate in a greater number of export promotion activities, subsidies may be provided under the TID's SME Export Marketing Fund. The Hong Kong Export Credit Insurance Corporation has expedited and applied flexibility in the processing of exporters' applications for export credit insurance, so as to provide exporters with stronger protection as far as possible.

On the work of improving our business environment, through the Business Facilitation Advisory Committee, the Government has conducted regulatory reviews and taken measures, so that the regulations and procedures adopted by

the Government can better facilitate the development of the business sector and reduce the compliance costs borne by the trade.

Just now, Mr WONG Yuk-man referred to the Task Force on Economic Challenges (TFEC), and he may have a rather negative view on the effectiveness of the TFEC. However, I wish to take this opportunity to reiterate that in fact, during the discussion on Dr PAN Pey-chyou's motion at the meeting of this Council held on 3 June, a number of Members raised positive suggestions relating to the six economic areas identified by the TFEC.

President, I have recapitulated the measures taken by the authorities in the area of talent training and consolidating Hong Kong's position as an international trade centre. We will continue to undertake work in these two directions, so as to promote the sustainable development of the Hong Kong economy.

Thank you, President.

PRESIDENT (in Cantonese): I now call upon Mr James TO to move his amendment to the motion.

MR JAMES TO (in Cantonese): President, I move that Dr Philip WONG's motion be amended.

Mr James TO moved the following amendment: (Translation)

"To add "coupled with the fact that the Lehman Brothers incident, the Octave Notes incident and the CITIC Pacific incident have revealed that from corporate governance to the sale of retail financial products, those in the various sectors of Hong Kong's financial system all have to be better equipped," after "situation,"; to add ", improve corporate governance, and enable the trained personnel to fully understand the operation of the financial market and the relevant financial products, and to explain to the consumers who intend to invest in financial products the details of the products concerned" after "resources"; and to add "; and this Council also appeals to all the people affected by the deficiencies of the financial system to voice out the above requests by demonstrating their power on 1 July" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr James TO to Dr Philip WONG'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.

(Members raised their hands)

Mr James TO rose to claim a division.

PRESIDENT (in Cantonese): Mr James TO has claimed a division. The division bell will ring for three minute.

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:

Dr Margaret NG, Mr CHEUNG Man-kwong, Dr Joseph LEE and Mr CHEUNG Kwok-che voted for the amendment.

Mrs Sophie LEUNG, Dr Philip WONG, Mr LAU Wong-fat, Mr Jeffrey LAM, Mr WONG Ting-kwong, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Mr IP Kwok-him, Dr PAN Pey-chyou and Dr Samson TAM voted against the amendment.

Dr Raymond HO, Mr Abraham SHEK and Mr CHIM Pui-chung abstained.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat, Mr LEUNG Kwok-hung, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Mr WONG Sing-chi and Mr WONG Yuk-man voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan and Mrs Regina IP voted against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 18 were present, four were in favour of the amendment, 11 against it and three abstained; while among the Members returned by geographical constituencies through direct elections, 26 were present, 17 were in favour of the amendment and eight against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negatived.

MR FRED LI (in Cantonese): President, I move that in the event of further divisions being claimed in respect of the motion on "Strengthening human resources in the fields of finance and trade" or any amendments thereto, this Council do proceed to each of such divisions immediately after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Fred LI be passed.

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

(No Member indicated a wish to speak)

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 respectively of each of the two groups of Members who are present. I declare the motion passed.

I order that in the event of further divisions being claimed in respect of the motion on "Strengthening human resources in the fields of finance and trade" or any amendments thereto, this Council do proceed to each of such divisions after the division bell has been rung for one minute.

PRESIDENT (in Cantonese): Mrs Regina IP, you may move your amendment.

MRS REGINA IP (in Cantonese): President, I move that Dr Philip WONG's motion be amended.

Mrs Regina IP moved the following amendment: (Translation)

"To delete "and trade" after "a regional financial" and substitute with ", trade and trade-related services (such as shipping)"; and to delete "and trade" after "finance" and substitute with ", trade and shipping"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mrs Regina IP to Dr Philip WONG'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 hand 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, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr WONG Kwok-hing, as the amendment by Mrs Regina IP has been passed, you may now move your further amendment.

MR WONG KWOK-HING (in Cantonese): President, I move that Dr Philip WONG's motion as amended by Mrs Regina IP be further amended by my amendment.

Mr WONG Kwok-hing moved the following further amendment to the motion as amended by Mrs Regina IP: (Translation)

"To add "under the principle of giving priority to local talents" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr WONG Kwok-hing's amendment to Dr Philip WONG's motion as amended by Mrs Regina IP 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 hand 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, who are present. I declare the amendment passed.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, as the amendments by Mrs Regina IP and Mr WONG Kwok-hing have been passed, you may now move your further amendment.

MR LEUNG KWOK-HUNG (in Cantonese): President, I move that the motion as amended by Mr Paul CHAN be amended by my amendment.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, you should move an amendment to Dr Philip WONG's motion as amended by Mrs Regina IP and Mr WONG Kwok-hing.

(Mr LEUNG Kwok-hung sat down)

Mr LEUNG Kwok-hung moved the following further amendment to the motion as amended by Mrs Regina IP and Mr WONG Kwok-hing:
(Translation)

"To add "; and to ensure that such policies and measures must be formulated through democratic procedures and subject to regulation under appropriate regimes, so as to safeguard the interests of small investors and

the public, and prevent government officials from following orders of the business sector and rampant speculative activities" immediately before the full stop."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Mr LEUNG Kwok-hung's amendment to Dr Philip WONG's motion as amended by Mrs Regina IP and Mr WONG Kwok-hing 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)

Mr IP Kwok-him rose to claim a division.

PRESIDENT (in Cantonese): Mr IP Kwok-him has claimed a division. The division bell will ring for one minute.

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:

Dr Margaret NG, Mr CHEUNG Man-kwong, Dr Joseph LEE and Mr CHEUNG Kwok-che voted for the amendment.

Dr Raymond HO, Mrs Sophie LEUNG, Dr Philip WONG, Mr LAU Wong-fat, Mr Abraham SHEK, Mr Jeffrey LAM, Mr WONG Ting-kwong, Mr CHIM Pui-chung, Dr LAM Tai-fai, Mr Paul CHAN, Mr CHAN Kin-por, Mr IP Kwok-him, Dr PAN Pey-chyou and Dr Samson TAM voted against the amendment.

Geographical Constituencies:

Mr Albert HO, Mr LEE Cheuk-yan, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Ms Emily LAU, Mr Andrew CHENG, Mr Albert CHAN, Ms Audrey EU, Mr LEE Wing-tat, Mr LEUNG Kwok-hung, Mr Ronny TONG, Mr KAM Nai-wai, Ms Cyd HO, Miss Tanya CHAN, Mr WONG Sing-chi and Mr WONG Yuk-man voted for the amendment.

Mr CHAN Kam-lam, Mr LAU Kong-wah, Mr TAM Yiu-chung, Mr WONG Kwok-hing, Mr CHEUNG Hok-ming, Ms Starry LEE, Mr CHAN Hak-kan, Dr Priscilla LEUNG and Mrs Regina IP voted against the amendment.

THE PRESIDENT, Mr Jasper TSANG, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 18 were present, four were in favour of the amendment and 14 against it; while among the Members returned by geographical constituencies through direct elections, 27 were present, 17 were in favour of the amendment and nine against it. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the amendment was negated.

PRESIDENT (in Cantonese): Dr Philip WONG, you may now reply and you have three minutes three seconds.

DR PHILIP WONG (in Cantonese): President, you may imagine how difficult it is to make a reply within three minutes and three seconds to a debate which lasted almost two and a half hours. But I wish to say that my motion seeks to urge the

SAR Government to give in-depth consideration to this matter and comprehensively review the existing policies and measures, in order to attain the ultimate goal of training, attracting and retaining talents. However, after listening to so many speeches, I note that Members have spoken relatively less on retaining talents. I hope this does not mean that Members do not attach importance to this area of work.

I thank a number of Members for speaking on the motion. My motion is purely economy-oriented. To my surprise, some Members have politicized it. Nevertheless, I hope relevant Policy Bureaux of the SAR Government will have the ability and wisdom to differentiate these different views and make a correct judgment, and formulate appropriate measures to consolidate Hong Kong's position as a financial and trade centre.

Thank you, President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Dr Philip WONG, as amended by Mrs Regina IP and Mr WONG Kwok-hing, 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 hand 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, who are present. I declare the motion as amended passed.

PRESIDENT (in Cantonese): Motion for adjournment.

Under Rule 16(6) and (7) of the Rules of Procedure, I determine that if at the expiration of 75 minutes from the moving of this motion, there are still Members who wish to speak, I shall extend the period of the debate until all Members who wish to speak have spoken, and the designated public officer has given his reply.

As regards the speaking time, each Member may speak for up to five minutes, and the designated public officers making replies may speak for up to 15 minutes in total.

PRESIDENT (in Cantonese): It is now exactly 12:00 noon, the debate shall now proceed.

Members who wish to speak will please press the "Request to speak" button.

I now call upon Mr CHEUNG Man-kwong to speak and move his motion.

MOTION FOR THE ADJOURNMENT OF THE COUNCIL

MR CHEUNG MAN-KWONG (in Cantonese): President, the relocation of Zheng Sheng College to Mui Wo shows the beauty and discrimination of Hong Kong.

(THE PRESIDENT'S DEPUTY, MR FRED LI, took the Chair)

Discrimination stems from fear. Fear has triggered the emotion of the residents who subsequently rejected the repented students. The Government, having done nothing but chanting anti-drug slogans, has failed to do enough lobbying; it has failed to handle the grievances of the Mui Wo residents in their children's schooling and it has failed to formulate a policy on drug treatment and rehabilitation schools where students can receive drug treatment and study.

But Hong Kong has manifested its beauty after all. Zheng Sheng College has evoked the kindness and righteousness of the Hong Kong people. Mainstream opinions side with Zheng Sheng College, appreciating the College's convictions on education and its mission on drug rehabilitation. People have shown their greatest passion and care to students of Zheng Sheng College and affirmed the core values of education in Hong Kong: Never abandon any student and be accommodating to students who wish to rectify their mistake after knowing it.

Today, on behalf of the education sector, I salute Zheng Sheng College. Their efforts have warmed the hearts of the Hong Kong people. Thirty-five Members of various political parties and groupings support the relocation of Zheng Sheng College to Mui Wo; and I deeply believe that the Mui Wo residents will accept students of Zheng Sheng College just like the Cheung Chau residents do.

The Zheng Sheng incident teaches Hong Kong five lessons.

First, drugs are capturing campuses. Prestigious schools and girls schools are no exception. Schools are all on the same boat. They must overcome the psychological barrier of their schools' reputation and make all-out efforts to crack down on drugs in schools, teach students the dangers of drugs and support the voluntary drug testing scheme, with a view to rebuilding a healthy campus.

Second, school-based voluntary drug testing scheme must be supported by drug rehabilitation services. Differentiation should be made among student drug abusers. Curious first-time drug abusers should receive school counselling, while addicted student drug abusers should be referred to regional drug treatment institutions for follow-up over a longer period of time. And for drug-dependent students, more schools like Zheng Sheng College have to be established to help them get rid of their psychological dependency on drugs and start a new life. At present, one social worker per school is not enough. Some schools may even need two social workers to help counsel students and parents. At present, there are insufficient addiction treatment centres at the district level, or such centres are overloaded with cases. Drug treatment and rehabilitation schools similar to Zheng Sheng College are scanty. This exemplifies that the Government's drug rehabilitation policy often has a fine start but a poor finish. While much is said about anti-drug campaigns, little has been done in drug treatment. Such top-heavy approach must be rectified immediately.

Third, drug treatment and rehabilitation schools are the home front of the anti-drug battle. Getting rid of drug addiction is difficult, but getting rid of psychological addiction is even more difficult and getting rid of drug addiction while having to study at the same time is the most difficult. With the launch of school-based voluntary drug testing and vigorous government anti-drug programmes, Hong Kong needs to have more schools like Zheng Sheng College, and Zheng Sheng College can no longer fight against the evil of campus drugs in the form of a private school. The Government can no longer afford to act so slowly, and it should immediately hammer out the position, legislation, regulation, funding and distribution of drug treatment and rehabilitation schools. The Government cannot just relocate Zheng Sheng College to Mui Wo but refuse to provide it with funding and let it run its course.

Fourth, the Security Bureau and the police have to combat the perils of drugs in full strength starting from this summer holiday and stem the source of drugs and track down adult drug traffickers. The Department of Justice must prosecute drug dealers strictly according to the law rather than prosecuting the student drug abusers. Schools have to tackle student drug abuse by way of education and drug rehabilitation programmes. Drug abuse is a sickness and drug rehabilitation is a cure to the sickness. Hence, instead of expelling student drug abusers from schools, we should protect their privacy; otherwise, the voluntary drug testing scheme cannot succeed. For those with deep addiction, schools should do their part to make referrals. When society respects the education convictions of Zheng Sheng College, the education sector should endeavour to rescue these students from drug addiction with love and care, so as to win the respect of society.

Fifth, the Government has to put in place a set of district strategies on setting up addiction treatment centres, which include striking a balance on the location of such centres, lobbying support from the residents, advocating mutual commitment and sharing common responsibility. The people of Hong Kong have learnt to be accommodating from the Zheng Sheng incident. And the Government should create in society and in districts the conditions for this accommodating attitude, so as to exalt the beautiful hearts and souls of the Hong Kong people, conquer discrimination borne out of ignorance and fear, and combat drugs at root to eliminate its perils.

Deputy President, I so submit.

Mr CHEUNG Man-kwong moved the following motion: (Translation)

"That this Council do now adjourn for the purpose of debating the following issue: the relocation of Christian Zheng Sheng College to the former Heung Yee Kuk Southern District Secondary School in Mui Wo."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That this Council do now adjourn.

MR ALBERT HO (in Cantonese): Deputy President, there are the fortunate side and the unfortunate side in the controversy over the relocation of Zheng Sheng College. Let me expound on the unfortunate side first. Zheng Sheng College provides suitable enlightenment and counselling services for a group of young people who once went astray but are now willing to repent and start anew. We should feel pleased and encouraging for the families and parents of these repented young souls who now recognize their past wrong-doings; and society should enthusiastically accept them and encourage them to reintegrate into society and lead a normal life again. Unfortunately, when Zheng Sheng College has the need to relocate its dilapidated school campus which is unfit for operation to another school premise fit for sustained operation and when the appropriate school site is identified, that is, the unused school building of the Mui Wo Southern District Secondary School, students of Zheng Sheng College have been rejected and resisted by the local residents in Mui Wo. Of course, it is most unfortunate that in the public assembly, the students were criticized by some residents as the "doped boys" and "doped girls", which has seriously hurt their self-esteem. The residents' comments are regrettable. Society should condemn such a narrow and discriminating attitude. However, we believe that these individual comments and behaviour do not represent the Mui Wo residents' majority view, and that the majority of Mui Wo residents are kind and caring to these young people.

The fortunate side is that the controversy shows that society genuinely cares about and identifies with the present situation of Zheng Sheng College. Many Members even went to Chi Ma Wan in person to visit the College's existing school campus. The appalling situation is indeed astonishing. We found that the boarding, dining, teaching, studying and showering facilities are worse than those in prison. Although these students are willing to accept such hard training and difficult education environment, we still think that this is inhuman. These

students and the teaching staff deserve an up-to-standard school premise. Moreover, many people have come in touch with a number of teachers and students of the College in these few weeks and have witnessed the success of the College through the visits. The College's success is attributed to the fact that it emphasizes inspiration and power to influence in the education on integrity.

Although these young people have made mistakes in the past, we are impressed by their confidence, self-discipline, self-esteem and self-respect. This is far more effective than harsh punishments whereby discipline is enforced by others rather than by themselves. We hold that other social services agencies or correctional institutions should draw reference and learn from the education model of Zheng Sheng College.

Moreover, this incident also shows that the Mui Wo residents have much discontent about the inadequate social facilities and services in the district. We hold that these issues must be addressed. Here, I salute the teaching staff of Zheng Sheng College, and I wish that they can soon find a suitable school premise to continue with their meaningful work. I also wish that students of Zheng Sheng College can forge ahead and overcome difficulties in their search of new directions and new goals in life.

MS CYD HO (in Cantonese): Deputy President, the relocation of Zheng Sheng College into the vacant premises of Southern District Secondary School has aroused residents' objection. This incident has two aspects, namely, education and district administration. Let me talk about education first. At a hearing on combating drug abuse in schools held by the Panel on Education, some young students said that what was reflected by the drug abuse problem among them was not the toxins of drugs, but the toxins of society. If society fails to give youngsters any hope, even if they are prohibited from taking drugs, they will still express their despairs through other behaviours, such as self-harm or suicide. Therefore, combating drug abuse in schools and assisting youngsters to quit drugs is not only an issue for handling by the Security Bureau, Commissioner for Narcotics or Secretary for Justice. Basically, this is an issue that should be handled by the Education Bureau.

However, education policies in Hong Kong are tilting towards a unitary mode, which only stresses the biliterate and trilingual proficiency, liberal studies and some science subjects. In order to obtain subsidies, schools have no alternative but to fit in with this mode for producing talented students, though

these students may only know how to sit for examinations but are ignorant of how to get along with people. Zheng Sheng College is a school operating under this mode. It can only register as a private school, which is not eligible for any recurrent grant. Even though it just wants to find a safe place for its school premises, this has not yet been achieved after many years of disputes, and it can only build its school premises by dangerous hillside. In fact, what Zheng Sheng College teaches is the most basic and important values of how to be a good person. In particular, for those students who had gone astray but are now determined to repent, Zheng Sheng College teaches them how to regain their self-respect, dignity and self-confidence, and make plans afresh for their lives. This is indeed more important than academic performance in languages and science subjects.

Therefore, when urging the Government to assist Zheng Sheng College to expand its school premises, we should, at the same time, ask the Education Bureau to address the needs of students of different stages and capabilities and review its funding policies, so as to allow a diversified mode of education. Over the past decade, the Education Bureau has implemented the so-called "mainstreaming" policy, turning five practical schools and three skills opportunity schools into the so-called "mainstream" mode. This may, in fact, create more losers. These practical schools have their unique functions, such as providing boarding services, so that those youngsters at risk or with complicated family backgrounds can live there. As such, they can learn and live in a safe and quiet environment until they can become independent.

Eliminating these schools will only make these youngsters at risk feel even more hopeless. Once they fail to resist temptations, they will go astray very easily. Therefore, I hope the authorities can address the needs of society and extend its funding policies to cover different modes of education, so that students of different backgrounds and capabilities can also have chances to make the grade.

The incident relating to the school premises of Zheng Sheng College has also revealed the inadequacies of district administration. Many community facilities are necessary, but they may not be welcomed by the community. Zheng Sheng College is not the only example. I would like to tell students that even the plan of the University of Hong Kong to construct student halls or extend its school premises in Kennedy Town has met with objections from residents. How should we deal with this social norm? In fact, the addition or deletion of facilities in any community will definitely be beneficial to some residents or

cause inconvenience to some residents. Therefore, the most important part of district administration is to maintain community harmony among different opinions and conflicts of interests, rather than making use of an issue to polarize the community.

I want to state clearly here that the approach adopted by some residents in Mui Wo for expressing their sentiments can neither be recognized nor accepted by society. Nonetheless, we should respect their concerns about the shortfall of local school places and appreciate their lack of knowledge about the work of Zheng Sheng College. Moreover, we should assist them to calm down and know more about Zheng Sheng College, so that they can get along with students of Zheng Sheng College harmoniously through mutual understanding, just like residents in Cheung Chau.

Lastly, I wish to discuss this incident from the perspective of protecting youngsters. At the outset, I am very worried about students of Zheng Sheng College. But later, I find that they are strong and resilient. It is really worthwhile for us to cherish those students who have made mistakes but can still turn over a new leaf. However, there is another group of youngsters, who are children of residents in Mui Wo. With limited knowledge and information, they have been brought along by their parents to join discriminatory activities. They may not have the freedom of choice and are therefore victims as well. Therefore, I hope people from all walks of life can adopt the most tolerant attitude to accept the requests made by students of Zheng Sheng College and residents in Mui Wo, so as to create a harmonious society for the next generation. Thank you, Deputy President.

MR ALBERT CHAN (in Cantonese): Deputy President, the Government is very good at oppressing the poor. It simply acts like an onlooker after provoking the poor to fight against each other. Many policies, including those on transport, are implemented in this way. Minibuses, taxis and buses compete vigorously with one another, and the Mass Transit Railway can then monopolize the market. At the district level, the situation is the same. Whenever there is a lack of resources, the Government will put resident groups in confronting positions, so that there is no need for the Government to bear its responsibilities. Zheng Sheng College (Zheng Sheng) has aroused such a great reaction among residents in Mui Wo. In fact, the District Office should bear the greatest responsibility. And the Home Affairs Bureau is the chief culprit, as it absolutely has not

conducted adequate consultations and has no sense of crisis at all. Very often, problems lie in the Home Affairs Bureau. A number of Secretaries of Department and Directors of Bureau are present today, but the Secretary for Home Affairs is not here. I therefore have to condemn the Home Affairs Bureau for not conducting adequate consultations.

Deputy President, in the Zheng Sheng incident, very unfortunately, the residents in Mui Wo and the relocation of Zheng Sheng College, or residents' demand for schools and the College's relocation, are lumped together. In fact, the two issues should be handled separately. I have told Secretary Michael SUEN repeatedly that the policy of school closure in Hong Kong is absolutely unreasonable, especially for those community groups living in remote areas. The Government should formulate a policy to address their demands for primary and secondary schools. As they have to spend more time and money on travelling, their demands cannot be assessed according to the standard of other ordinary districts. Therefore, community groups living in remote areas should have their own primary and secondary schools. As for the principle and stance of residents in Mui Wo of striving for their own secondary school, I will give full support to them. Over the past two or three years, I have been discussing this issue with Mr LAU Wong-fat, hoping that Mui Wo can retain one secondary school. However, very unfortunately, because of the rigid and inhuman policies implemented by the Education Bureau, residents are still forced to go to schools in faraway places nowadays, which is attributed to the failure of government policies.

As for the Zheng Sheng incident, Deputy President, I have paid a visit to the College with Mr WONG Yuk-man, Chairman of the League of Social Democrats some time ago. In fact, teachers and students of Zheng Sheng are facing a life-threatening problem as there are a lot of big rocks on the slope and the College is located just by the side of a potentially hazardous slope. Therefore, in view of its geographical environment, if we do not assist Zheng Sheng to relocate to other places, we are simply ignoring the lives of its teachers and students.

Over the past decade or so, the Government has been turning a blind eye to the actual needs and problems of Zheng Sheng. Moreover, while Zheng Sheng is originally designed to accommodate 30 students, more than 100 students are now admitted, showing that its education convictions are supported by many parents. Many students of Zheng Sheng are admitted at the request of their

parents. There were also examples that graduates from Zheng Sheng could go to universities and engage in different industries. Training provided by Zheng Sheng can enable its students to acquire skills which are useful for them to engage in different industries and occupations. Therefore, many graduates from Zheng Sheng have shown outstanding performance in various industries, especially in catering, advertising and information design. These examples should, in fact, be widely publicized, so that people from all walks of life, especially residents in Mui Wo, can have a clear understanding that Zheng Sheng is an educational institution with high quality and contributions, rather than just an institution providing treatment to young drug abusers.

Deputy President, as for the problem faced by Zheng Sheng, I hope various parties can enhance communications and liaisons during the process of relocation, so that the relevant arrangements can be acceptable to people living in this district. Deputy President, some people tell me that there is a conspiracy behind those who object strongly to Zheng Sheng, because a property developer is going to implement a development project next to the relocation site of Zheng Sheng. The developer has thus exerted its influence clandestinely. But this can never be proved. Therefore, I hope the Government can clarify expeditiously as to whether there is any property development project to be carried out in the vicinity of the school site in Mui Wo, so that the public can be informed in advance and hence, other people's interests will not be affected because of unclear information.

Deputy President, lastly, I would like to extend an invitation to all Members of the Legislative Council here — several Members suggest holding a basketball match with teachers and students of Zheng Sheng on 4 July, which will start at six o'clock, followed by a barbecue with the youngsters at our expenses. I hope Members can join us. Moreover, Mr CHEUNG Hok-ming is also welcome, so that he can understand the situation of Zheng Sheng. I hope we can have a happy evening on that day and enhance our communication with each other.

MR CHAN HAK-KAN (in Cantonese): Deputy President, the relocation of Zheng Sheng College, a drug rehabilitation school, to Mui Wo has aroused grave concern in the community recently. Apart from the location of the school premises, the public has become increasingly concerned about the youth drug abuse problem, which is getting more and more serious.

According to the statistics given by the Narcotics Division, last year, the mean age of first-time young drug abusers was 15, with the youngest one being 11 or 12 years old in some cases. As we can imagine, even if they are willing to quit drugs, it is still impossible for them, who are still very young, to find a job in the labour market. Therefore, it is more desirable for them to continue with their studies. However, most of these youngsters were not interested in studying, and they may not be able to catch up in ordinary schools. It is most worrying that if they face setbacks in their studies, they may drop out from schools and eventually, go back to their old friends and take drugs again.

Therefore, the emergence of drug rehabilitation schools can cater for the needs of these youngsters, for they can, on one hand, provide them with an appropriate environment, and at the same time, provide counselling services to them, so as to enhance their resistance against drugs. That way, they can place their hopes on something else, which can enable them to revert to the right path and stay away from drugs.

In March this year, I met CHAN Siu-cheuk, principal of Zheng Sheng College, to learn about the operation of the College. As for whether Zheng Sheng College should be relocated to Mui Wo, I personally consider that such a move should be considered as appropriate by the College, and at the same time, it should have the understanding and support of residents, the District Council and the Rural Committee. In the Zheng Sheng incident, we notice that it is similar to some previous cases in which controversial facilities were to be built, giving rise to a conflict between community interests and the overall interests of society. The Government, being the policy maker, has failed to conduct consultation and co-ordination properly. Worse still, it has intensified the conflict between residents and the College. Such handling approach can hardly be acceptable.

I notice that the Heung Yee Kuk is willing to act as a mediator between the College and the community today, and has established a working group to follow up this issue. I consider this an appropriate move. I earnestly hope that the Zheng Sheng incident can be resolved satisfactorily, so as to achieve an all-win situation for the College, the local residents and society.

Deputy President, over the past few years, the number of people taking ketamine has been on the rise. However, government resources are still mainly allocated to services such as methadone treatment or drug addiction treatment centres, which obviously represents a mismatch. I hope the Government can identify the problem and conduct a comprehensive review on all the existing

addiction treatment services, including examining ways to assist those novel religious drug addiction treatment institutions, such as Zheng Sheng College.

Deputy President, in my remaining speaking time, I would like to talk about my viewpoints on the school-based drug testing scheme. At the outset, society was resistant to this scheme, thinking that it was a gross infringement of human rights and privacy. However, after a period of time, society has gradually accepted it. I notice that the Associations of Heads of Schools in North District and Tai Po District have taken the lead to indicate their willingness to implement the school-based drug testing scheme in their schools.

I personally consider that the scheme should be implemented voluntarily first and mandatorily later. First of all, voluntary drug testing should be conducted in all schools in the districts. Depending on its effectiveness, we can then consider whether it should be conducted on a territory-wide basis. Moreover, in order to implement the scheme smoothly, we should set the right focus and discuss the details expeditiously, such as how to obtain consent from parents and students, how to conduct the tests, and so on. If some students are found to have taken drugs, how should such cases be followed up? As for those first-time drug abusers whose cases are not so serious, should we deal with them mainly through counselling and education? As for those young drug traffickers who sell drugs in schools, should we refer their cases to the police? It is also worthwhile for us to consider these questions thoroughly. If these questions have not been considered in detail, once the scheme is launched, it may probably amount to doing a disservice out of good intentions. It will not only increase the workload of schools, but also result in the failure to identify students who take drugs and assist them to turn over a new leaf. I hope the Government can pay more attention in implementing this scheme.

Deputy President, I so submit.

MRS SOPHIE LEUNG (in Cantonese): Deputy President, regarding this topic today, I would like to start my speech with the slogan of students of Zheng Sheng College. Their teachers have taught them to be sincere and to honestly face up to themselves and society. I hope all those people who have been involved in or are concerned about the Zheng Sheng incident can view the issue from this perspective.

Deputy President, from this perspective, what I can see is not simply Zheng Sheng College, but also the problems of drug abuse and students taking ketamine in schools earlier. Should society be more concerned about these problems? Being a Member of a responsible legislature or a member of the community, we should endeavour to find out the source of these problems. Is it simply a question of the relocation of Zheng Sheng College? I do not think so. Deputy President, if you have contacted those students, you will know that they always feel that their life is very boring. They have talked about how they feel about their families. They even said that they have nothing to say when they return home. What can they do? If their families fall into disarray, how can they make contributions to society? If there are some people acting like a backseat driver, criticizing that mistakes are made here and there, the problems can in no way be solved. I keenly hope that we can motivate our children to follow the example of students of Zheng Sheng College in facing up to all challenges positively, and also find out whether the challenges they are now facing are justified.

Moreover, parents can no longer claim that they have fulfilled their responsibilities by just providing food and shelter for their children. Their responsibilities have not yet been fulfilled simply by doing so, and there are still a lot of responsibilities ahead. How should we deal with these problems? And what are the responsibilities of teachers? I hope the Government can set up a task force after this incident to consider thoroughly why students will feel so boring. Of course, the first thing that we should look at is the curriculum. Secondly, what are the teachers teaching? Why do they just teach according to their own ideals, but totally ignore what students want to receive?

I suggest that this task force should examine the following aspects: first of all, what are the roles of parents, teachers and schools? Can they really perform their roles? Second, what are the roles of the Government and society? Third, what should social workers, all education practitioners and youth workers do? Many youngsters are living in the virtual world, whilst our social workers are living in the reality. I wonder how many times I have to repeat to make social workers understand that they should not view their work and targets by just focusing on their remuneration, fringe benefits and whether funding is made by one-off lump sum grant. Rather, they should work from their hearts. Fourth, how should society accept these children? What is the road ahead for children who are willing to repent and start anew? We can criticize the Government and

society here for their inadequate efforts. However, where there is a will, there is a way. As long as all of us can work wholeheartedly, I think we can definitely make it.

Zheng Sheng College has adopted a very good approach. If it is really as good as what I have heard, it should become a brand of Hong Kong, so that teachers of all conventional schools can take it into consideration. They can make reference to what teachers of Zheng Sheng College have done and identify the areas in which they have not fulfilled their duties as teachers. This will help solving our problems on drugs and drug abuse. I hope we can also conduct a detailed research study to look into what Zheng Sheng College has done.

The school premises needs not be beautiful, but it should be built jointly with students. I do not consider that there is any lack of resources. On the contrary, resources are quite sufficient, just that I think we do not have the determination to do so.

Lastly, I would like to tell teachers and students of Zheng Sheng College that life is a long journey. Everyone should pave his own road, and only such a road is solid and valuable. Sometimes, people will give us great encouragements, but we must not allow ourselves to get carried away. These are neither long-lasting nor real. After all, we have to pave our own road. Thank you, Deputy President.

MR LAU WONG-FAT (in Cantonese): Deputy President, regarding the proposed relocation of Zheng Sheng College to Mui Wo, as the authorities lack sensitivity and conducted consultation hastily, it gives people a feeling of high-pressure tactics. Moreover, given extensive coverage by the media and interventions by various political parties, coupled with many people swarming to take a "political free ride", the incident has become over-heated and politicized rapidly.

Zheng Sheng College provides youngsters with a road of rehabilitation, which should be praised for having such a lofty mission and performing such important responsibilities. Moreover, as there is a genuine need for its relocation, it is really worthwhile for us to give it our support.

On the other hand, residents in Mui Wo are greatly worried about and dissatisfied with the relocation of the College. We should also treat them fairly and attach importance to their views. As we all know, the authorities adopted a rigid policy earlier to close the Southern District Secondary School in a broad-brush manner. This has left a mark on local residents who are still keen to reopen the school. Under such a situation, their strong reaction against the unexpected relocation of Zheng Sheng College is understandable and deserves our sympathy. Recently, I am very pleased to see that some news reports express relatively impartial views, which have done justice to residents in Mui Wo.

(THE PRESIDENT resumed the Chair)

President, the New Territories Heung Yee Kuk is a statutory advisory body of the Government, which serves as an important bridge for communications between the Government and residents. In the development of the New Territories over the past several decades, it has all along been taking up the role as a mediator. Heung Yee Kuk therefore considers it to be its duty to solve the relocation problem of Zheng Sheng, so as to maintain the stability and harmony in society. First of all, we consider that the parties concerned have not put forth any convincing evidence to support that Zheng Sheng College has no other alternative but to relocate in Mui Wo. Moreover, if the College still relocates its school premises to Mui Wo, continuous disputes between residents and the College will be resulted, which is not desirable to the College, students and residents at all.

In view of this, after careful consideration, the Heung Yee Kuk has identified a number of sites for consideration by Zheng Sheng College and the Government. We believe that the environment and other conditions of these sites can meet the requirements of relocation of Zheng Sheng College. As the sites concerned are not so close to residents as that in Mui Wo, resistance against its relocation can be greatly reduced.

President, as the saying goes, "So long as we have the determination, solutions will always be more than problems". As for the suggestion put forth by the Heung Yee Kuk, Principal CHAN of Zheng Sheng College has indicated that he will adopt an open-minded attitude. His response is encouraging. We

hope that Zheng Sheng College can take one more step forward to demonstrate the spirits of kindness, generosity and humility, and eventually accept other site proposals having regard to the harmony and peace in the district. That way, I deeply believe that they will command more praises and support from the public.

Lastly, in my opinion, if various parities can maintain a rational and open-minded attitude and make concerted efforts, I am confident that the problem can be solved.

President, I so submit.

MISS TANYA CHAN (in Cantonese): President, I wonder if anyone of us has not made mistakes when we were young. Minor mistakes might be copying homework or cheating in examinations, whilst serious ones might be stealing things, joining the triad society or getting pregnant before marriage. However, I just want to make a point here and that is, who has never made mistakes at all? It is no big deal to make mistakes, for the most important thing is to rectify our mistakes after knowing them. In order to rectify our mistakes, we must have the support, help and understanding from people around us, including teachers, parents and friends. As for the problem of youth drug abuse, Zheng Sheng College is a place which can offer help to these youngsters. As stated by Zheng Sheng, it is a place for those who have once sinned but wish to repent, and a place "from death to life". This is also the doctrine of Zheng Sheng College.

Recently, it seems that drug abuse among students is found at schools in various districts. The youth drug abuse problem is becoming more and more serious, just like human swine influenza or the financial turmoil. In fact, this has truly reflected the lack of appropriate care and concerns for youngsters in society. Recently, I have read a story about a young girl in a newspaper.

She was studying in a famous school in Kowloon Tong, but as she sniffed ketamine — some Honourable colleagues said that the students take ketamine, but it should be sniffing ketamine, as I have got this wrong before — she was found out by the school. Fearing that she would affect the prestige of the school, the headmaster dismissed her using other excuses. The case had not been referred to the police or social workers for follow-up and was left unsettled eventually. After the girl had returned home, as her parents did not know how

to deal with her, they just scolded and criticized her. As a result, the girl became even more rebellious and her drug abuse problem was getting more and more serious. The girl could not find any school place as no school was willing to admit her. Worse still, her parents did not know how to solve the problem. Eventually, the girl decided to run away from home.

Finally, the girl was arrested in a covert anti-vice operation by the police. As she was engaged in a prostitution in Yau Ma Tei, she was arrested by the police in that covert operation. When being cautioned by the police, this girl yelled loudly and said "My school and my family have abandoned me. It does not matter what I do. Even though you have arrested me today, I will continue to be a prostitute after being released." This is what the girl said.

From what she has experienced, this girl is like an abandoned orphan. We can see fears, anxieties and resentments in her. As she failed to find her value for existence, she chose to do harm to herself unceasingly. She said that she had to receive more than 20 whoremongers a day. What was her purpose? She simply wanted to take revenge on her parents and school. This is really the most miserable tragedy.

We can see that drug abuse among youngsters may be attributed to the lack of appropriate parental love in families, and the lack of support from the community and assistance from schools. As a result, they turn to drug abuse and even self-harm. Before youngsters come into contact with drugs for the first time, schools, parents and the whole community and society have all failed to perform their gate-keeping role properly. Individual schools even adopt a self-deceiving policy. In order to protect their prestige, they simply expel students who have abused drugs. Very often, students are the ultimate victims. As in the case of the girl mentioned above, originally, she had a very promising life and future, but everything has been ruined.

President, Zheng Sheng College is a drug rehabilitation school rather than a drug addiction treatment centre. However, the successful rate of its students is even higher than that in drug addiction treatment centres. Students of Zheng Sheng are not criminals. They are just students on probation orders. Zheng Sheng College can precisely help these youngsters to quit drugs, so that they can go back to the right path and integrate into society. At present, in view of their small school premises and insufficient school places, they wish to relocate to the

Southern District Secondary School in Mui Wo. Of course, we do not wish to see more student drug abusers. We just hope to help more people in need.

Earlier on, the Civic Party has made a "twin proposal", which includes our support to Zheng Sheng College for its relocation to Southern District Secondary School as soon as possible. Moreover, we also hope that the Government can address the educational needs of residents in Mui Wo and outlying islands. In this incident, we notice that there is a department — though they have not sent any representative to attend this meeting today, I think their role is very important — that is, the Home Affairs Bureau, but I wonder if their District Officer has taken up any role in the whole incident.

Lastly, I would like to take this opportunity to do some publicity for the International Day Against Drug Abuse and Illicit Trafficking tomorrow, that is, June 26. The Civic Party has organized an experience-sharing session with Zheng Sheng College. Mrs Sophie LEUNG has also indicated that she is very interested in it. She also finds that it is worthwhile for us to make reference to the operation mode of Zheng Sheng College. This experience-sharing session will be held at half past six in the evening tomorrow at the Duke of Windsor Social Service Building in Wan Chai. We have invited the school supervisor and principal of Zheng Sheng and other friends to attend, and I hope that Honourable Members can join us and show support to students of Zheng Sheng College.

Thank you, President.

MR RONNY TONG (in Cantonese): President, what is the responsibility of the Government when social conflicts in the community have emerged with signs which are almost indicative of discriminatory acts? President, it is apparently the responsibility of the Government to resolve the conflicts and eliminate discrimination. If the problems are attributable to a lack of resources, the Government will be obliged to work on the distribution of resources. If the problems are attributable to a lack of understanding on the part of some people of certain issues, the Government should then be responsible for helping Hong Kong people to gain a better understanding of the relevant issues.

President, the issues arising from Christian Zheng Sheng College are actually related to the two cases mentioned by me just now, but the problems

involved are more than a lack of resources or a lack of understanding. President, let us look at some facts. A report released by the Audit Commission in October 2003 showed that the utilization rates of the Southern District Secondary School in Mui Wo were 30%. The school had a total of 11 classes, but as there was only one class for each grade, class combination was impossible and hence there was no scope for reduction of teachers. Given that only 68 of the 258 students lived near to the school at that time, in the light of the prevailing situation then, the Government considered the operation of the school unsustainable. As a result, the school failed to escape the fate of closure.

President, as far as I understand it, the Southern District Secondary School had resorted to different means to save the school from closure, including the provision of boarding service for senior secondary students in 2003 in the hope of attracting more students, and the provision of Yi Jin curriculum and technical training to boost student enrolment. In 2005, it also applied to the then Education and Manpower Bureau for the provision of primary, secondary and international classes by adopting a through-train mode. However, the proposal was rejected due to the excessively high operating costs, and in the end, it failed to escape the fate of closure.

President, the Southern District Secondary School had ceased operation for more than two years, but what has the Government done to address the concerns of the Mui Wo residents arising from the school closure? President, we have seen nothing at all. To the Mui Wo residents, the issues arising from the school closure may not necessarily be addressed by opening another school because, in my opinion, the problems of the Southern District Secondary School just mentioned by me may recur. What the Government should do is to help the Mui Wo residents by making use of the nearby schools or increasing the transport allowance by all means. However, the problem encountered by Zheng Sheng College is not the same. President, it does have a pressing need for a bigger campus. I believe many people have seen the College on television or they have been there in person, and should understand the difficulties confronting the College. The most important point is that it has been an objective of the College to keep a certain distance from society, while at the same time integrating with the nearby community. Given such a unique objective, Mui Wo, like Cheung Chau, is the ideal location. Many people have proposed many alternatives, but they may not necessarily meet the pressing need of the College. President, to resolve this problem, the Government must do something to prevent social conflicts from escalating or causing discriminatory acts to intensify in society. I

hope that efforts will be made by the Government to find solutions to the two different problems mentioned by me earlier on, but not drawing in one faction to hit out at another.

MRS REGINA IP (in Cantonese): Recent years have seen a "not-in-my-backyard mentality" developing in society. Members handling district affairs all know that the proposed provision of certain facilities in a district, be it a ventilation opening of the MTR, temporary explosive depot, halfway house for discharged mental patients, landfill or incinerator, will definitely meet with vehement opposition from the residents. Certainly, we should attach importance to the well-being of the local residents and address their concerns about the environment and air, but the Government is also obliged to explain to members of the public by all means that not only is it necessary to protect the environment of the local district, it is also necessary to protect the community at large and show our care and support to the disadvantaged groups.

Insofar as the Christian Zheng Sheng College is concerned, after verifying with the Security Bureau, I learnt that the College has dual functions. On the one hand, it is a rehabilitation centre for ex-drug addicts, and on the other, it is also a school providing academic and vocational training. As such, its students absolutely do not pose any safety hazard to the area. What is more, they are rehabilitated drug addicts. It is therefore very disappointing to see on television how the local residents scolded and rejected them. Fortunately, after the television footage was broadcast, we saw that both netizens and members of the public are very supportive of the students of the College, who had indeed behaved very well, and they are willing to help the students in their education to turn over a new leaf. Nonetheless, I am more concerned about what the Government has done to resolve these conflicts. Just as Mr Ronny TONG said, it is a very important duty of the Government to resolve social conflicts.

As far as I understand it, in the Zheng Sheng College incident, at least three Policy Bureaux are involved, namely the Home Affairs Bureau, Security Bureau and Education Bureau. This is because the College is not only an addiction treatment and rehabilitation centre, but also a school. For some unknown reasons, however, we only saw on television a Principal Assistance Secretary for Security, but not the Commissioner for Narcotics. It was reported that she has other more important duties to attend to. Issues relating to schools and education, including Mui Wo residents' strong wish for a local school, have not

been responded to. I even heard some hearsay — I wonder if Secretary Michael SUEN is willing to verify it — that the Deputy Secretary of the Education Bureau is extremely reluctant to take over the matter. This reflected a common problem of co-ordination within the Government, that is, the culture of shirking responsibility within the SAR Government. No one is willing to take over the "hot potato" to avoid getting into troubles. It is reported that, whether it is about the construction of a minor road at the district level or some controversial issues requiring a response at government headquarter level, Policy Bureaux always try to shirk responsibilities among themselves.

I once asked a senior government official and he told me that the root of Zheng Sheng College's problem is drug, so initiatives should be taken by the Security Bureau. And yet, I consider this view grossly one-sided, naïve and farfetched. In my opinion, the Education Bureau should intervene as early as possible. I have no idea what the Home Affairs Bureau (HAB) has done in giving early warning, nor do I know what efforts those 40 to 50 Administrative Officers recruited by the HAB plus an extensive network of Liaison Officers have made in calming and liaising with the local residents. So far, the Secretary for Home Affairs has not uttered a word. Secretary Michael SUEN should be aware that there is no escape for him because meetings will be held in the Panel on Education of the Legislative Council. I am glad to see that at least one Secretary of Department is present at the meeting today, because it is necessary for senior government officials to decide on which Policy Bureau should take the lead to face the public as early as possible. Only in this way can public dissatisfaction be promptly alleviated.

President, I so submit.

DR PRISCILLA LEUNG (in Cantonese): President, I first knew of the Christian Zheng Sheng College in 2000 when its Principal, Alman CHAN Siu-cheuk, was presented the Ten Outstanding Young Persons Award. Accounting for the reason why he was given this award, he said that he was engaged in rehabilitation of drug addicts who have undergone gospel drug treatment. I wish to highlight that this is not addiction treatment, but rehabilitation of youngsters after receiving addiction treatment. I still remember that he had been very eager to invite us to visit the College at that time. After listening to his story, we all found him very special and noble. He originally had a job, but when he saw that even the gospel drug treatment available at that time was not suitable for youngsters, not to

mention the efforts made by the Government, he had therefore taken the initiative to provide alternative rehabilitation services. Despite the gradual recognition of his work, the battle has been very tough over the past decade and no assistance has been provided to those youngsters in the traditional mainstream.

I was not a Member of this Council at that time, and both the Government and the Legislative Council had not attached much importance to this kind of alternative rehabilitative school. As a result, they had to raise funds themselves and look for volunteers to help those youngsters. Honestly speaking, not only the Government, but also the Legislative Council, the academia and people engaging in addiction treatment should review the matter together.

Concerning this incident, if Mui Wo residents had not raised opposition, the College and the problems arising from it would not have aroused widespread concern and received the general recognition and support of this Council. I think that things have actually changed from bad to good. And yet, it should not be left unattended after attracting public attention. The Zheng Sheng incident has brought to light two major issues. I have particular affection for the Southern District Secondary School because students trained in this school are particularly outstanding in astronomy. I once brought a number of smart youngsters to Beijing, who told me three months later that their school would close down. I then went to their school and saw that it had an astronomy hall. It is indeed a very special school, but had to close down because of low student enrolment under the policy at that time. I remember that in a radio programme hosted by me, this topic had been discussed for three hours and during which the parents and Mui Wo residents all broke down in tears. But still, nothing could be done to save the school from closing.

I have not visited many schools, but the environment of Southern District Secondary School is actually very suitable for Zheng Sheng College. At least, from the perspective of education, it is a more suitable site for rehabilitation and introspection of these young people than those other sites as reported by the media. In fact, the sole aim of rehabilitation is to look for one's life goal. When compulsory school-based drug testing was discussed earlier, I was glad to see one student from the College recounting the changes in his life and indicating his support to the scheme. I think that he is a very good example because what he said was his own true experience of rehabilitation. We have also seen many successful and encouraging examples where the person concerned became the Ten Outstanding Young Persons and even anti-drug activists.

Therefore, apart from the problem of the College itself, the incident has also revealed problems relating to the overall implementation of policies among government departments. Although many years have passed, we still cannot figure out who is tasked to co-ordinate the work of different departments.

I eagerly hope to point out here that, first of all, I hope students and the persons-in-charge of the College would hear that, we are very supportive of them. While I do not wish to see the Mui Wo residents being pinpointed, I think that the Government should give an explanation to Mui Wo residents, so as to resolve the issues which they have all along considered unreasonable.

Furthermore, insofar as drug prevention is concerned, I wish to advise all young people not to take drugs on the Mainland, in view of the more stringent measures adopted in Hong Kong. I have recently received a number of cases from parents of young people aged between 13 and 17, who have been sentenced to imprisonment for 15 years for taking drugs on the Mainland simply for fun. They have no idea what to do, and what is more, they have to lodge an appeal within 10 days. This is a genuine case that I received on Saturday in which these young people, who had no money, cheated mobile phones on the Mainland in return for a few hundred dollars, and were later given a heavy sentence because of drugs. I hope that the College will help bring about more proactive policies. Thank you.

MR WONG SING-CHI (in Cantonese): President, Christian Zheng Sheng College is a very good name. I think this is not the job of the College alone, but of all Members and people from all walks of life. I wish to talk about three directions. Firstly, it is "looking positively at life". We should not abandon anyone simply because he has gone astray or done something wrong in the past. It is indeed very important to look at life positively, especially because the youngsters still have to face their future. It would be disastrous to society if we do not value them or help them value their life positively. Not only is this disastrous to the young people themselves, but also to society. Therefore, it is very essential to look positively at life.

Secondly, although someone might have done something wrong in the past, we still hope to help them rectify their faults. Hence, the second mission is, "rectifying life". This is precisely what the College is doing at present. It does not aim to encourage people to take drugs or do anything noble, but merely hope to rectify the future of these children and youngsters so that they can live a better

life. After ensuring that their future has been rectified, the last step is to help them lead a positive life. Is this not a good thing? This is precisely what we are doing everyday. We are not only helping those ex-drug addicts. This is what we have been doing in the community. What is the problem with this? I really do not see any problem with this.

Zheng Sheng College is actually very similar to those gospel treatment agencies, and the only difference is that the former has done more on education. For example, the detoxification centre in Long Ke established by the Wu Oi Christian Centre, the Ling Oi Youth Centre in Tan Ka Wan established by the Finnish Missionary Society, as well as the Dawn Island and the Barnabas. There are still plenty of well-operated Christian therapeutic agencies which I have not listed. There is no need for me to point out which of them are operated as addiction treatment centres or schools because all of them are doing what Zheng Sheng is doing, that is, looking positively at life and rectifying life, so as to enable the young people to lead a positive life. Different approaches have been adopted to care for, to teach and to encourage the young people, with a view to building up a group of young people with positive life values who can influence each other, thereby enabling them to march into their future.

Secondly, it is also necessary to enhance their capability and deepen their sense of achievement in different circumstances or daily life. In our society, children are subject to many forms of setbacks and thus fail to gain any sense of achievement. Very often, it is the mentality of many parents or even the direction of education to raise future milch cows for those businessmen or tycoons rather than to help the children genuinely face their life. What is wrong with helping young people who have gone astray to rectify their future?

Nonetheless, it is most important to help them establish a new lifestyle so as to prevent them from going back to the previous community. The site should therefore be situated far from the residential area and the complicated community in they used to live, such that they will not go back to the previous community so easily, for this could be very dangerous. I hope that the Government will join hands with the College in this regard. In fact, not only Zheng Sheng College, efforts should also be made for other Christian therapeutic agencies or drug treatment agencies which are facing the same problem.

Last of all, I hope that the Government will genuinely show its commitment in this regard. Today, I am very pleased to see the Secretary for Justice at this meeting, which shows that we are giving this minor conflict

attention at a higher level. In resolving this problem, I hope that the authorities will not give an impression that an alternative site is required because of opposition to the relocation of the College in order to evade people's discrimination or on other unreasonable grounds. I also hope that the Government will not choose another site on the excuse of insufficient resources, which is an untenable reason. Should the Government decide to take up this task and consider it essential, it should let the College relocate to Mui Wo. If the College has to be relocated elsewhere for those reasons, all other similar projects will not be possible because the provision of similar facilities will have to be relocated for the same reason. What is it if this is not discrimination? Today, it is hoped that government officials can with a sense of commitment, allow the College to relocate to Mui Wo and enable it to achieve better development as far as possible. Thank you, President.

MS AUDREY EU (in Cantonese): President, I have listened very attentively to Mr LAU Wong-fat's speech. He praised the Christian Zheng Sheng College right at the beginning, saying that it has a very important task to accomplish and has a need for relocation. He is therefore very supportive of it. Unfortunately, at the end of his speech, I heard that he still hoped the College could be relocated elsewhere. President, insofar as the Zheng Sheng College incident is concerned, Mr LAU Wong-fat had once asked on another occasion whether we would raise opposition if we put ourselves in others' shoes. He said everyone would oppose it.

Although Mr LAU Wong-fat is not present at the meeting now, I wish to tell him that if everyone puts themselves in Mui Wo residents' shoes and raises opposition like them, where can the College be relocated? As he also admitted what the College is doing is of utmost importance, I really hope that "Uncle Fat" can exert more influences to help resolving this problem.

President, I also wish to tell Mr LAU Wong-fat in particular that we must understand the school system of the Zheng Sheng College. What makes it so successful? It promotes drug treatment and rehabilitation under a community system. In this community, the staff and students practise honesty, modesty, self-control and unselfishness, which are deeply rooted in the Christian faith and man's heritage. Earlier on, both Mrs Regina IP and Mrs Sophie LEUNG also mentioned the uniqueness of the College, which is the only organization in Hong Kong that operates a rehabilitation hostel and a private school at the same time in the same place, providing education that covers academic subjects from

Secondary One to Secondary Seven and vocational training. Its success in Cheung Chau has been obvious. Therefore, I very much hope that Mui Wo residents will think twice and accept Zheng Sheng College.

President, tomorrow is the International Day Against Drug Abuse and Illicit Trafficking. The Civic Party and the Zheng Sheng College have co-organized a seminar which Miss Tanya CHAN has mentioned in her earlier speech. I hope that the Secretary for Justice can attend to see how the College operates and how it integrates theory and practice. I know that the Secretary for Justice is a Christian, so I especially would like him to see how the College operates on the basis of the Christian faith and principles. Certainly, I also hope that Secretary Michael SUEN can attend the seminar. As we can see, no government policy has been drawn up for this kind of drug treatment schools, nor is there any financial assistance. We can also see from the figures provided by the Government that the number of young people taking drugs — I used the phrase taking drugs instead of abusing drugs — are increasing, particularly that of young people under the age of 21 and young female addicts. If the situation unfortunately deteriorates, we may probably need more than one Zheng Sheng College. Therefore, I hope that Secretary Michael SUEN can attend the seminar so as to gain a better understanding of the situation. The problems faced by us are not merely drug testing and treatment, but also rehabilitation, and we have to see what can be done to help them.

President, coming back to the Zheng Sheng College incident, Mui Wo residents also have their reasons for opposition because they had been deeply hurt by the closure of the Southern District Secondary School. Mr Ronny TONG's earlier speech has also touched on this issue. As we can see, the existing policies of the Education Bureau are very rigid, in that primary schools cannot open a class with less than 21 students, and secondary schools have to cease operation if there are altogether less than 67 students in three classes. As a result, many rural schools or residents of some remote areas felt very disappointed because their need is not met in the same way as urban residents. I know that many parents and students of rural schools very much cherish such school life and do not want to see their schools operating like factories, where secondary schools must have 30 classes. I therefore hope that the Zheng Sheng College incident will force the Government to rethink. In particular, it can be seen that a total of 114 schools had been closed by the authorities between 2001 and 2004, among which 22 have just had their School Improvement Programmes completed. As a result, \$400 million of public money was wasted. Some of them are Year 2000 design schools. I hope that Secretary SUEN can review this

incident and consider if our education policy can handle the issue of school closure more flexibly, apart from being accommodative to the Zheng Sheng College. Thank you, President.

MR CHEUNG KWOK-CHE (in Cantonese): President, recently, the incident of the site selection of the Christian Zheng Sheng College has given rise to wide media coverage of the operation of the College and also enabled the public to understand its education philosophy. I am very glad to see that the public are generally very supportive of the College, and the way the students of Zheng Sheng College reacted when facing the Mui Wo residents and the media recently has fully demonstrated the spirit of the College. According to the introduction provided by the Zheng Sheng College, "Zheng Sheng" means to change one's way and cross over from death to life. Its mission is to help all those people who are struggling with various kinds of addictive behaviour to abstain from such addiction, build a healthy and positive life and reintegrate into family and mainstream society.

I visited the Zheng Sheng College and saw that their campus is very primitive. Boarders are only provided with aqua privies and can only have cold water showers in winter. Besides attending classes, students also have to do household chores such as cooking, laundry and clean-up. There are debris flows in the mid-level of the campus, which will pose certain risks when stormy and rainy seasons approach. Despite such circumstances, the school supervisor, principal and teachers of the College have not given up. The teachers stand by the students, share their worries and joy and strive with them together. A teacher, Mr LAU, told the media that he and his wife, both teaching at the Zheng Sheng College, have planned to work in the College and live there with their baby which will be born at the end of this year in order to show the students what a complete family is like, thereby enabling these young people with complicated family backgrounds to better understand the roles of children and parents, so as to enable them to build healthy families in the future. I would like to take this opportunity to pay tribute to the school principal and the supervisor who have been actively fighting for a new campus for the school; the teachers and staff who have been teaching tirelessly and patiently; and the students of the Zheng Sheng College who have been so brave. Today, the school supervisor and two students of the Zheng Sheng College are also listening to our speeches in the public gallery.

The relocation of the Zheng Sheng College has become increasingly complicated. The incident has revealed the misunderstanding of the Mui Wo residents towards drug treatment schools. I think all responsible government departments, district councils, community leaders and residents should reflect on this. With the youth drug problem becoming increasingly serious, coupled with the possible implementation of the voluntary school-based drug testing programme in September this year, I think downstream services which facilitate detoxification should be increased. The measure of "two social workers for one school" mentioned just now should be implemented and the community drug counselling teams proposed by the sector should be set up.

Although the relocation of the school is still in a deadlock, this incident is encouraging in the sense that it has revealed the extent of acceptance of the Zheng Sheng College by the public. Not only do the public accept the College but they also encourage its students to keep up with their efforts. For example, a radio station has launched a programme to appeal to the public to face the incident of Zheng Sheng College squarely. Through media reports, the public have changed their perceptions of young people with a history of drug addiction. I hope the same will happen in respect of the public's perceptions of other disadvantaged groups, such as people with disabilities, ex-prisoners or students with learning disabilities.

The principal of the Zheng Sheng College once said that respect and acceptance have changed the students of the College. I hope the same situation will happen in our society which, based on respect and acceptance, will give them a chance and also give us a chance.

President, I so submit.

MR CHEUNG HOK-MING (in Cantonese): President, an adjournment debate on the Christian Zheng Sheng College incident is conducted in the Legislative Council today, which I believe is a very good platform for Members' discussion. At present, the site selection issue of the College has already escalated beyond the scope of site selection, or whether or not the public are supportive of or opposed to the selected site. The problem did not occur overnight, and its development has fully exposed the mistakes made by the Government in its policy decision. The problem of drug abuse by young people did not occur overnight, and has deteriorated into a very serious problem in society. If it is not handled properly, it will have far-reaching implications on Hong Kong. But, very unfortunately,

our Government has been procrastinating for quite some time and has yet come up with a practicable long-term policy to resolve this problem. In this incident, which department should be responsible for co-ordination? It can be said that the Government's mistakes have been fully exposed.

President, Zheng Sheng College is a drug treatment and rehabilitation centre which, to a certain extent, aims to provide rehabilitation services to young people with a history of drug addiction. It should therefore fall under the purview of the Narcotics Division of the Security Bureau. And yet, it is also a registered school under the Education Bureau and a considerable portion of its funding came from the Social Welfare Department. In that circumstance, it is unclear which authority should be held responsible. The saying of "three Buddhist monks have no water to drink in the end" is exactly a reflection of what is happening now.

President, the problem of drug abuse by young people has become more serious, and so far thousands of cases have been recorded. There were also reports that the addiction treatment centres for young people are already full. Should we not look squarely at the problem, it will have very far-reaching implications on Hong Kong. President, Zheng Sheng College's site selection issue is attributable to mishandling by the Government. Heung Yee Kuk, the Democratic Alliance for the Betterment and Progress of Hong Kong and Members all recognize the efforts and achievements made by the College over the past decade or so in the provision of drug treatment and rehabilitation services to young people. People from all walks of life also accord recognition to it. The consultation exercise could have been done better if there were more prior studies and communication, and if this could be done, I believe it would not have resulted in the present-day situation.

President, I still cannot figure out what went wrong in the course of the whole consultation exercise on the Zheng Sheng College incident. I am more well-versed in New Territories affairs and there were also proposals on the construction of such facilities as prison, addiction treatment centre and even halfway house in the New Territories. It is not surprising to see different views during the process, and sometimes opposition voices from the public can be heard. Nonetheless, the concerns could always be addressed by the Government after repeated and careful efforts in promotion, communication and consultation in the district. Recent cases concerning the Hong Kong-Zhuhai-Macao Bridge and the Liantang Control Point are settled in this way. What actually is the problem with the Zheng Sheng College? I still cannot figure it out. This has

also illustrated that the Government's lack of consultation should be blamed for causing the residents' misunderstanding.

Just now, Ms Audrey EU commented on Chairman LAU Wong-fat's speech, and I would like to elucidate a few points here. Heung Yee Kuk has all along been a responsible organization which has boldly made commitments for social issues. We have therefore suggested some alternative sites for the College, which has already made some positive responses. Mui Wo is not the only choice and what I said is true. Here, I would like to reiterate the position of Heung Yee Kuk New territories. We will equally give our support regardless of whether Mui Wo or anywhere else is selected in the end. I hope that Heung Yee Kuk will join hands with all members of the public to work for the future of these young people.

I consider that the views expressed by many colleagues earlier on are objective, and the Government should attach importance to the people's livelihood in Mui Wo. The Government should pay attention not only to the education aspect, but also other facilities. Chief Secretary Henry TANG mentioned the Lantau Development Concept Plan a couple of years ago. But many years have passed and so far, no progress could be seen. In this connection, should the Government think twice? If Mui Wo is selected, will the Government attach equal importance to its people's livelihood so as to abate the grievances of the public? I believe this is surely beneficial to government administration.

MR LEUNG KWOK-HUNG (in Cantonese): President, I am a cigarette smoker and tobacco itself is indeed a drug. It is only that tobacco is legitimate. I am also subject to discrimination because colleagues who came close to me could smell the cigarette smell on me. And yet, they have never asked me to quit smoking. Very few of them have indicated their wish for me to quit smoking. In fact, in such a complicated society, sometimes we may inevitably forget certain disadvantaged groups, and people who have been defined as drug addicts are even the most disadvantaged among all disadvantaged groups.

What I am going to say is that it is our Government which has, from time to time, initiated the trend to discriminate against the disadvantaged groups. Regarding the issue of mainland children born to Hong Kong residents, this Council had been deliberately misled by the Government, which claimed that

there would be an influx of millions of people to Hong Kong if those children were granted the right of abode. As a result, this Council voted in support of banning them from coming to Hong Kong or depriving them of their human right. What is more, it resulted in the interpretation of the Basic Law. Mrs Regina IP, who is not present in this Chamber right now, was a main character of this drama back then.

Furthermore, we have also taken the lead to discriminate against other disadvantaged groups. For example, mainland compatriots who have lived in Hong Kong for less than seven years are not entitled to any welfare benefits. As a result, many women who have to take care of their children are forced to live on the child supplement under the Comprehensive Social Security Assistance. Such things happen all the time. People discriminate against other people, just like Mui Wo residents discriminating against the College. The Principal of the Southern District Secondary School is a friend of mine. He said that he once made a proposal to Mrs Fanny LAW, but it was rejected in less than five minutes. Today, we all somehow got the call from conscience and made heartfelt speeches here. I am not saying that I am the only one who cares. Rather, I am actually worse than other Members because I still have not been to the Christina Zheng Sheng College. I have been very busy lately. I think of a quotation from a philosopher, "I have striven not to laugh at human actions, not to weep at them, but to understand them."

Secretary for Justice WONG Yan-lung has left, and it was him who has shouted loudly that actions be taken to beat drugs. What important appointment does he have? Can it not be postponed for a couple of minutes? He is always late for our appointments. He once said here that, "It is my prime mission to beat drugs." He has nonetheless failed to do so. Rather, he has been expeditious in instituting prosecution against the Citizens' Radio and the lawsuit has gone on for years. He even immediately applied for a court injunction, alleging that we had committed contempt of court. The arrest is still underway. What kind of Government is this? It has merely paid lip-service. If he is sincere in attending this meeting, I would have given him some advice. He is a Christian, there is the teaching of "not to be served, but to serve". Yet, he is not present in this Chamber now, and has only instructed a Bureau Director to sit here. Where is Henry TANG? We said that there is something wrong with the Government, then why did he go planting trees? Is he not tasked to lead the hundreds of government officials?

Honourable Members, we have blamed the Mui Wo residents, but I think they actually should not be singled out as Mui Wo residents. People who discriminate against others are discriminating, be they from Mui Wo, Wo Mui, Kowloon or Hong Kong. This is discrimination after all. We should not only blame Mui Wo residents for discriminating against people because those who discriminate against other people are discriminating. The Government has handed an addiction treatment school to a Christian group without making any long-term preparation, so it should go to hell. The Government should tell us what it plans to do after returning from hell.

MR TOMMY CHEUNG (in Cantonese): President, the Christian Zheng Sheng College has worked quietly over the past decade or so, saving many young people who have been affected by the menace of drugs. However, behind such brilliant achievements is a poorly fitted school campus of the College, which is situated in Chi Ma Wan on the Lantau Island. With increasing students, the campus had failed to meet the demand. What is more, the slope behind the school is prone to rock falls. Therefore, for the sake of the College's future development and the safety of the students, the Liberal Party considers that the relocation issue should be settled as early as possible and there should be no further delay.

Originally, the readily available Mui Wo campus is a pretty good choice for the College, but unfortunately it has yet to be accepted by the local residents. Although Heung Yee Kuk has recently listed a number of alternative sites other than Mui Wo for the consideration of the College, the Liberal Party is concerned that following the sudden emergence of so many alternatives and many more others are being proposed, which even include sites in Stanley and Central, will this make the issue more complicated?

Furthermore, Heung Yee Kuk claimed that the new sites have good natural landscape and feng shui, as well as beautiful environment, but these factors are not essential to the operation of the College. The mission of the College is to integrate the students into a small community so that they can learn social skills to get along with other people. Should the College move to such remote places as Hei Ling Chau or Shek Kwu Chau, where only few people live, it will definitely be turned into a detached addiction treatment centre. This is in stark contrast to the mission of the College.

President, students of the Zheng Sheng College are often students who committed wrongdoings and went astray but are now very determined to go back

on the right track. Why do we still have to look at them through "tainted glasses"? Furthermore, the College has not only established a male hostel in Cheung Chau, it has also opened a pizza shop and tea house. They have not caused any nuisance to the nearby residents at all. Instead, the students' humble and courteous behaviour have earned the praises of the residents. Given this successful precedent case, why do we still look at these youngsters as if they are monsters?

In fact, the community is also very supportive of these students. Last Saturday, the Liberal Party organized a signature campaign called "Supporting the Christian Zheng Sheng College with our hearts" (以心比心，支持正生). It was warmly welcomed and we had collected more than 3 500 signatures in just a few hours. Many members of the public had even sent some encouraging words to the students. The Liberal Party has already passed the signatures to the students of the Zheng Sheng College on Sunday, encouraging them to face up to their future.

The Liberal Party sincerely hopes that Mui Wo residents can be accommodating. If no better alternatives can be identified, they should accept these students and give them a chance to make a fresh start. The Government, on the other hand, should work hard to liaise between the College and Mui Wo residents so as to achieve a win-win situation. For example, the authorities may consider establishing a small-scale secondary school in Mui Wo in response to local residents' requests for the re-opening of a secondary school. In that case, the aspirations of both the College and the Mui Wo residents can be met.

Earlier on, when Chairman of Heung Yee Kuk cum Member of the Executive Council Mr LAU Wong-fat put forward four alternative sites for the consideration of the College. He undertook to help settle the issue by persuading the Mui Wo residents to accept the proposed relocation in Mui Wo in case those four alternatives were not accepted by the College. He also indicated that he was confident that the problem would be resolved in three weeks.

While the number of alternative sites has increased to 10, the Liberal Party believes people from all walks of life would like to see mediation by "Uncle Fat", so that the College's relocation plan would not be shelved indefinitely.

President, I so submit.

MR FRED LI (in Cantonese): In the incident of Zheng Sheng College, it can be said that the crisis has been turned into opportunity. At least, we have an opportunity to conduct an adjournment debate today so as to let Hong Kong people know that these services are provided. Without this opportunity, I do not think many people are familiar with it. Furthermore, the incident has at least provoked wider discussion of how to tackle the problem of drug abuse by young people.

Honourable colleagues, let us not use the term of drug abuse or abuse of soft drugs. We should call them psychotropic substances. Even ketamine can seriously damage the functions of the youngsters' nervous system and brain. I am a member of the Action Committee Against Narcotics, though not a diligent one, and this incident has already prompted us to rethink our direction.

I personally have a very strong feeling about this incident. After I was elected a Member of the former Legislative Council representing the Kowloon East constituency in 1991, I have experienced three incidents. One of them happened in the Laguna City, which has an activity centre for ex-mental patients in its community centre. I used to live in the Laguna City and was a Member of the former Legislative Council representing that district. I am also a social worker, so I surely have many roles to play. In the end, I decided to render my support to the activity centre. Since then, I had met decade-long political challenges and opposition. These have nonetheless become history because many years have passed, and I have already moved away. In the past, people used to scold me right on the streets. I wish to point out that nothing has happened in relation to the centre over the past decade or so.

The second incident is related to a day centre for the mentally handicapped at Kwai Tung House in Tung Tau Estate. At that time, the Tung Tau Estate Mutual Aid Committee also opposed the relocation of such a centre to their estate. Members might not recall that a Member of the former Legislative Council had been to the estate to negotiate with the local residents at that time.

The third incident is related to the Richland Garden. The case is even worse because the residents there had put up a long struggle. They had set up a booth at the site and pointed their accusing fingers at the nurses who worked there. It was so unfortunate that a District Councillor had won in the election by taking advantage of this incident. He was a District Councillor of the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB), who had raised vehement opposition to this centre. He was actually a member of the

Hong Kong Progressive Alliance instead of the DAB. It is only that he joined that latter when the two parties subsequently merged. I have no intention to criticize any political party. I just wish to say that some people raised opposition simply to strive for political capital so as to get elected as a District Councillor, and this happened 10-odd years ago. The case of Laguna City is the same as the District Councillor concerned was also elected by taking advantage of the incident. He was a member of the Liberal Party at that time, but he is no longer its member now.

I highlighted these three incidents because, firstly, the reason for opposition is the same as what we are saying today, namely inadequate consultation, mishandling by the Government and poor handling skills of the Home Affairs Department. Secondly, it is a matter concerning the local resources. Mr CHEUNG Hok-ming said just now that Mui Wo is lacking in many facilities, and this brings out one question. Does a lack of consultation, poor mishandling and insufficient local facilities justify the expulsion of this kind of service when its relocation in the district is necessary? Their answer is in the affirmative, but I do not think so.

We should not use these as excuses to cover up discrimination. Certainly, discrimination may stem from misunderstanding because people do not genuinely discriminate against such kind of service. It is simply because they do not have a clear understanding. They did not see any problem when they were arranged to visit the facilities provided for the mentally handicapped. The Christian Zheng Sheng College was established in Cheung Chau more than a decade ago, and so far nothing has happened. Residents of Cheung Chau are very supportive of the College, which shows that no problem has arisen. So is the case for Richland Garden, for Laguna City and for Tung Tau Estate. I can tell Members that, though the organizations concerned have been subject to years of discrimination, isolation and attack after the three incidents happened, no problem has ever arisen. They have been totally accepted by the community. I believe Mui Wo residents will also be like this. They may find it hard to accept it at the beginning, but like the process detoxification, which is pretty tough at the start, there will be great satisfaction when it is overcome in the end. All the three services just mentioned by me have been integrated into the community and there is no more opposition.

I therefore hope that Mui Wo residents can treat this matter with a fair mind. Misunderstanding and misconceptions are inevitable, and it is correct for them to fight for more services in Mui Wo, but they should not oppose the

provision of such services in the area. I absolutely believe Cheung Chau is a successful example, and so will Mui Wo, provided that all of us can render our support to it. Furthermore, the Government should also provide support by allocating resources to these drug treatment agencies, otherwise, problem may still arise.

MR WONG YUK-MAN (in Cantonese): President, many Honourable colleagues have expressed their opinions on the problem of Zheng Sheng College. This problem is, in fact, attributed to a disoriented and confused government being caught in a dilemma, which should bear the greatest responsibility.

I do not want to condemn the Government here anymore. Personally, I think highly of teachers and students of Zheng Sheng College because they can still show their fortitude under such a difficult situation. After paying visits to Zheng Sheng College, I am most impressed by those teachers and staff working there. They have to get along with students and encourage them under such appalling conditions, using their own lives to influence their students' lives. I do not want to criticize some people for discriminating against others, as some Members did. There has all along been discrimination in this society. The poor will discriminate against those who are poorer. Do you want to implement reforms? I fully agree with you. However, please do not try to change my view, and everyone is just like this. This is simply the norm of the entire society, which is related to education and the fact that the Government has no credibility. This is attributed to a lot of factors, not one single factor.

It is not difficult to solve the problem of Zheng Sheng College. On the contrary, we should pay more attention to the youth drug abuse problem revealed by the incident of its relocation. And now, the Task Force on Youth Drug Abuse has released a voluminous report.

Fred LI said just now that we should not say that such behaviour is taking drugs or call those substances drugs. It is drug abuse, or abuse of psychotropic substances. He has definitely not read this report. As recommended by the Task Force, for preventive education and publicity purposes in future, the generic reference to drug abuse should be "吸毒" or "吸食毒品" in Chinese. The use of such Chinese terms as "濫藥" or "濫用藥物" should be avoided as far as possible. This is the recommendation made by the Task Force in its report — Fred LI is not in the Chamber now — which is just the opposite to the view of

this kindhearted Member. Of course, they have their reasons in making this recommendation.

As the matter has developed into such a situation at present, I, on the contrary, am more concerned about the drug testing programme proposed in this report. After reading this report at the outset, I have voiced my strong objection to this so-called "voluntary" or "mandatory" drug testing programme at the Panel on Security. It is because if no complementary measures are to be put in place, such programme can hardly be successful.

Secretary for Justice, the Zheng Sheng Incident shows me very clearly that if we implement this drug testing programme and identify several thousand students who take ketamine or other drugs, what can we do? Please tell me. What can we do? It is already so difficult for us to find a better place for those 100-odd students of Zheng Sheng College. If several thousand students are found to be taking drugs, what can we do? Without any complementary measures in place, please do not implement the programme for the time being.

I think it is a victory for students of Zheng Sheng College in this incident. There has been high sentiments and heated public discussion. Many people have visited them, giving them a feeling that the public are very concerned about them. However, once the people left, they still have to face up to their living and future. They have to think about how long they have to stay here, whether they can continue to stay here to pursue their studies and how to handle the relationship with their family members.

Most importantly, Zheng Sheng College educates its students by advocating the Christian spirit, which is worthwhile for our consideration. Therefore, when some students asked me for my autograph the other day, the four words that I wrote most frequently were "Jesus Christ loves you". It is because only with such indiscriminate love of Jesus Christ regardless of one's social class and identity that they can have a chance to turn over a new leaf; it is only with such love that those who fall down can stand up again.

Thank you, President.

DR PAN PEY-CHYOU (in Cantonese): President, we participated in the launch ceremony of a youth anti-drug programme last Sunday. When presiding over

the ceremony, Secretary for Justice WONG Yan-lung quoted a very famous story of a prodigal son from the Bible and drew an analogy between this prodigal son and young people addicted to drugs. When the prodigal son returned home upon repentance with a determination to right his wrongs, his father showed him tolerance and love. The participants were deeply touched by this story, and at that time I thought it would be great if the society could be like this father, being so forgiving, accepting and keen in welcoming these young people who have returned to the right path.

Over the past 15 years, the perseverance of the principal and teachers of the Christian Zheng Sheng College in operating the school under very harsh conditions in order to open up a way of rehabilitation for young drug addicts indeed commands great respect. As a caring society, Hong Kong should make every effort to support the attempts made by the teachers and students of the Zheng Sheng College to counter the menace of drugs. However, reality always falls short of expectation. When we saw on television the strong reaction of some Mui Wo residents in the residents' forum to the proposed relocation of the College to their community, we could not help but wonder where the problem actually lied.

Some academics compare this incident of the Zheng Sheng College with the incident in which the residents of the Richland Gardens opposed the proposed establishment of an AIDS treatment facility more than a decade ago. Mr Fred LI has spoken on this very clearly just now, and a few similar incidents have also occurred. In fact, these incidents are similar in many ways. It is very common for the proposed establishment of certain facilities with a relatively negative image in the neighbourhood to evoke a sense of resistance among residents. Mr CHAN Kin-man, an academic, called this "locally unwanted land uses". He thinks that instead of being solely attributed to the residents' psychological reaction, the emergence of "locally unwanted land uses" is also related to how these facilities and their users have long been stigmatized or even vilified by society or the others, and the approach and strategy adopted by the authorities in introducing these facilities.

In recent years, the social stigmatization of drug addicts has made many members of the public think that drug addicts are bad people of dubious character. As such, residents will definitely not welcome the proposal of sending these people into their community to receive rehabilitation services or education. Besides, the society does not understand the mode of service provision and education adopted by the Zheng Sheng College, thinking that the

College only provides shelter to young drug addicts without helping them to return to the right path. The Government should indeed be held responsible for this, and many colleagues have spoken on this just now. In arranging for the relocation of the Zheng Sheng College, communication between the Government and the residents was carried out in such a poor and hasty manner that resistance and reaction of the Mui Wo residents were evoked. In fact, it takes more than one cold day for the river to freeze three feet deep. The failure of the Government to expeditiously finalize the development planning of Mui Wo has seriously affected the lives of the residents for a long time and caused long-term discontent among them. The incident of the Zheng Sheng College has only triggered an avalanche of long pent-up grievances.

I believe that in order to resolve this problem, it is most important for the Zheng Sheng College and the local residents to achieve mutual understanding, enhance their communication and remove their doubts. Reports through different channels have shown that the students of the Zheng Sheng College are not rebellious youngsters, as have been generally imagined, and many of them are very lovely. I believe the society is actually very willing to give them a chance. Actually, upon receiving the concerns expressed by the Mui Wo residents earlier, Mr WONG Kwok-hing, our colleague of the Hong Kong Federation of Trade Unions (FTU), has immediately arranged for the residents to meet with relevant government departments, such as the Narcotics Division, for communication to enable the residents to understand the function of the College.

I believe that as long as more liaison and communication are conducted, residents of whichever district will not oppose the relocation of the Zheng Sheng College to their community. In sum, the stance of the FTU is very clear. We fully support the Zheng Sheng College, and we also think that in considering the location of the College, the Government should respect the feelings of the residents because only when there is mutual acceptance between the community and the College through their mutual recognition of each others' approach and conviction will enhanced effectiveness be achieved with half the effort in the relocation of the Zheng Sheng College to Mui Wo. Unfortunately, the Government has failed to carry out thorough communication and consultation from the very beginning. We are glad to see that a Task Force has been set up by the Heung Yee Kuk to follow up this incident, and we hope that the problem will be properly resolved through concerted efforts of different parties.

I so submit.

MR WONG YUK-MAN (in Cantonese): President, I wish to correct my comment on Mr Fred LI's remark on drug abuse just now. What he said just now seemed to be consistent with the content of the report. I heard him wrong. Thank you, President, for allowing me to make this correction.

MR ALAN LEONG (in Cantonese): President, a few days ago, there is a television programme featuring interviews with a number of Cheung Chau residents on their views of the students of the Christian Zheng Sheng College. All the residents interviewed commented highly on the students for their politeness and willingness to shake hands with the others and said that they would miss the students after they have moved out. One man even said jokingly that sometimes he really hoped his son could enrol in the Zheng Sheng College and benefit from their students' good discipline. After watching this interview, I can sense that the Zheng Sheng College and the Cheung Chau residents are getting along in harmony.

Actually, if the Government had provided a more extensive explanation of the College's relocation earlier to enable the Mui Wo residents to have a better understanding of the issue, such a great conflict and repercussion might not have emerged. When the Cheung Chau residents can get along in harmony with the Zheng Sheng College, I believe the Mui Wo residents can do so as well. Therefore, President, actually I am confident that the incident of the relocation of Zheng Sheng College to Mui Wo will be resolved satisfactorily in the end.

On the other hand, I wish to spend the following four minutes to speak on the Zheng Sheng College, its education philosophy and mission as I understand them. In the documents of the Zheng Sheng College that I have studied, there is the following paragraph, and I quote: "In this community, the staff and clients practise honesty, modesty, self-control and unselfishness which are deeply rooted in the Christian faith and man's heritage. We reinforce this practice through counselling, character development programmes and Bible study for groups and individuals. These training items are inter-related and integrated into the everyday life of clients. In the Christian Zheng Sheng College, an affiliate of the association, we provide education (that is, to enlighten, to instruct and to counsel) that covers academic subjects up to Secondary Seven and vocational training. To create hands-on opportunities, we have set up various businesses."

President, the Christian Zheng Sheng Association is a charitable organization set up in accordance with the law. The Zheng Sheng College was

registered in 1998 and has a certificate of exemption issued by the Social Welfare Department under the Drug Dependent Persons Treatment and Rehabilitation Centres (Licensing) Ordinance to operate until January 2011. The Christian Zheng Sheng Association is also the only organization in Hong Kong which runs a counselling and rehabilitation facility and a private school at the same time to provide holistic complementary services for youth clients who have abused drugs. Therefore, the Zheng Sheng College is not a drug treatment centre, and 40% of its teachers have a master's degree or above; and neither are the students of the College prisoners because according to the law, they do not have to be locked up and isolated from the community. These students are only on probation order. President, many young people on probation order actually still continue to attend school.

The senior secondary curriculum under the new "3+3+4" structure requires "other learning experiences" and "Applied Learning courses". Is the Zheng Sheng College not taking concrete actions to meet these requirements thoroughly? The College has the capacity to provide various vocational training and sports activities but they really need classrooms, a workshop room and a sports centre. They need a studio, a kitchen, a laser sculpture room, a tea brewing room, a table tennis court and a basketball court.

President, actually, the Zheng Sheng College has also explained that it will provide many services to the local community if it can be relocated to Mui Wo. In fact, it also teaches students through operating these services, which include a pizza place, a Chinese style cafe, a film college, a school of design, a basketball school, a table tennis training centre and a cross country running training centre.

President, I really hope the Mui Wo residents and the Zheng Sheng College can achieve a win-win situation on the basis of the "twin proposal" made by the Civic Party so that on the one hand, the educational needs of the Mui Wo residents can be catered for, and on the other, the Zheng Sheng College can be relocated to Mui Wo.

MR LEE CHEUK-YAN (in Cantonese): President, I speak in support of the Christian Zheng Sheng College, Mui Wo and the three Secretaries. The three Secretaries should rather move to live in Mui Wo, which, I believe, is the best way to demonstrate accountability. When it comes to political accountability, what is most heartrending in the present incident is that the Mui Wo residents and the students of the Zheng Sheng College are fighting desperately with each other

like cornered beasts. These two groups of people should not have done so. It seems to me that the residents' forum on that day has become a forum of denouncement for the students of the Zheng Sheng College, and discrimination was involved. I was very distressed about this. Why has it come to such a pass? When these students are willing to continue to study and undergo rehabilitation in such a poor environment, we should support them. Why has the residents' forum held on that day become a discriminatory forum of denouncement? Of course, the residents were emotional about the issue. I think they were not aware that they had already succumbed to intolerance and discrimination. I was also very distressed about their remarks made under such an emotional state which have hurt the others and the students. The three Secretaries "hid themselves up" and only sent one Principle Assistant Secretary, Mr David WONG, to come here to bear the accusations. Is this a display of accountability? The fundamental cause for the incident to have evolved into the present situation is the Government's four "nos": no policy, no communication, no commitment and no harmony.

First of all, there is no policy. Actually, the Government has never formulated any policy on handling issues relating to these rehabilitation schools. The relevant students have actually detoxified and are undergoing rehabilitation. Although they are in such a poor environment, the Government has neither provided any subsidy nor formulated any policy in this regard. Even in facilitating the present relocation of the College, what policy has been put in place in the end? Will the Government provide subsidies to schools operating in this mode? No policy is available. I think it is very important for the Government to formulate a policy to enable us to understand how it perceives these schools. Instead of just providing a site for the school, it should also formulate a policy.

Secondly, there is no communication. Obviously, this is very unfair to the Mui Wo residents. In fact, when the Mui Wo residents opposed the closure of the relevant school, they also demanded the provision of a secondary school. It is by no means a very extravagant request to ask for the provision of a secondary school for such a large place. Rather, it is just a very normal request. Just think about it, when a person living in Mui Wo has children studying in the primary school there, he would hope that they can study in a secondary school there. Some people may say that they would choose to study in schools outside Mui Wo because there are elite schools in other places. However, not everyone can study in elite schools outside Mui Wo, and not everyone likes to study in elite schools, and what is most important is to enrol in a good school. Is it an

extravagant request for the Mui Wo residents to ask the Government to provide a primary school and a secondary school in the "through train" model? Actually, it is not extravagant at all, and it is just very normal. The Government kept saying that there were only 50 students in Mui Wo at that time. However, it should be noted that, first of all, the parents of the 50 students may have enrolled their children in schools outside Mui Wo because they thought there was not any good school in Mui Wo. Frankly speaking, when parents think the school was not satisfactory, they would definitely consider schools in other places. However, if the Government gives them an opportunity and operate a good school in Mui Wo for them, students would be attracted to go back and enrol in the school there, especially when many professionals and foreign nationals have moved to live in Mui Wo at present. It is not true that Mui Wo does not have such a need, on the contrary, it does have such a need. However, the Government has all along failed to deal with this problem facing the Mui Wo residents. In the absence of communication, the attitude adopted by the Government has caused it to cease the operation of the school and then turn a deaf ear to the issue. As such, the Government has failed to listen to the aspiration of the Mui Wo residents.

We hope all parties concerned can come up with a win-win option in which the Zheng Sheng College can move to the former Heung Yee Kuk Southern District Secondary School and be provided with a site soon, and then a policy can be formulated as soon as possible, so that the College can identify other possibly more suitable sites in Mui Wo as a long-term site, while the Mui Wo residents can also have their own school. I think Members should give consideration to this option in order to prevent the incident from causing the Government to be caught in a mess and a fiasco and the whole situation from becoming an instance of disharmony. The Government has been stressing the importance of harmony over and over again, but now the entire situation has become an instance of disharmony, causing the Mui Wo residents and the students of the Zheng Sheng College to fight desperately with each other like cornered beasts. This is the last scenario I want to see. Thank you, President.

MR LEUNG YIU-CHUNG (in Cantonese): President, a prodigal son who repents for his wrongs deserves sympathy indeed. In fact, the general public are very sympathetic towards those young people who can go back to the right path because it is a kind and caring society and a sympathetic world we live in. When we see people who had taken the wrong path and gone astray wish to go back to the right path, I believe all of us are willing if possible, to make

every effort to give them a helping hand. I think this is just very natural. Therefore, I think it is also for this reason that the students of the Christian Zheng Sheng College can secure extensive sympathy and support from the general public today.

We have been seeking solutions to the issue over this period of time. Just now Mr CHEUNG Man-kwong also proposed to deal with this issue from various fronts, among which he thinks it is necessary to combat the drug problem and the supply of drugs, in particular, to bring adult drug traffickers to justice. I think these are definitely the right things to do, and I also agree with this approach. We have to start from the beginning in whatever we do. It would be meaningless and would not be very helpful if we are unable to identify the root of the issue while only working on minor details.

However, there is another issue which was not really mentioned by Mr CHEUNG Man-kwong: What makes drugs appealing to young people? Where does the root cause lie? If we are unable to solve this problem, we would be unable to deal with this issue thoroughly no matter how much effort we have made and how many schools similar to the Zheng Sheng College we have built. It would be very helpful if we can tackle this issue at root, and enhanced effect will be achieved.

Personally, I think the main reason for young people to choose this path, be it the abuse of soft drugs or other psychotropic drugs, is their inability to develop a sense of involvement in school under the existing education system. Many young people are unwilling to go to school, or they just sleep in class and idle their time away at school and then hang out in gangs after school. They are vulnerable to smoking and drug abuse under peer influence. We can identify this phenomenon, but has the Government formulated any policy against it to solve the problem at root? We just cannot see any action taken by the Government.

I am very glad to see that Secretary Michael SUEN is present today. I also hope to listen to his remarks later to see whether this problem can be tackled at root. Even if Secretary for Justice WONG Yan-lung's proposed solution is feasible, it would only be a remedial measure instead of a preventive one. If prevention can be accomplished, the problem would not become so complicated. The first issue to consider today is how the youth drug abuse problem can be tackled at root on the education front. This is vitally important.

We have been repeatedly calling for small-class teaching. However, the Government indicated that small-class teaching would not be useful and very helpful to academic achievement. To a certain extent, I also agree with its idea. For teachers, however, small-class teaching gives them the opportunity to spend more time with students so as to know, feel or understand their problems. This will enable students to feel that they have established a relationship with the school, thereby enhancing their sense of belonging to the school and enabling them to change their bad habits. This is the benefit we expect small-class teaching to achieve. Unfortunately, however, small-class teaching had been implemented only after much delay. Even when it is implemented, it will only be gradually extended from primary schools to secondary schools, and there is only a reduction of a couple of students in each class, which is not very different from existing classes of 30 to 40 students.

Therefore, in order to solve this problem, it is necessary for the Zheng Sheng College to develop a harmonious relationship with local residents, and both parties should prevent further conflicts so that the College can continue to help this group of children to go back to the right path and achieve rehabilitation. However, this is only a small part of society, and the issue in question now is not just the Zheng Sheng College but the problem involving all the young people in Hong Kong.

Therefore, today, besides hoping that we can help the Zheng Sheng College which can in turn help this small number of students, I also hope that we can consider the issue from a much broader perspective in order to eliminate this problem at root. Can any member from the education sector in the task force led by Secretary for Justice WONG Yan-lung or any colleague of Secretary Michael SUEN help consider, from the education perspective, how the existing academic structure, contents, approach and teacher-student relationship can be improved in order to prevent students from going astray?

MR KAM NAI-WAI (in Cantonese): President, as a parent and social worker, I think this incident provides a very good opportunity for society to face squarely and discuss the youth drug abuse problem. This is a very good opportunity. However, Mr LAU Wong-fat criticized just now that political parties are competing to intervene into the incident, and that the incident has become politicized because many people wish to catch this political free ride. I think as a member of the public, parent or social worker, if I do not express my views

from the perspective of a leader of the community or the district when the youth drug abuse problem has given rise to such heated debate in society, then I would not be true to my conscience.

Today, I have read an article by a writer called "LU Jiang", which I think is his pen name, published in the *Hong Kong Economic Journal*. The article reads: "What has triggered such lopsided public opinion was the gracefulness demonstrated by the students of the Christian Zheng Sheng College when they were faced with the Mui Wo residents this opportunity which enabled the students to show the public spontaneously who they are have never occurred in the past because after all the media did not think so highly of the Christian Zheng Sheng College." I think this time the students of the Zheng Sheng College can precisely demonstrate this to the society of Hong Kong. We very much hope that during the discussion of this incident, we can turn a nuisance into a blessing.

Mr Alan LEONG mentioned some interviews on whether parents should enrol their children in the Zheng Sheng College just now. I had also discussed this issue with my daughter. I asked her how she would respond if she was criticized in the residents' forum in front of so many residents. I do not want to "mythicize" the educational effect of the Zheng Sheng College, but I believe there are bound to be dropouts from schools, be they regular schools or mainstream schools. However, as all of us can see, the Zheng Sheng College has its own education philosophy, and students receiving education in the College can calmly face various criticisms from society. As I said just now, this has really made the others change their attitude towards them, and this is precisely the success of the education of the Zheng Sheng College.

Therefore, in the days to come, I believe the Government may have to answer many questions in dealing with this issue. How should it help the Zheng Sheng College identify a suitable site? As the mode of teaching adopted by the Zheng Sheng College has received recognition from society, how should the Government continue to carry forward and enhance this mode of teaching in society? Can the Government make proactive efforts in this respect? As we can see that many drug abuse problems involve young people, what measures has the Government taken? The Government must answer these questions, and it must not adopt a sluggish and laid-back attitude or a confusing approach any more. Has the Government formulated any comprehensive measure to deal with this problem? The Government must answer these questions.

As I said just now, in order to turn a nuisance into a blessing, we actually hope that more young people will be awakened by this incident of the Zheng Sheng College and refrain from drug abuse. This is the blessing we wish to achieve.

Due to time constraints, many colleagues have said just now that we should pay tribute to the teachers and students of the Zheng Sheng College, and I have said that we should not "mythicize" the College. However, I think not only have the teachers and students of the Zheng Sheng College fought a beautiful battle for the building of a new campus, but most importantly, as I said at the beginning of my speech, they have also made society face this issue squarely. Besides, they have made the Government face this issue squarely in order to find out how to deal with the youth drug abuse problem instead of leaving the problem in the drawer. I think this is exactly what truly calls for our tribute to the Zheng Sheng College. Thank you, President.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): Members have already spoken. I now call upon the Secretary for Security and the Secretary for Education to reply.

SECRETARY FOR SECURITY (in Cantonese): President, Honourable Members, I wish to thank Mr CHEUNG Man-kwong for moving this motion to provide the authorities and Members with a platform to discuss the subject of the relocation application of the Christian Zheng Sheng College to the former Heung Yee Kuk Southern District Secondary School in Mui Wo. I also wish to thank Members for expressing various views just now.

In its report published in November last year, the Task Force on Youth Drug Abuse (Task Force) led by the Secretary for Justice proposed to reconsolidate and enhance anti-drug strategies in a holistic manner. Various Policy Bureaux and departments are making every effort to implement all the relevant measures. In combating the source and supply of drugs, the police and the Customs and Excise Department have never pulled punches. They will

block the flow of drugs into Hong Kong, stamp out local drug black spots and launch raids on the entire supply chain through stringent enforcement actions in close co-operation with overseas authorities.

In reducing the demand for drugs, on the one hand, we will deal with this at root by fostering a culture of care for young people in society and supporting their healthy growth, and on the other hand, we will step up comprehensive publicity and preventive education focusing on the menace of drugs. Special attention will also be paid to the need of 900 000 students to establish healthy schools in order to reinforce the vast number of students who have never abused drugs.

However, inevitably and unfortunately, quite a number of young people have already turned to drug abuse. While some are just caught in the quagmire, others have already been dragged deep into it. As they have various backgrounds and are under different circumstances, it is just natural that different approaches are required in helping them. Our strategy is to provide drug treatment and rehabilitation services in various modalities, including Counselling Centres for Psychotropic Substance Abusers, Substance Abuse Clinics, Methadone Treatment Programmes, Drug Addiction Treatment Centres of the Correctional Services Department and residential treatment and rehabilitation centres.

Regarding residential treatment and rehabilitation centres, there are currently 39 such centres run by 17 non-governmental organizations (NGOs) throughout the territory, with varied modalities of treatment, opening hours, work ideas and target service groups.

The existing Drug Dependent Persons Treatment and Rehabilitation Centres (Licensing) Ordinance provides a framework for the safety and management of treatment and rehabilitation centres, in order to enhance their service quality and safeguard the interests of persons receiving treatments. To comply with the relevant statutory requirements, some centres have to enhance existing facilities or undergo in-situ redevelopment, and some even have to undergo reprovisioning on other sites.

At the same time, one of the important aspects of the Task Force's proposed strategies is to increase the capacity and depth of downstream services in order to address the serious youth drug abuse problem and enhance the social reintegration element. The work of treatment and rehabilitation centres in the

future, and their direction of development in reprovisioning or redevelopment should also be formulated according to this approach.

The Government will make every effort to provide support and advice in policy direction, land use planning, regulatory requirements and local consultation to ensure that our downstream services can keep up with the times and address the latest drug scene.

The two treatment and rehabilitation centres of the Christian Zheng Sheng Association (the Association) in Ha Keng, Lantau Island are examples of institutions which require government assistance in reprovisioning. Besides operating these institutions, the Association also operates, in parallel and at the same location, a private school, the Christian Zheng Sheng College, which is registered in accordance with the Education Ordinance and provides complementary services comprising counselling and education for young people who had abused drugs in order to provide guidance to them to enable them to start a new life. This unique mode of service of the Association has achieved considerable success over the years.

With the problem of drug abuse becoming increasingly common among young people, quite a lot of young people with drug problems are still at school age. On the basis of the Report of the Task Force, the Government published the Fifth Three-year Plan on Drug Treatment and Rehabilitation Services in April this year, which pointed out that new and proven service models should be developed and enhanced, and the model adopted by the Association in which counselling and education are provided in parallel is a case in point. This service model can enable young people undergoing rehabilitation to enjoy the right of receiving normal education and prepare themselves to reintegrate into society.

In the Fifth Three-year Plan, a few recommendations are put forward: (i) to encourage NGOs operating drug treatment and rehabilitation centres to develop and enhance new services, which I have mentioned just now; (ii) to continue to provide subvention to the educational programmes in drug treatment and rehabilitation centres and review the operation of the programmes to meet the changing needs of young drug abusers; (iii) to take into account the special educational needs of students rehabilitating from drug problems when considering the service demand and enhancement for Schools for Social

Development; and (iv) to continue the efforts in helping rehabilitated students return to normal schooling.

The facilities of the existing institutions and schools in Ha Keng are far from adequate. The Association had considered undergoing in-situ redevelopment a few years ago, but considerable difficulties were encountered. These difficulties included the potential risks posed by the slope, the lack of flat land, uncertainties of land ownership, inconvenient transport links and exorbitant costs. As these difficulties could not be resolved easily, the Association applied with the Government for relocating to the vacant premises of the Heung Yee Kuk Southern District Secondary School and increasing its service capacity to 200 persons in the light of the latest drug scene.

After considering various factors, including possible alternative sites, the Government is in principle supportive of the Association's proposal as it can meet the urgent operational need of the Association and complement the operation of its institutions and training facilities on other outlying islands, thereby enabling the co-ordination of resources to achieve the best effect. We are particularly aware that the former Southern District Secondary School is equipped with proper hardware, which can enable the expeditious reprovisioning and the increase of service capacity of the institution and school, thereby enabling the provision of services to more needy young people. In this connection, I wish to thank the Education Bureau for its commitment in making available the relevant vacant school premises to complement the Government's overall anti-drug policy.

At the local level, the Association, with an experience of over a decade in operating rehabilitation institutions in Cheung Chau and Mui Wo, gets along harmoniously with the local residents. However, the Government fully understands the need to conduct local consultation on the new proposal put forward by the Association. In this connection, we have been arranging communication sessions and meetings between the Association and the Mui Wo Rural Committee and relevant local groups through the Islands District Office since March this year to provide briefings on the Association's work objectives and proposal. Besides meeting with representatives of local communities, rural committees and the Heung Yee Kuk, various relevant government departments have also directly listened to residents' views and explained their stance on the relevant proposal at two residents' consultation forums, and formally provided a briefing to the Islands District Council on the Association's proposal through

established procedures on 15 June. These are part of our effort on local consultation.

During the consultation process, various concerns were expressed by the Heung Yee Kuk, the District Council and the Mui Wo residents, and there were considerable repercussions from the entire society, which has precisely reflected that the consultation exercise has achieved its effectiveness. First, the consultation exercise has enabled the Mui Wo community to have a better understanding of the Association's target service group and its mode of service. This is helpful in reducing the residents' concerns about the law and order of the community and the development of the local district. In fact, quite a lot of residents have recently expressed support for the Association's services, but they have also raised the subject of the educational needs of the residents of South Lantau. The Secretary for Education will give an account in this regard later.

Secondly, the consultation process has enabled the general public of Hong Kong to have a more thorough understanding of the youth drug abuse problem. The menace of drugs is the greatest enemy of the younger generation. During the consultation process, we noticed that society has forged a consensus that it is necessary to help these young people who have suffered from the harmful effects of drugs to become self-reliant again and reintegrate into society.

We will continue to help the Association with the re-provisioning of its institution and school, and we will also put in all our efforts in doing so. I am very glad to see that the Heung Yee Kuk is supportive of the Association's work and has provided alternative sites for consideration by various parties. In this connection, the Government is willing to continue to work with various relevant parties with a view to enabling the early identification of a site which can meet the needs of the Association.

President, youth drug abuse is often a manifestation of a more profound social, family and personal development problem. To tackle the problem at a more fundamental level, we have been actively fostering a culture of care for young people, and various sectors of the community may also lend a helping hand to young people in need through different channels and means.

Besides the institutions operated by the Association, there are also other treatment and rehabilitation centres which require re-provisioning or redevelopment. I hope different communities can regard themselves as

community partners in providing these services and accept those young people who are determined to go back to the right path after having gone astray. Their lives will change because of you and they will also be grateful to all of you. You will also be proud of their change, and Hong Kong will become a more tolerant, loving and hopeful society.

President, I so submit.

SECRETARY FOR EDUCATION (in Cantonese): President, it has been the policy of the Education Bureau to support non-governmental organizations in the provision of drug treatment therapy and rehabilitation services as well as education services for school-age drug addicts, with a view to helping these young people who went astray to make good use of their valuable time to prepare themselves and assist them to return to normal life as soon as possible. The services now provided by Christian Zheng Sheng College in Ha Keng include drug treatment and rehabilitation as well as education operated in the mode of private school. In this connection, the Education Bureau is happy to provide the vacant premises of the former Southern District Secondary School for the application made by the Christian Zheng Sheng Association (the Association) of relocating its existing facilities in Ha Keng, so that the facilities of the Association's Treatment and Rehabilitation Youth Centre can be improved and the students can have a more desirable learning environment.

Regarding the education needs of youth drug abusers receiving treatment, as early as in 1995, we started to assist drug treatment centres operated by non-governmental organizations in the provision of education programmes, which cover major subjects like Chinese, English and Mathematics as well as other educational activities such as life skill training and occupational training. Funding is allocated according to the number of education groups. Each group of 10 school-age youth students will receive an annual grant of \$320,000 for recruiting teachers and course-related expenses. Non-governmental institutions starting a new programme in a new location will also receive a one-off subsidy of \$10,000 for procuring classroom furniture and audio-visual teaching facilities.

The Association is a non-profit-making charitable organization operating drug treatment centres. It has once provided the above education programmes at its Treatment and Rehabilitation Youth Centre at Ha Keng, and later changed its mode of operation to a private school. If the Association is interested in

reapplying for funding for education programmes, we would be happy to discuss the feasible options with them.

The Government attaches great importance to youth drug problems. Strategically, prevention is always better than cure. In order to help foster positive values in students at young age and strengthen their resilience, schools are required to formulate "healthy campus" strategies which contain anti-drug elements, so that students will recognize the evils of drug abuse and stay away from drugs and cherish their lives. The Education Bureau and the Security Bureau will maintain close liaison to provide assistance to schools, with a view to taking forward the healthy campus policy.

Regarding students who take drugs but wish to turn over a new leaf, the Education Bureau is duty-bound to help them return to school. Students who have completed drug treatment therapy and will leave the rehabilitation centre should return to mainstream schools to continue with their study and enjoy normal school life with other students. We are committed to assisting them and arranging for them an appropriate school, and through the co-operation of front-line educators, school principles, social workers and parents, we will help them integrate into the school community and go back to the right track as soon as possible.

Thank you, President.

PRESIDENT (in Cantonese): As one and a half hours have expired since the moving of the motion, according to Rule 16(7) of the Rules of Procedure, I shall adjourn the Council without putting any question on the motion.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 3 pm on Tuesday, 7 July 2009.

Adjourned accordingly at thirteen minutes past Two o'clock.