

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 20 October 1993

The Council met at half-past Two o'clock

PRESENT

THE PRESIDENT

THE HONOURABLE JOHN JOSEPH SWAINE, C.B.E., LL.D., Q.C., J.P.

THE CHIEF SECRETARY

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

THE FINANCIAL SECRETARY

THE HONOURABLE NATHANIEL WILLIAM HAMISH MACLEOD, C.B.E., J.P.

THE ATTORNEY GENERAL

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

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

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

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

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

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

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

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

THE HONOURABLE SZETO WAH

THE HONOURABLE TAM YIU-CHUNG

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

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

THE HONOURABLE EDWARD HO SING-TIN, O.B.E., J.P.

THE HONOURABLE RONALD JOSEPH ARCULLI, O.B.E., J.P.

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

THE HONOURABLE MRS MIRIAM LAU KIN-YEE, O.B.E., J.P.

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

DR THE HONOURABLE LEONG CHE-HUNG, O.B.E., J.P.

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

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

THE HONOURABLE PETER WONG HONG-YUEN, O.B.E., J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE VINCENT CHENG HOI-CHUEN, J.P.

THE HONOURABLE MOSES CHENG MO-CHI

THE HONOURABLE MARVIN CHEUNG KIN-TUNG, J.P.

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHIM PUI-CHUNG

REV THE HONOURABLE FUNG CHI-WOOD

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE TIMOTHY HA WING-HO, M.B.E., J.P.

THE HONOURABLE MICHAEL HO MUN-KA

DR THE HONOURABLE HUANG CHEN-YA

THE HONOURABLE SIMON IP SIK-ON, O.B.E., J.P.

DR THE HONOURABLE LAM KUI-CHUN

DR THE HONOURABLE CONRAD LAM KUI-SHING, J.P.

THE HONOURABLE LAU CHIN-SHEK

THE HONOURABLE EMILY LAU WAI-HING

THE HONOURABLE LEE WING-TAT

THE HONOURABLE ERIC LI KA-CHEUNG, J.P.

THE HONOURABLE FRED LI WAH-MING

THE HONOURABLE MAN SAI-CHEONG

THE HONOURABLE STEVEN POON KWOK-LIM

THE HONOURABLE HENRY TANG YING-YEN, J.P.

THE HONOURABLE TIK CHI-YUEN

THE HONOURABLE JAMES TO KUN-SUN

DR THE HONOURABLE SAMUEL WONG PING-WAI, M.B.E., J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE HOWARD YOUNG, J.P.

THE HONOURABLE ZACHARY WONG WAI-YIN

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

THE HONOURABLE CHRISTINE LOH KUNG-WAI

THE HONOURABLE ROGER LUK KOON-HOO

THE HONOURABLE ANNA WU HUNG-YUK

THE HONOURABLE JAMES TIEN PEI-CHUN, O.B.E., J.P.

THE HONOURABLE ALFRED TSO SHIU-WAI

ABSENT

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

IN ATTENDANCE

THE CLERK TO THE LEGISLATIVE COUNCIL
MR CLETUS LAU KWOK-HONG

THE DEPUTY CLERK TO THE LEGISLATIVE COUNCIL
MR PATRICK CHAN NIM-TAK

Papers

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

Subject

Subsidiary Legislation	<i>L.N. No.</i>
Public Health and Municipal Services (Public Pleasure Grounds) (Amendment of Fourth schedule) (No. 6) Order 1993	395/93
Public Swimming Pools (Designation) Order 1993.....	396/93
Employees Retraining Ordinance (Amendment of Schedule 2) (No. 9) Notice 1993	397/93
Travel Agents Ordinance (Specification of Council Levy) Notice	398/93
Travel Agents Ordinance (Specification of Fund Levy) Notice.....	399/93
Occupational Retirement Schemes (Authentication and Certification of Documents) Rules	400/93
Occupational Retirement Schemes (Consultative Committees) Rules	401/93
Occupational Retirement Schemes (Exemption from Audit) Rules	402/93
Occupational Retirement Schemes (Fees) Rules	403/93
Occupational Retirement Schemes (Insurance Arrangement) Rules	404/93
Occupational Retirement Schemes (Member's Request for Information on Scheme Assets) Rules	405/93
Occupational Retirement Schemes (Payment of Benefits) Rules.....	406/93
Occupational Retirement Schemes Ordinance (Cap. 426) (Commencement) Notice 1993.....	407/93

Sessional Papers 1993-94

- No. 13 — Vegetable Marketing Organization —
Statement of Accounts
for the Year Ended 31 March 1993
- No. 14 — Fish Marketing Organization —
Statement of Accounts
for the Year Ended 31 March 1993
- No. 15 — Marine Fish Scholarship Fund Report
for the Period from 1 April 1992 to 31 March 1993
- No. 16 — Agricultural Products Scholarship Fund Report
for the Period from 1 April 1992 to 31 March 1993

Written answers to questions**Newspaper price**

1. MR LAU CHIN-SHEK asked (in Chinese): *Newspapers are one of Hong Kong's major news media and newspaper reading has become almost an essential part of the public's everyday life. In this connection, will the Government inform this Council whether it will consider devising an appropriate mechanism for monitoring the procedures for newspaper price increases, so as to safeguard the interests of the general public?*

SECRETARY FOR HOME AFFAIRS: Mr President, Hong Kong has a thriving newspaper industry. There are currently 44 Chinese-language and two English-language daily newspapers registered in the territory. Many of these have established international reputations for the quality of their coverage of the news.

The Government's policy is to allow news organizations the greatest possible flexibility in conducting their activities. As such, the only Ordinance that is directly relevant to this medium is the Registration of Local Newspapers Ordinance, the purpose of which is to ensure that every newspaper is properly registered, with their proprietor, printer, publisher, and editor clearly identified.

The Government does not regulate the price of newspapers. The Government considers that, except where social considerations are over-riding, the prices of commodities are best left to market forces with minimal government intervention. Accordingly, there are no plans to develop a mechanism to monitor or control newspaper price increases. If members of the public have any complaints relating to the price of newspapers, they can

approach the Consumer Council which is charged with receiving and examining complaints by consumers.

Operation of Hospital Authority

2. DR CONRAD LAM asked (in Chinese): *Will the Government inform this Council whether the Hospital Authority will increase the transparency of its operation by holding its meetings in public as does the Housing Authority; if not, what reasons can be given for not doing so?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, the Hospital Authority is set up by statute as a body corporate with functions which include managing and controlling public hospitals, advising the Government on the needs of the public for hospital services, and encouraging public participation. The Authority is substantially funded by public revenue subject to annual appropriation by the Legislative Council to which it is answerable.

Furthermore, under the Hospital Authority Ordinance, the Director of Audit may conduct examinations on the economy and efficiency with which the Authority has expended resources in discharging its statutory functions. Since 1990, the Hospital Authority has set up three Regional Advisory Committees to provide forums for discussion on the regional planning and provision of hospital services. It has set up 31 Hospital Governing Committees responsible for overseeing the management of individual hospitals. All these boards and committees are served by members of the public, in particular those involved in community and district organizations, to provide a direct venue for participation and partnership.

The present system provides for accountability and transparency while maintaining efficiency of the Hospital Authority's executive responsibilities. The system works well and should be allowed to continue. However, I will explore with the Hospital Authority further ways to enhance transparency.

Ningdingyang Bridge Project

3. DR TANG SIU-TONG asked (in Chinese): *The Secretary for Planning, Environment and Lands visited Zhuhai earlier on to gain some understanding of the Ningdingyang Bridge Project designed to link Zhuhai with Tuen Mun. Subsequently, the plan of this Project was formally delivered to the Hong Kong Government for study. Will the Government inform this Council:*

- (a) *what aspects of the project were covered by the study; what conclusions have been drawn and whether the findings of the study will be released to the public in detail;*

- (b) *whether this Project can be tied in with the major infrastructure projects that are being constructed or under planning in Hong Kong, such as Route 3 and North-West Railway; and*
- (c) *how the Government will carry out an extensive consultation exercise to solicit views from various councils and sectors before making a decision on this Project?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President,

- (a) The Government has so far received no formal proposal from the Chinese authorities regarding the project, although some limited information has been received through a number of informal channels. The initiation of studies in Hong Kong to examine the implications of the project in strategic and local planning terms will be difficult until the status of the project is more clearly established and more details are available.
- (b) It is not at present possible, for the reasons explained under (a), to say whether or how the project might tie in with other major infrastructural projects already under planning or construction.
- (c) As the project would have a major impact on Hong Kong's infrastructure and development, comprehensive studies, application of the normal statutory planning processes and full consultation would be necessary before any firm decisions could be made.

Kai Tak Airport transit congestion

4. MR TAM YIU-CHUNG asked (in Chinese): *Will the Government inform this Council what measures will be taken to alleviate the congestion of transit passengers at the restricted area of Kai Tak Airport during peak hours?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, congestion at the restricted area of Kai Tak Airport is mainly attributable to the increase in passenger throughput at the airport, particularly the growth in transfer passenger traffic. Total passenger traffic has increased from 12 million in 1987 to almost 24 million in the 12-month period ending 31 August 1993. During this same period transfer passengers increased from 1.5 million to 5.5 million of which over half were passengers travelling between Taiwan and China. At present one out of four persons using Kai Tak is a transfer passenger.

To alleviate the congestion, the Civil Aviation Department has embarked upon a programme to expand the departure lounge in the restricted area. The programme includes the widening of departure piers towards the landside, to give more space for seating, and the relocation of some airline accommodation which will enable the area of the departure lounge to be increased. Work has commenced and is scheduled for completion in November 1994, by which time an additional 2 200 sq m of space will be available in the restricted area.

As a further measure to alleviate overcrowding, the Immigration service at Kai Tak Airport allows transfer passengers unable to make an immediate onward connection to leave the airport temporarily under a guarantee from the airlines which brought them to Hong Kong.

Government fees, charges and profit level review

5. MR STEVEN POON asked (in Chinese): *During the motion debate held on 28 April 1993 in this Council, the Administration undertook to conduct a comprehensive review of the criteria for setting the fees and charges and profit level of Government services. Will the Government inform this Council:*

- (a) which Government department is responsible for conducting the review;*
- (b) what the latest progress of the review is and when it is expected to be completed; and*
- (c) whether the report prepared after the completion of the review will be submitted to this Council and released to members of the public for discussion before a decision is made on the relevant policy?*

SECRETARY FOR THE TREASURY: Mr President, earlier this year, the Administration undertook to review whether adjustments should be made to the specific target rates of return for individual government utilities as well as the basis on which these returns are calculated. For this purpose, a Working Party, chaired by the Secretary for the Treasury and comprising representatives from the five government utilities, namely the marine ferry terminals, the Hong Kong International Airport, Post Office, the waterworks and the government tunnels, has been set up.

Following some preliminary discussions, the Working Party has identified the specific questions to be addressed in the review. It is now examining these issues in relation to the particular circumstances pertaining to each government utility. A crucial part of the review is to consider the relative merits of different methods commonly used for calculating returns on investments and the target rates of return normally adopted, be it in the private or public sector.

The diverse nature of the five government utilities has made this part of the review a highly complex task. Having regard to the present progress of the deliberations of the Working Party, it is estimated that the review will be completed within the current financial year. The Legislative Council will of course be consulted before any changes to the present charging policy in relation to government utilities are to be implemented.

Rural schools

6. DR TANG SIU-TONG asked (in Chinese): *Will the Government inform this Council:*

- (a) *of the respective numbers of rural primary schools in operation in the New Territories during the academic years 1992-93 and 1993-94; the number of enrolled pupils in each of these schools;*
- (b) *whether the Education Department, after giving advice to 18 rural schools in 1992 not to admit new pupils into their Primary One classes, has taken similar action in 1993; whether such action suggests that a programme has been devised to phase out these rural schools; if so, whether details of such programme can be released;*
- (c) *of the estimated number of rural schools which are expected to close down for lack of pupils in the next three years;*
- (d) *of the use of the premises of those rural schools which have been or will be closed down; and*
- (e) *of the up-to-date progress of the scheme to replace rural schools with central schools since its introduction some years ago?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, the answers to Dr TANG's questions are:

- (a) There are 127 rural schools in the New Territories in 1993-94, compared to 134 in 1992-93. The enrolments are 15 560 and 17 953 respectively. Details are annexed.
- (b) The Education Department has advised 10 rural schools that they should not admit Primary One classes in September 1993. This is in line with the general policy on rural schools, which seeks to replace those rural school operating less than six classes by larger schools serving a wider catchment area, wherever possible.

- (c) The estimated number of rural schools which may be closed down in the next three years as a result of low enrolment and in accordance with the general policy is as follows:

1994-95	7
1995-96	7
1996-97	9

- (d) Upon closure of a rural school, the Education Department will consider whether the vacated premises can be used for educational purposes, such as a special school or a teaching centre. If considered unsuitable for any educational use, the premises will be made available to the relevant District Lands Office for disposal. At present, some of the former rural school premises are being used as offices of village committees, social and recreation centres for villagers or activity centres for scouts.

- (e) Since the introduction of the rural school policy in 1981, three central primary schools have been built. Details are as follows:

- (i) Sai Kung Central Primary School:

a whole-day school with 12 classrooms established in September 1984 by amalgamating eight small village schools.

- (ii) Sha Tau Kok Central Primary School:

a whole-day school with 12 classrooms established in September 1988 by amalgamating five small village schools.

- (iii) Hang Hau Central Shing Hang Fong Memorial Primary School:

a bisessional school with 24 classrooms established in September 1989 by amalgamating five small village schools.

A fourth central primary school is being planned to replace five small village schools in Sai Kung. The new school will be located in Sai Kung Town and is expected to begin operation in September 1995.

Annex

List of Rural Schools

<i>District</i>	<i>No.</i>	<i>Name of School</i>	<i>Enrolment</i>	
			<i>92-93</i>	<i>93-94</i>
Sha Tin	1	Tai Wai Public School	109	100
Tuen Mun	2	But San School	607	617
	3	Castle Peak Buddhist School	105	73
	4	Hing Tak Public School	316	283
	5	Kiu Saw Public School	240	217
	6	Lam Tei Gospel School	133	130
	7	Tai Lam Chung Public School	101	86
	8	Tuen Mun School	202	216
	Yuen Long	9	Luen Kwong Public School	302
10		Man Kei School	104	77
11		Po Kok Branch School	338	292
12		Sha Kong Public Luen Yick School	85	72
13		Shung Ching School	502	416
14		Shung Yee School	27	22
15		Tat Tek School	108	69
16		Wa Fung School	74	59
17		Wai Kwan School	340	304
18		Wang Chau Public School	146	126
19		Wing On School	103	72
20		Ying Yin School	141	150
21		Tai Shing Public School	8	Closed
22		Kam Tin Mung Yeung School	469	414
23		Pat Heung Tung Yick School	48	49
24		Shek Wu School	92	70
25		Sheung Tse School	18	Closed
26		SKH Kam Tin St Joseph School	402	401
27		Tai On Public School	39	23
28		Toi Shan School	46	29
29		Tung Tak School	138	124
30		Wing Hing School	33	18
31		Yuen Kong School	77	70
32		Yuk Ying School	73	65
33		Chuk Hing Public School	27	9
34		Hip Yee School	183	140
35		Hoi Ming School	158	150
36		Koon Ying School	88	67
37		Ng Wo Public School	99	94

<i>District</i>	<i>No.</i>	<i>Name of School</i>	<i>Enrolment</i>	
			92-93	93-94
	38	Pok Wai Public School	58	38
	39	Shung Tak School	211	182
	40	Siu Hum Public School	26	14
	41	Tai Sang Wai Public School	61	45
	42	Tun Yu School	144	120
	43	Yau Tam Mei School	140	129
	44	YL Small Traders New Village Public School	55	61
	45	Chi Ching School	78	43
	46	Ha Pak Nei Tsuen Public School	27	20
	47	Ha Tsuen Heung Pak Nai School	125	106
	48	Ling Man School	102	83
	49	Pui Tak School	81	64
	50	Yau Kung School	113	7
	51	Hing Sam School	22	Closed
	52	Yau Kung Branch School	34	18
Sai Kung	53	FMO Kau Sai Primary School	2	Closed
	54	FMO Sai Sung Primary School	48	30
	55	Leung Shuen Bay School	44	40
	56	Man Yi Public School	197	185
	57	Ming Yuen Primary School	147	Closed
	58	Sai Kung Public School	301	256
	59	Sun Luen Primary School	8	2
	60	Tsing Boor School	18	18
	61	Yuk Yin School	16	14
Islands	62	Bui O Public School	55	81
	63	CC Church Kam Kong Primary School	218	219
	64	CCFJA Public School	319	294
	65	CC Public School	323	291
	66	CC Sacred Heart School	614	596
	67	Cheung Sha School	5	6
	68	Holy Family School	197	175
	69	Kwok Man School	951	941
	70	Lo So Shing School	6	10
	71	Mui Wo School	196	161
	72	Northern Lamma School	132	111
	73	PC Chi Yan Public School	161	139
	74	PC NSW Shu Chun Public School	21	17
	75	PCVFG (Choi Yuen Hong) Public School	54	43
	76	Sha Lo Wan School	1	2

<i>District</i>	<i>No.</i>	<i>Name of School</i>	<i>Enrolment</i>	
			<i>92-93</i>	<i>93-94</i>
	77	Shap Long School	9	7
	78	Shun Tak Public School (Cheung Chau)	360	344
	79	Tai O School	153	140
	80	Tai O Public School	23	19
	81	Tung Chung Public School	27	24
	82	Wing Chor School	224	191
Tsuen Wan	83	Fong Yuen School	32	27
Tai Po	84	Buddhist Tai Kwong Free School	135	92
	85	FMO Sam Mun Tsai New Village Primary School	119	94
	86	FMO Tai Po Primary School	92	52
	87	Kai Chi School	165	137
	88	King Lam School	28	23
	89	Ko Lau Wan Fishermen's School	19	16
	90	Lam Tsuen Public School	42	37
	91	Lin Hoi School	18	12
	92	Luk Heung San Tsuen Public School	177	167
	93	Ming Tak School	24	16
	94	Nam Wa School	16	14
	95	Pun Chung Public School	225	203
	96	Shing Ming School	84	55
	97	Shuen Wan Eu Tong Sen School	21	8
	98	Tak Hang Public School	9	15
	99	Tai Po Normal Sch Mem. School	177	105
	100	Tai Po Tung Koon School	19	11
	101	Wun Yiu Public School	9	2
	102	Yat Sun School	6	4
	103	Yau Sin School	1	1
	104	Yuk Yin School	34	29
North	105	Bok Man School	93	80
	106	Fanling Public School	772	718
	107	Hang Hau Public School	4	Closed
	108	Ho Kai School	24	11
	109	Kai Choi School	2	Closed
	110	Kam Tsin Village Ho Tung School	236	201
	111	Kat O School	37	34
	112	Kin Tak Public School	127	98
	113	King Sau School	13	15
	114	Ku Tung Public Oi Wah School	302	271

<i>District</i>	<i>No.</i>	<i>Name of School</i>	<i>Enrolment</i>	
			<i>92-93</i>	<i>93-94</i>
	115	Kwan Ah School	32	23
	116	Kwan Ti Public School	152	119
	117	Lo Wu Public School	19	21
	118	Luen Wo Market Public School	88	67
	119	Lung Kai Public School	7	7
	120	Lung Shan School	111	95
	121	Ping Yeung Public School	106	89
	122	Sam Wo Public School	57	47
	123	Sha Tau Kok Public School	94	52
	124	Shan Tsui Public School	127	108
	125	SSSWH F&R Dealers Assn. School	250	234
	126	Ta Ku Ling Ying Public School	63	46
	127	Tan Chuk Hang Public School	63	46
	128	Tsiu Keng Public School	13	10
	129	Tsung Him School	206	190
	130	Tung Hing School	157	129
	131	Tung Koon School	422	354
	132	Wan Shan Public School	17	19
	133	Wo Him School	30	30
	134	Yuk Yin School	402	357
		Total:	17 953	15 560

Industrial accidents caused by nylon ropes

7. DR HUANG CHEN-YA asked: *Will the Government inform this Council:*

- (a) *of the number of industrial accidents involving nylon ropes in the past three years and the causes of these accidents; and*
- (b) *whether, to improve industrial safety, the Government will review the regulations governing the use of nylon ropes, including the inspection of their durability and worthiness and the qualification of the inspectors?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President,

- (a) The Labour Department does not keep separate statistics on accidents involving nylon ropes. However, serious accidents are investigated and their causes analysed. In the past three years, there was one fatal accident involving nylon ropes in a construction site.

- (b) The safe use of ropes made of synthetic fibres such as nylon as a component of a lifting gear in an industrial undertaking is governed by the Factories and Industrial Undertakings (Lifting Appliances and Lifting Gear) Regulations. Among other things, the owner of the rope, which is a lifting gear under the regulations, is required to ensure that:
- (i) it is of adequate strength and free from patent defect;
 - (ii) steps are taken for its safe use; and
 - (iii) it is examined by a competent examiner every six months.

The competent examiner should be a registered professional engineer registered under the Engineers Registration Ordinance. The control on lifting appliances and lifting gears has just been tightened in July 1993. It will be reviewed in 12 months' time.

Day activity centre for discharged mental patients in Laguna City

8. MR FRED LI asked (in Chinese): *Regarding the Day Activities Centre for Discharged Mental Patients to be set up in Laguna City shortly, will the Government inform this Council:*

- (a) *whether the Centre will be open for use by phases initially;*
- (b) *how the Social Welfare Department will enhance the confidence of nearby residents that attendees at the Centre will not cause nuisance to the neighbourhood; and*
- (c) *how channels of communication with landlords' committees will be established?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, my answer *seriatim* is as follows.

As regards part (a) of the question, it is intended to open the Activity Centre for use in early 1994. Phased admission is being planned so that staff can provide adequate time and guidance to trainees to facilitate their adjustment to the environment and the training programmes.

As regards part (b) of the question, we do not believe that the attendees will cause nuisance to the residents. Nevertheless, the Social Welfare Department (SWD) has been working closely with the operating agency to identify measures to minimize residents' worries and achieve a better understanding of the clients of the Activity Centre. The Centre will be staffed

to provide adequate supervision and training to its clients. The design and the facilities of the Centre including, for example, the installation of an alarm system at fire exits will facilitate the monitoring of movements in and out of the Centre.

SWD in conjunction with non-governmental organizations and district organizations have strengthened, and will continue to strengthen, public education on rehabilitation in Kwun Tong District. To remove residents' misconceptions towards the services provided by the Centre and its clients, monthly newsletter is being distributed to each and every household of Laguna City. The newsletter contains information on rehabilitation policy and services for ex-mentally ill persons. We highlight the fact that the Centre will only admit clients who have substantially recovered from their illness and who have no record of violence.

In the coming months, SWD in collaboration with the Kwun Tong District Board will organize visits for members of the Area Committees and Mutual Aid Committees in Kwun Tong to rehabilitation institutions for ex-mentally ill persons so that they can gain a deeper understanding of the facilities and their clients. Interested residents of Laguna City are welcomed to join such visits.

As regards part (c) of the question, there are already channels of communications between government officials and residents in Laguna City at both district and central levels. Apart from exchange of correspondence, a number of meetings on the project have been held earlier in the year. To strengthen the channels of communications, a flat owner of the Laguna City will be invited to join the management committee of the Neighbourhood Community Centre in which the Activity Centre is housed.

Our door for further dialogue with residents continues to remain open. We are keen to meet with them in a sincere and constructive manner and work out ways to remove their concerns about the rehabilitation facility.

Localization and adaptation of Hong Kong laws

9. MR TAM YIU-CHUNG asked (in Chinese): *Will the Government inform this Council which department or working group has been assigned to research and work on the localization and adaptation of the Hong Kong laws; its terms of reference, progress and the target date for completing the work?*

ATTORNEY GENERAL: Mr President, a Localization and Adaptation of Laws Unit has been formed in the Law Drafting Division of my Chambers. Its duties include carrying out legal research in respect of the localization and adaptation of Hong Kong laws, providing policy branches with legal advice on both programmes, preparing necessary consultation papers in connection with them, and assisting in the drafting of relevant legislation.

Legal advice on specialized aspects of the work is provided by other Divisions of my Chambers as required from time to time. The actual drafting of localization Bills is done by counsel in the Law Drafting Division, in both English and Chinese. Drafting of adaptation Bills is also done within that Division. A steering group consisting of all the Law Officers supervises the work in my Chambers.

The overall planning of both the localization and adaptation programmes and liaison with policy branches are the responsibilities of the Constitutional Affairs Branch.

Consultation with the Chinese side on both programmes is carried out in the Joint Liaison Group headed on the British side by the United Kingdom Representative, Joint Liaison Group, with legal advice from the Law Officer (International Law) as required.

Of the 300 or so the United Kingdom enactments which currently apply in Hong Kong, 30 have already been localized. We have identified 80 as not requiring localization and it is proposed that they should be allowed to lapse. Proposals for dealing with 80 more are under consideration in the Joint Liaison Group. We are continuing our study of the remaining enactments. As regards the adaptation of laws exercise, we have now almost completed our initial review of all Hong Kong Ordinances. We have started the process of making detailed proposals to the Chinese side and proposals for the adaptation of 10 Ordinances have been handed over.

As regards the target date for completion, clearly the work on both programmes must be completed before 1 July 1997, but we would like if possible to have it completed well before then so as to ensure a smooth transition.

BN(O) passport renewal

10. MR CHIM PUI-CHUNG asked (in Chinese): *Will the Government inform this Council of the procedure and the processing organization for the renewal of British National (Overseas) Passports held by the people of Hong Kong upon their expiry after 1997?*

SECRETARY FOR SECURITY: Mr President, British National (Overseas) Passports may be renewed after 1997 by the British Consulate General in Hong Kong, or by any British passport issuing office overseas. The procedure will be the same as at present.

Imported labour from mainland

11. MR CHIM PUI-CHUNG asked (in Chinese): *As the foreign workers imported into Hong Kong have included those from the mainland, will the Government inform this Council:*

- (a) *whether permission will be given for mainlanders to be imported into Hong Kong to work as domestic helpers;*
- (b) *if not, what the reasons are; and*
- (c) *whether the existing policy will be reviewed and modified?*

SECRETARY FOR SECURITY: Mr President,

- (a) Entry of domestic helpers from China is not permitted at present. We have no plan to change the policy.
- (b) There would be difficulties with maintaining effective immigration control if domestic helpers from China were permitted to enter. These difficulties are:
 - (i) Domestic helpers from China could become permanent additions to the local population; for example, they would become Hong Kong permanent residents after seven years of ordinary residence here;
 - (ii) it would be difficult to prevent abuse; for example, people might seek to bring in family members from China, by representing them as domestic helpers;
 - (iii) it would be difficult to detect workers who overstay or who have taken on other jobs; and
 - (iv) it might give the wrong signal to would-be illegal immigrants, and result in an influx of illegal immigrants.
- (c) The policy on foreign domestic helpers, including the possibility of permitting entry of domestic helpers from China, is reviewed regularly.

Liquidity ratio

12. DR HUANG CHEN-YA asked (in Chinese): *With regard to its consultation with banks and deposit taking companies on liquidity ratio proposals, will the Government inform this Council whether it plans to require such institutions to adhere to a uniform liquidity ratio and to impose restrictions on the maturity mismatching of assets and liabilities; if not, on what basis monitoring policy will be formulated and what criteria will be used to ensure that these institutions will be given fair and equal treatment, and what measures will be taken to prevent such institutions from running into cash flow problems and risking collapse due to excessive flexibility in their maturity mismatching arrangements?*

SECRETARY FOR FINANCIAL SERVICES: Mr President, under the liquidity supervision regime proposed in a recent consultative paper for the banking sector, all authorized institutions will continue to be subject to the same statutory requirement of maintaining a uniform minimum liquidity ratio of 25%.

As regards maturity mismatching, it is not the intention of the regulatory authority — Hong Kong Monetary Authority (HKMA) — to impose specific restrictions on the maturity mismatching of institutions' assets and liabilities. Nevertheless, institutions are expected to develop internal guidelines for the appropriate size of mismatches which they should set for themselves, taking into account the nature of their business. These guidelines should be included in their liquidity policy statements.

The HKMA will assess the internal guidelines and actual mismatches of institutions on a case-by-case basis, having regard to the circumstances of individual institutions and a number of relevant factors, such as the institution's stock of liquid assets and their quality, the volatility and diversity of deposits, the availability and reliability of undrawn standby facilities and the ability and willingness of the parent or head office to provide liquidity and so on. In addition, the HKMA will make extensive use of peer group comparisons in its assessment to ensure fair and equitable treatment and identify institutions whose policies are out of line with their peers carrying on a similar line of business.

Maturity mismatch analysis is only one of the many elements which the HKMA will examine to assess the adequacy of liquidity of individual institutions. To ensure comprehensiveness of the assessment, the HKMA will also take into account a variety of factors including liquidity ratio, ability to borrow in the inter-bank market, diversity and stability of the deposit base, loan to deposit ratio and intra-group claims.

Building covenant enforcement inspection

13. DR SAMUEL WONG asked: *Will the Government inform this Council:*

- (a) *whether the building covenant obligation of a developer under a land grant is deemed to have been complied with once he applies for the first time for an inspection of the completed building using Form BA13, and thus becoming immune from building covenant enforcement inspection irrespective of whether the building passed the inspection or not;*
- (b) *whether a time limit is set within which the developer must apply again for re-inspection if the building does not pass the first inspection;*
- (c) *whether this provides an opportunity for developers to take advantage of time gap to speculate in the property market since they are not liable to rates payment during that period; and*
- (d) *whether the Government is aware of such practices and if so, how many domestic units are involved; and what action could be taken to ensure completed buildings are available to consumers as soon as they are completed?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President,

- (a) The submission of Form BA13 is an application for an Occupation Permit in relation to the state of completion of a building under the Buildings Ordinance. The Authority is not obliged to inspect a building on receipt of Form BA13, although in practice an inspection is usually carried out. The application may be approved or rejected. The building covenant obligation is normally deemed to have been complied with when an Occupation Permit has been issued by the Building Authority.
- (b) If an application for an Occupation Permit is rejected, the developer may submit another application. There is no time limit on when the new application should be made, but it is in the developer's interest to ensure that an Occupation Permit is obtained within the building covenant period.
- (c) Given the costs involved in financial charges, site management, professional fees and so on, it seems unlikely that a developer would delay the completion of a project simply to avoid rates payments. It also seems unlikely that a developer would defer the completion of

a building project to speculate on the property market given the costs involved in such deferral.

- (d) It is up to the developer to decide whether and when to sell units in completed buildings. This is an essential feature of the normal operation of a market. Developers may wish to rent completed units instead of selling them, for instance, depending on market conditions. A developer who keeps completed units unsold or empty will lose potential income from the sale or rental of such units.

Commonwealth citizen requirement for directors and officers of public bodies

14. DR PHILIP WONG asked (in Chinese): *Since the requirement that the majority of the directors as well as management and administrative staff of the company should be Commonwealth citizens has been removed from the Telephone Ordinance, will the Government inform this Council:*

- (a) *whether such requirement still exists in other ordinances governing the relevant public bodies, if so, whether it will be removed; and*
- (b) *what impact the existence of such requirement would have on the principle of fair competition of a free market economy?*

SECRETARY FOR TRADE AND INDUSTRY: Mr President, there is at present a requirement for the majority of the directors of the relevant governing body to be Commonwealth citizens in three Ordinances relating to public bodies, namely the Public Bus Services Ordinance (Cap 230), the Ferry Services Ordinance (Cap 104) and the Cross-Harbour Tunnel Ordinance (Cap 203). This requirement will no longer be appropriate after 30 June 1997 and its removal from these three Ordinances has therefore been identified as one of the tasks to be undertaken in the adaptation of laws exercise.

Both the Public Bus Services Ordinance and the Ferry Services Ordinance empower the Governor in Council to waive this requirement. After obtaining such a waiver, we have written into the new franchises of China Motor Bus and Citybus Limited which took effect on 1 September 1993 a clause to the effect that a majority of the directors of the franchisee shall be ordinarily resident in Hong Kong irrespective of their nationality. The new franchise of New Lantao Bus which will take effect on 1 April 1995 also contains a similar clause.

Such a requirement in the three Ordinances has not had any discernible impact on fair competition.

Nursing staff's application for transfer from Castle Peak Hospital

15. DR CONRAD LAM asked (in Chinese): *In view of the complaint by nursing staff of the Castle Peak Hospital that over 50 of its 380 plus nurses (excluding student nurses) have applied for transfer to other posts, will the Government inform this Council whether it is aware of:*

- (a) why those nurses have applied for transfer; and*
- (b) what specific measures are in hand to boost the morale and sense of belonging of the staff of that hospital?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, transfer of staff between different institutions managed by the Hospital Authority is normally made in response to personal requests, or in the interest of balanced career development for staff and efficient utilization of manpower. With the decentralization of management responsibilities, applications for transfer are processed by the hospitals concerned having regard to their prevailing operational requirements.

As regards Castle Peak Hospital, the rate of applications for transfer is comparable with those of other public hospitals. A majority of these applications are related to personal reasons such as travelling distance to work, intention to seek further education and aspirations for greater career exposure.

Various measures have been taken to strengthen the morale of the staff working in Castle Peak Hospital:

- regular opinion surveys are being conducted to gauge the sentiments of staff and to focus attention on possible areas of improvement;
- the budget allocated for staff training has been doubled from \$280,000 in 1992-93 to \$500,000 in 1993-94 and the staff social club has been actively organizing welfare or recreational activities;
- overcrowding has been significantly reduced through the complete elimination of camp beds and the phased decantation of 487 patients to other hospitals. A total of 13 minor projects are also in progress to improve the hospital environment for patients and staff. In the longer term, the hospital will be redeveloped, at a cost of \$500 million, for completion by 1997.

Excessive taxi fares

16. MR LAU CHIN-SHEK asked (in Chinese): *Concerning the problem of excessive fares charged by taxi drivers, will the Government inform this Council:*

- (a) *of the respective numbers of complaints received and prosecutions instituted in each of the past three years;*
- (b) *whether enforcement personnel currently deployed on inspection work is adequate; if not, what plans are in place to improve the situation; and*
- (c) *having regard to past experience which shows that the problem of excessive fares has been particularly serious during the hoisting of Typhoon Signal No. 8, whether the Government has examined the feasibility of the surcharge proposal put forward recently by some taxi associations to safeguard the interests of taxi drivers and minimize the incidents of charging excessive fares; and what the Government's initial conclusions on this proposal are?*

SECRETARY FOR TRANSPORT: Mr President,

- (a) The number of complaints received by the Transport Complaints Unit and the police against overcharging by taxi drivers and prosecutions instituted over the past three years are given in the Annex to this reply.
- (b) The police are responsible for taking action against taxi mal-practices under the Road Traffic Ordinance (Cap 374). Taking into account their many other priorities and commitments, the level of enforcement is generally adequate. Nevertheless, enforcement action has been intensified over the past few months following recent reports of increase in the number of malpractices by taxi drivers. Since 1 September 1993, a total of 38 operations have been mounted, resulting in 275 prosecutions. Such intensified enforcement will continue.

In addition, a Bill for the compulsory display of taxi driver identity plates has been under examination since January 1993 by a Bills Committee of Legislative Council. Should appropriate legislation be enacted, there should be more discipline in the taxi trade and result in less malpractices. More importantly, the new requirements will assist in the identification and, hence, prosecution of offending taxi drivers.

- (c) The Government is aware of public concern about overcharging by taxi drivers, in particular during typhoons. The Administration is examining various options including the proposal put forward by some taxi associations for a surcharge to be imposed when typhoon signal No. 8 or higher is hoisted. The level and form of the proposed surcharge, for example, a flat or distance-related charge, its relationship to other surcharges, the question of enforcement and implementation as well as public acceptability are all aspects that have to be examined following which the advice of the Transport Advisory Committee will be sought on measures to be implemented.

Annex

Complaints Received and Prosecutions Against Overcharging
by Taxi Drivers 1990-1993

	<i>Complaints received by TCU (a)</i>	<i>*TCU complaints referred to police (b)</i>	<i>Complaints received by police direct (c)</i>	<i>Total number of complaints actionable i.e. (b)+(c)</i>	<i>Prosecutions</i>
1990	408	214	199	413	230
1991	455	222	205	427	222
1992	1 168	561	201	762	214
1993 (Jan to Aug)	707	340	154	494	52

- * TCU complaints will be referred to the police if the complainants are willing to come forward as witnesses. Even after such cases are referred to the police, prosecution can only be instituted if the complainants are willing to follow up their complaints by making detailed statements and appearing in court as witnesses.

Arrest of Ming Pao reporter

17. MISS EMILY LAU asked: *Will the Administration inform this Council what actions have been taken or will be taken in relation to the Ming Pao reporter arrested in China, including steps to ensure that he will have access to legal advice and to his family?*

SECRETARY FOR HOME AFFAIRS: Mr President, the British Embassy in Peking has, at the request of the Hong Kong Government, asked the Chinese authorities to clarify the offences with which Mr XI is being charged and the

legal procedures to which he will be subject. The Embassy and the Hong Kong Government have also urged the Chinese authorities to allow Mr XI to receive visits from his colleagues at *Ming Pao*, from any lawyer he appoints to represent him, and from members of his family. In addition, we have drawn the attention of the Chinese authorities to the wider concerns raised in Hong Kong by this case, in particular the difficulties faced by Hong Kong journalists operating in China in understanding what is legal and what is not.

Secondary V and VI students in prevocational schools

18. MR TIK CHI-YUEN asked (in Chinese): *Will the Government inform this Council of the following for the academic years 1992-93 and 1993-94 respectively:*

- (a) *the percentage and number of Secondary V students in prevocational schools who continued their studies in Secondary VI at the same schools;*
- (b) *the number of students allocated places in pre-vocational schools through the new central allocation method in the Secondary VI Admission Procedure, and the actual number of such students studying in those schools; and*
- (c) *the number of Secondary VI students in prevocational schools who did not obtain passes in Chinese Language and English Language at the Hong Kong Certificate of Education Examination (HKCEE); and the number of such students who had to leave the schools because they could not obtain passes in the above two subjects while resitting for HKCEE in 1993?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President,

- (a) In 1993-94, 275 Secondary V students of prevocational schools continue their studies in Secondary V in the same schools, compared to 263 in 1992-93. These figures represent 9.84% and 11.71% of the relevant enrolment respectively.
- (b) Of the 570 Secondary VI places in prevocational schools in 1993-94, 526 were allocated under stages I to IV of the Admission Procedure on the basis of academic merit and school selection. The remaining 44 places were allocated centrally to 43 students under stage V. Of these 43 students, 14 are now studying in the schools to which they had been allocated. In 1992-93, all the available places (420) had been allocated before the central allocation stage was activated.

(c) The relevant statistics for prevocational schools are as follows:

	1992-93	1993-94
No. of Secondary VI students who did not obtain a pass in Chinese Language at HKCEE	51 (12.3%)	85 (16.0%)
No. of Secondary VI students who did not obtain a pass in English Language at HKCEE	65 (15.7%)	91 (17.1%)
No. of Secondary VI students who did not obtain passes in both Chinese Language and English Language at HKCEE	12 (2.9%)	22 (4.1%)
No. of Secondary VI students who left school because they did not obtain a pass in either Chinese Language or English Language or both after resitting the HKCEE in 1993	24 (5.8%)	Not yet available, students to resit the 1994 HKCEE

Host for 1997 International Monetary Fund/World Bank annual meeting

19. MR DAVID LI asked: *Will the Government confirm that Hong Kong will host the 1997 International Monetary Fund/World Bank annual meeting?*

SECRETARY FOR FINANCIAL SERVICES: Mr President, we are discussing with the World Bank and the International Monetary Fund the arrangements regarding the issue of formal invitation letters to invite the two organizations to hold their 1997 Annual Meetings in Hong Kong. We hope that the matter will be resolved by the end of this year.

Civil marriage ceremony venues

20. MR TIMOTHY HA asked (in Chinese): *The Marriage registries at Tsim Sha Tsui, Sha Tin, City Hall and Cotton Tree Drive are the most popular venues among the marriage registries currently operated by the Hong Kong Government to provide the public with facilities for civil marriage, and on a number of special days and some "auspicious days" of the Lunar Calendar, the demands for services at the above-mentioned registries are especially high, very*

often too high to be met under the existing operation schedule and time slots available in these marriage registries.

Will the Government inform this Council:

- (a) whether it would set up more venues for performing ceremonies of civil marriage, provide the most popular marriage registries with additional space and facilities, extend their office hours and relax their quota restriction in a bid to improve this kind of services;*
- (b) whether the Immigration Department has considered introducing measures to improve the present situation where people registering for civil marriage may have to queue overnight or even for a few days at the marriage registries concerned before the normal notification date for such service because of the limited number of time slots available; and*
- (c) whether consideration has been given to privatizing the operation of this kind of services with a view to enabling more flexibility in meeting public demand for such services; if not, what the reasons for not doing so are?*

SECRETARY FOR SECURITY: Mr President,

- (a) There is no plan to increase the number of Marriage Registries at present. For most of the special and auspicious days the existing facilities can cope with demand, even at the most popular venues. On most other days, there is under utilization. The problem of insufficient time slots exists for less than 10 days in the year. Increasing the number of Marriage Registries would not be a cost-effective way of solving this problem.

Extending office hours is a viable way of meeting excess demand on particular days and the Immigration Department is considering the feasibility of providing Saturday afternoon service at one of the Registries in Kowloon; the City Hall Marriage Registry already offers a full day services on Saturdays. There are, however, practical limits to the extension of hours. Experience has shown that people do not like early mornings or late afternoons for the ceremony.

- (b) The queuing is the result of a preference not only for particular days, but also for particular hours. Prolonged queuing is, however, in most cases and for most days, unnecessary because the Immigration Department can cope with the number of couples wishing to be married.

- (c) We have not so far considered privatizing the service. We believe that the 11 civil marriage registries provide an efficient service at reasonable cost. There are in addition some 220 places of worship of different religions licensed for the celebration of marriage.

Member's motion

MOTION OF THANKS

MRS ELSIE TU moved the following motion:

"That this Council thanks the Governor for his address."

MRS ELSIE TU: Mr President, I move the motion standing in my name on the Order Paper that this Council thanks the Governor for his address.

In thanking the Governor for his address I would like to ask him if he would be democratic enough to accept some criticism as well as praise.

The catalogue of giveaways on infrastructure, the environment, education, health care, the elderly, security and so on was hardly new, though it was perhaps a little more lengthy, generous, and even a little more boring than policy speeches usually are. Quite a lot of it was a rehash of promises made in the past, promises that may make us wonder whether they will ever be fulfilled.

Today I shall touch only on those promises, or lack of promises, on issues which I consider to be essential for the well-being of the neglected in our community, and my first priority is housing.

It has been the aim of the Government for as long as I can remember to swell its coffers through high land prices, making it impossible for low-income families to rent even the tiniest of flats. The right to be able to rent a small place private enough to call home seems to me something that should be high on the list of human rights. Hong Kong does not offer this human right to the poorest among us.

The public rented housing scheme was supposed to solve this problem, and at first it actually did help a great deal until recently. Now it no longer serves the lower-income families because the Government is intent on assisting the slightly better-off to become better housed, and not those hidden from sight in cages or airless rooms in tenement buildings. Most of these badly-housed people are elderly, and almost all of them earn low salaries. The Bedspace Apartments Bill does not help because it deals only with safety. These safety measures, if approved, could create further anxiety to tenants, and greater hardships to those who may be offered temporary housing in the New Territories, where they would probably have neither work nor friends.

I will not go further into the catalogue of spending promised in the Governor's address, because I am sure that all those issues will be the subjects of Panel discussions and Legco debates in this Chamber during the present Session. But I would like to raise one question about all the promises made. It is a question of human resources. I have recently had the opportunity of seeing at first-hand how hard our doctors and nurses work in hospitals and clinics. How can these services be improved if the staff are overworked day and night? This question can probably be asked concerning all departments called upon to carry out the Governor's promises. How can money alone improve services if we continue a zero-growth policy in personnel? Can the Government produce a zero-growth in crime to fit the strength of the Police Force? Can the Government reduce disease and old age to fit the number of doctors and nurses available? Can the Government reduce the increasing needs and aspirations of a community that is becoming more and more conscious of human rights? I hope I am wrong in suspecting that if policy promises are broken we may be told that they could not be carried out for lack of human resources. The policy speech makes no mention of how this problem may be solved, but talks almost entirely about financial resources.

As in last October's policy address, the Governor left his real objectives until after he had made soothing promises. I guess all politicians do that. I refer to the political scene, of course.

Last year I was accused of shifting my stand on democracy, and I sympathize with my younger colleagues in their disappointment. This time I would like to take the opportunity of explaining. I began my campaign for democracy 40 years ago. That campaign was based almost exactly on what the Governor recently gave as his reason, which is, that if we are to have a level playing field we need the rule of law and a bulwark against corruption. I can only regret that Mr PATTEN was not the Governor of Hong Kong at that time when corruption here was rife! My struggle during those years (and even now) was motivated by the fact that Hong Kong did not have a rule of law except for those who could pay for it. Hong Kong was ruled by corruption, and its motto was "Money speaks". If democracy eradicates corruption, we certainly needed it then, especially in the 1960s and 1970s. I tried my utmost to persuade the British Government of both the Labour Party and Mr PATTEN's Conservative Party that to have justice in Hong Kong we needed gradual progress towards democracy. I emphasize that I asked for GRADUAL progress towards democracy, not a sudden jump. Both political parties rejected my plea. Mr PATTEN's Party went further and actually advised visiting Members of Parliament not to listen to my nonsense, and that Hong Kong did not need democracy.

Now, at the eleventh hour, the Conservative Party of Britain, along with the other British political parties, have suddenly made the great discovery that democracy is a bulwark against corruption, that is, against Chinese corruption, not the corruption of Peter GODBER and other British rascals.

Actually it is questionable whether democracy, western style, is a panacea against corrupt government. If we look around the world we can see that more often than not corruption springs from uncontrolled capitalism, and while democracy may help to control it, that is by no means certain. In some countries, political parties have given themselves names which include the word "democratic" because that attracts votes, but once in power they may not be any better than the government that they replaced. We only have to look at Russia to learn that lesson, but there are many other examples too. A year ago the Russian people were demonstrating in their hundreds of thousands for their democratic hero, only to find that he now appears to be a one-man government. Those hundreds of thousands of enthusiastic supporters have recently looked on in amazement while their democracy turned out to be party struggle for power.

So does that mean that I no longer believe in democracy? No, far from it. I support real democracy, but I am not enthusiastic about party power, because political turmoil hurts the silent majority of the people when it turns into a struggle for power. We in Hong Kong have just begun to make progress in democratic elections. That progress should have begun long ago, but alas, direct elections began only two years ago. Political parties are taking shape, but their history is too short for us to calculate the effects if party rule were to develop too soon. We should learn from the drastic results of sudden changes in other countries.

If the Chinese Government will faithfully carry out their promises made in the Joint Declaration and the Basic Law, I would be inclined to give them a chance to do so by adhering to the functional constituency concept as it now exists, with very minor changes. After all, this concept was set up by the British, so why do they want to change it when they give up sovereignty? I could also accept the election committee concept as in the Basic Law, because four of those 10 seats will be directly elected two years later, and the other six at the following election. That is a great deal more than the British Government has given us in 150 years. I would also agree to requests by the district boards and municipal councils to phase out their appointed members, instead of turfing them out, as the Governor has proposed.

If all these points could be accepted I feel confident that other trivia about boundaries and the voting age will pose no problem. More importantly, I think that building bridges of friendship rather than creating confrontation would result in a passage for the through-train and a smooth transition in 1997.

The Hong Kong people need a break from political wrangling and political posturing, so that we may go ahead with what really matters and what should be the goal of democracy, that is, we should concentrate our energies on

improving the livelihood of the people, and on strengthening the economy upon which the livelihood of the people depends.

Mr President, I support the motion.

Question on the motion proposed.

MR ALLEN LEE (in Cantonese): Mr President, Members from the Liberal Party are going to express our views on various aspects of the Governor's policy address this year in today's and tomorrow's sessions.

First of all, I would like to voice the position and aspirations of the Liberal Party on the Sino-British talks concerning the significant issue of the 1994-95 electoral arrangements.

Since Governor PATTEN last year announced his political reform proposals, Sino-British relationship began to deteriorate. The people of Hong Kong have been bewildered by the bickering over the reform proposals. Although both sides opened talks in April, no agreement has yet been reached and made public to the people after 13 rounds of talks. Hong Kong people are sceptical about how the two Governments are going to fulfil their promise they made in the Joint Declaration to enhance co-operation and to ensure a smooth transition. At this moment, both sides have gone so far as to speculate whether the economy will be affected or whether other aspects of co-operation such as the work of the Sino-British Joint Liaison Group will be affected, should there be no agreement. Such kind of speculation suffices to make one doubt whether both sides have the determination to settle the dispute at all. Since the signing of the Sino-British Joint Declaration, both the Chinese and British sides have pledged time and again to the people of Hong Kong that they would co-operate to ensure a smooth transition. At his inauguration ceremony on 9 July 1992, Governor PATTEN stressed that he wanted to establish friendly and mutual trust relationship with China. Was he merely paying lip service or were they empty promises? I believe that most of the people do not accept the present situation. Both the Chinese and British sides should be accountable to the public. They should co-operate closely in order to resolve any outstanding problems. This is precisely the long-standing position of the Liberal Party.

Lack of trust between the Chinese and British sides has given rise to misunderstanding. Furthermore, both sides are busily engaged in arguing and their exchange of words further aggravates their mistrust of each other. I believe that this situation is unacceptable to the people of Hong Kong.

Against this background, a Liberal Party delegation paid a visit to Beijing on 10 October. We put forward proposals which we considered to be constructive and capable of breaking the current impasse to Mr QIAN Qichen, the Chinese Vice-Premier of the State Council and Mr LU Ping, Director of the State Council's Hong Kong and Macau Affairs Office. We held that the Chinese

and British sides should come to agreement as soon as possible on matters in relation to the voting age, the single-vote-single-seat system and the appointed membership of the district boards and the two municipal councils. As for the more complex issues of the electoral arrangements for the Legislative Council and the through-train arrangements, there is still time left to hold more in-depth discussions. The Liberal Party also stressed to Vice-Premier QIAN Qichen that a set of objective criteria should be laid down for the through-train arrangements so that candidates running for the elections will be well aware that they are eligible for riding the "through train" before the elections. We were glad to learn that the Chinese Government is going to consider and study such objective criteria. Although we were not sure whether that was a big step forward, we felt that the talks were not as gloomy as they appeared to be. On our return to Hong Kong, we met with Governor PATTEN to discuss in detail our visit to Beijing. We hope that the deadlock could be broken so that the talks may proceed smoothly and that an agreement acceptable to both sides and the people of Hong Kong could be reached at the end of the day.

The Liberal Party does not want to see the Chinese and British Governments each taking its own course because that would spawn many uncertainties ahead. There are three-odd years to go before the change of sovereignty. The Liberal Party understands that what Hong Kong people ask for is a smooth transition. According to a number of surveys conducted recently, a smooth transition is a keen desire among the people of Hong Kong. In view of this, members of the Liberal Party will exert our greatest efforts in persuading and urging both sides to strengthen co-operation in the latter half of the transition period. In doing so, it is not only in the interests of the Government, but also that of Hong Kong people. Both the Chinese and British Governments owe their responsibility to Hong Kong. No matter who is in the right and who is in the wrong, I am sure that it is totally unacceptable to the people of Hong Kong and Hong Kong is to suffer the most in the end if the two Governments are reluctant to co-operate with each other.

During our recent visit to Beijing, members of the Liberal Party had raised our views on issues such as the new airport, Container Terminal No. 9, law and order, corruption prevention, Most Favoured Nation status, personal freedom and freedom of speech with Vice-Premier QIAN Qichen and Director LU Ping. We also expressed our concern and views on the Chinese authorities' handling of the HAN Dongfang incident and the XI Yang incident. Furthermore, we took the opportunity to voice our opinion on how the future executive-led government of the Special Administrative Region might operate and run the territory effectively and how to introduce an executive council system with political appointments. We had also stated our position on livelihood policies, including housing, land supply, central provident fund, legal entry of Mainlanders to Hong Kong and measures to bring an end to the Sino-Hong Kong cross-border traffic problems. We also had the opportunities to discuss with officials of the Ministry of Justice, Ministry of Public Security and the State Economy and Trade Commission on how to strengthen the Sino-Hong Kong co-operation. The Liberal Party is of the view that the future of

China and that of Hong Kong are vitally interrelated. The Sino-Hong Kong relation is not merely a political one. We have an even stronger economic link. We should frankly exchange ideas with the Chinese officials with a view to enhancing co-operation on the basis of mutual trust. We believe that this is the wish of the local people. Whenever I go to China, I always pay close attention to the problems that confront China and put forward my views to the Chinese officials at every possible opportunity with regard to those problems. Being a Chinese, I earnestly hope to see China making steady progress. We should let the Chinese officials understand how Hong Kong ticks. Hong Kong's success today is not a miracle. Our prosperity is rooted in a free society which respects the rule of law and a free market which ensures fair competition. Hong Kong people have the enterprising spirit. We must preserve the present lifestyle. The goal of the Liberal Party is to join hands with Hong Kong people in the making of a better future.

Mr President, the Liberal Party hopes that both the Chinese Government and the British Government will put aside all differences and take up the responsibility they bear for Hong Kong. They should co-operate on the basis of mutual understanding, mutual concession and mutual trust for the sake of the overall interests of the people of Hong Kong. This is the promise that both Governments made to Hong Kong in the past years. Now is the time it should be fulfilled.

MRS SELINA CHOW (in Cantonese): Mr President, it is really disappointing that the policy address gives so little space to law and order issues.

In Paragraph 100, the Governor has high praise for the Police Force. He cites figures to depict a falling trend in crimes and paints a picture that is bright and promising. Then, as he goes on, he confines himself to organized criminal organizations and the rise in complaints about corruption. He undoubtedly under-estimates and over-simplifies the complexity of law and order problems. The Liberal Party always has great admiration for the Police Force. Still, it really makes no practical sense to describe Hong Kong's numerous law and order problems in vague and general terms. A case in point is Paragraph 101, which says, "(In Hong Kong, there) are still too many crimes, too many lives risked, too many innocent victims. So our drive against crime must continue — without let-up." The description does not carry any practical meaning. Moreover, the policy address does not provide any in-depth analysis based on specific facts; nor does it contain any countermeasure. This is worrisome.

A thousand more police officers have been successfully recruited. Be that as it may, what about the measures taken last year to solve the wastage problem of rank-and-file police officers so as to retain them in the force? How effective have these measures been? The policy address does not mention anything on the outcome of such measures. Furthermore, the long-standing problem of manpower constraint has caused the new divisional police stations in the

New Territories to delay their commissioning. Has any progress been made in correcting the problem? Again, the policy address does not touch on this.

True, after this Council directed its attention to the problems of the Police Force and held a debate about them, the Government did take some steps to improve the situation accordingly. However, poor internal co-ordination is still a problem of this mammoth establishment. It makes people wonder if the upper and lower echelons of the Police Force share the same views, if there is adequate communication between them. We often hear complaints that the lower echelons have no way of making their feelings known to the upper echelons. Such complaints should not be overlooked. It is imperative that the Government set up a mechanism to provide an established and approved channel of communication so as to keep the upper and lower echelons united in heart and mind.

In the area of police equipment, a mere increase in fire power is definitely not the answer, considering that the police is facing crime syndicates with brain power and financial power. Also needed are up-to-date technology, better investigative techniques and an enhanced intelligence-gathering capability. These will assure the police of a better chance of success in containing organized crime.

A newspaper report yesterday contained some shocking news. The report said that one out of every six business establishments had to pay protection fees to the triad and that crime syndicates' intimidations and extortions were victimizing business establishments in every trade. Does the police perceive this to be a serious problem? How will they deal with it? We often hear the police laying the blame on members of the public, accusing them of failing to report crimes and refusing to testify against criminals. The police seems to say that, under the circumstances, there is nothing that they can do.

However, has the police made an introspection itself why members of the public, despite being the victims and despite having to bear the mental stresses and the financial losses indefinitely, are not seeking legitimate protection in their own interests?

The answer is quite simple. Members of the public have no confidence in the police. They are not confident that their identities will be kept confidential. They are not confident that their persons will be protected. They are not confident that the triads will not get even with them. Nor do they have confidence in the Government. They are not confident that the Attorney General's Office will prosecute the suspect in every reported case or that the Government can win every prosecution and bring the undesirable elements to justice.

Such worries are not merely psychological ones. As a matter of fact, everybody who has reported a crime once will hesitate to do so again. The waiting time is too long. The procedure is too complex. Police officers'

manners and the way in which they handle confidential information are such that they deter people from reporting crimes. Police Commissioner Mr LI Kwan-ha once said that the quality of the Police Force was closely related to the public's support and aspiration. The truth is quite plain. Co-operation between the Police Force and the public is essential to the combating of organized crime. Mutual recrimination does not help matters; it only gives more manoeuvring room to the evil forces. The Government must act expeditiously to find a total solution for this problem. To get to the heart of the problem, it should study the model of the Independent Commission Against Corruption (ICAC). It should find out how the ICAC wins and keeps the confidence of members of the public. Furthermore, consideration should be given to extending a special police procedure — that for dealing with kidnapping-for-ransom reports — to the handling of extortion reports in general. A procedure for witness reassurance and protection should be laid down as well. The Government should adopt a positive attitude in order to win the public's confidence. Without such confidence in the police, the Organized and Serious Crime Bill, even if passed by this Council, will probably fail to produce the desired results.

Actually, the feelings of the public towards the police is mixed. On the one hand, the public sets a high standard and ideal for the police. They expect every police officer to do his best in protecting their persons and properties. In order to achieve this aim, the public is ready to give ample powers to the police. On the other hand, they are concerned that the exercise of police powers may cause inconveniences affecting their everyday lives. Therefore, police powers should be appropriately checked. The Hong Kong Bill of Rights Ordinance and its consequential amendments to other ordinances are needed for the job. There is also the Police Complaints Committee (PCC), a body which the public can rely upon. Some time ago, during a debate in this Council on PCC, most Members supported a motion to improve the operations of PCC and to defer the establishment of a separate body. How is the PCC doing? Has it made improvements? These are questions for which answers are awaited from the Government.

The policy address skirts the issue of Sino-Hong Kong co-operation necessary to the fight against crime. The Government is particularly lacking in initiative in the area of crime prevention. Co-ordinated action between China and Hong Kong is necessary to the prevention, for instance, of sporadic and seasonal crime waves. Long-term comprehensive joint planning and high-level consultation are the key factors, without which Hong Kong will be in a passive position. As everybody knows, China is a large and populous country where things are done differently as compared with Hong Kong. A good partnership between the two sides will enable us to make expeditious responses.

The Governor devotes a great deal of space to, and gives in-depth descriptions of, the rise in complaints about corruption as well as ICAC's plans.

People in general worry that the Civil Service, large establishments and China-owned establishments may be particularly prone to corruption. They

worry that should irregularities be found in a China-owned establishment, powerful personalities in China will back it and stand up for it, rendering helpless the ICAC. Such worries must be dispelled by co-operation between the ICAC and the Chinese authorities.

From a different point of view, with the economic relationship between China and Hong Kong getting closer and closer and different moral codes between China and Hong Kong, it is necessary to protect Hong Kong businessmen while they are on business in China. There must be clear instructions about what to do in either area. These instructions should be widely publicized. In case they are prosecuted in China for complicity in a corruption case, they know where they can turn for help. In its meeting with the Public Security Bureau in Beijing last week, the Liberal Party made a request that, if any Hong Kong person was arrested in China, the New China News Agency (NCNA) should be immediately notified of his name and of the law under which he was charged with an offence, so that information might be obtained about, and help sought for, the accused.

A code of conduct is undoubtedly a good idea. But its effectiveness will depend on whether it hits the mark. Under the premise of corruption prevention, a code of conduct should not be such as will unnecessarily hinder the business community.

Law and order issues are many. One, for instance, is how the Government intends to deal with the more than 30 000 Vietnamese boat people who are still remaining in Hong Kong. Mr Alastair GOODLAD, Minister of State for Foreign and Commonwealth Affairs, said once that the repatriation of the boat people to Vietnam would be completed by 1997. What are the chances of this promise being kept? Is the British Government willing to share part of the financial burden? Supposing that the repatriation is not completed by 1997, will the United Kingdom accept the remaining boat people? There are big question marks about all these matters.

Close co-operation between officials of China and Hong Kong is of course necessary to the stemming of the illegal immigration tide into Hong Kong. But what is even more important is China's initiative in dealing a full blow at the problem at the source. We can effectively stop illegal immigration into Hong Kong only if China deals with the problem at the source.

Furthermore, there are still many shortcomings in the way different government departments look at, and co-operate in dealing with, wife and child abuses. Although the Government has an inter-departmental working group on child abuse, it is doubtful that it has made satisfactory progress. Are there more specific ways to help these unfortunate children?

Children's being left at home unattended is becoming an increasingly serious problem because more parents go out to work. The Government must take a square look at the problem, with a view to lowering the accident rate.

There are major inadequacies in Government's actions on, and assistance to, wife abuse cases. The Government is not even willing to set up an inter-departmental working group on wife abuse as it has done on child abuse to provide substantial assistance to the abused wives. I believe that the Government should take a square look at the problem and act expeditiously.

Moreover, the problem of juvenile delinquency, such as the employment of young girls to work in immoral karaoke lounges, drug addiction and drug abuse are becoming increasingly serious problems recently. I therefore urge the Government, including all law-enforcement departments, to act with initiative to prevent juvenile delinquency and, through effective education, to teach young people to be self-respecting. First and foremost, the police, the other law-enforcement departments and all other relevant departments, such as the Education Department and the Social Welfare Department, must work together under a concerted plan to fight juvenile delinquency.

It is therefore clear that the falling crime rates do not necessarily mean that the world is becoming more peaceful or that the public will lower their expectations in the law and order area. Every citizen of Hong Kong has a basic right to a society in which law and order is well maintained and which is peaceful and stable.

MR HUI YIN-FAT (in Cantonese): Mr President, among all the government-funded social services, welfare services have historically received the least attention and the least amount of funding. But the Governor has now, for the second time in his two policy addresses, made welfare services a key part of his address. Therefore, as a Member representing the social services constituency, I must praise the Government for considering the difficulties of the people at a time when the Treasury is awash with reserves, and for wanting to allocate more resources to satisfy the needs of those people who have been waiting for services for a long time. On the other hand, however, I have an obligation to advise the Government that it is my hope that Hong Kong's welfare services will advance to a higher level and play a bigger social stabilizing role, all the more so because the future is uncertain.

In his policy address, the Governor regards the family and rehabilitation services and the services for the elderly as the major areas where the authorities must strive to attain their targets. From the point of view of social welfare workers, this direction set by the Governor is acceptable, even if not totally. The authorities are at least finally taking a square look at the serious shortages of services. As the Social Welfare Department has elaborated, the new programmes and the higher allowances for children put forth in the policy address are expected to cost an additional \$200 million or so a year. This seems to be a significant figure. This is an important reason why welfare services occupy a prominent place in the policy address.

However, if we make a careful analysis, we will readily find that the so-called new services and additional allocation of resources are at best the authorities' way of responding to society's most pressing demand for services in areas where things have been in a deteriorating trend. In fact, the spirit emphasized by the Governor is precisely that which is shown in Paragraph 80 of his policy address, which says, "We cannot accept the lengthy queues for these facilities." I personally think that the Governor's consideration in these areas does not proceed completely from the human rights angle. His consideration is that, despite Hong Kong's economic success, there are still many human tragedies, due to people's inability to receive timely services.

The Governor says in Paragraph 82, "Social change has the tiresome habit of creeping up on communities — and their governments — and taking them by surprise." I certainly do not agree with this view. The public in general and the non-governmental social welfare agencies in particular, which always rely on their sensitive social feelers and their social work spirit, have been urging the Government for a long time to take specific steps expeditiously to nip potential social crises in the bud. Unfortunately, no matter how we tried to convey our messages, the authorities always closed their eyes or turned a deaf ear. Often, after they finally agreed that the services were needed, they would try to use delaying tactics and say that there was not enough money.

It can be said that, so far, in the development of welfare services, the Government is still aiming at the quantitative target. The authorities regard certain services in short supply as not pressingly necessary. Examples are counselling for young people, services to children and young people and assistance to groups and community development workers in redeveloped areas. The authorities have already relegated these services to the side, not to mention the improvement of the quality of these services. In fact, most of the authorities' past promises on service improvement programmes have remained unkept. A case in point is the promise to increase the number of social workers for schools to one social worker per 2,000 students, which will help to reduce the student suicide rate and improve counselling based on youth psychology. This promise was actually made by the authorities 11 years ago.

I certainly do not accept the explanation that there is a shortage of resources. What they lack is the courage and the resolve to win a more reasonable share of money from the central Government for improving the quality of services. An easy thing to do will be to increase the Lotteries Fund's share in the proceeds from the sale of Mark Six lotteries. The Lotteries Fund will then be assured of a stable and adequate source of income for spending on the improvement of the quality of services. As Members may still recall, when the Royal Hong Kong Jockey Club decided on its own initiative to lower its Mark Six commission rate by 1.5 percentage points and yield the difference to the Lotteries Fund, the Government did nothing for its part, explaining that it had already injected \$2.3 billion into the Lotteries Fund and that welfare services were already assured of sufficient funds up to 1997. However, as everybody knows, welfare services are long-term social investments, for which

1997 should not be regarded as the half-way point or the end. What welfare workers pursue is a stable and lasting system of safeguards.

In the allocation of the proceeds from the sale of Mark Six lottery tickets, the second largest share goes to the Treasury, after the pay-out to lottery winners. The Treasury's share is 30%. The share for so-called charitable purposes is only 5%. This way of allocating the proceeds is extremely unreasonable. As far as I can tell from the information that I have gathered, the Government's percentage share in the proceeds from the sale of lottery tickets is the highest in Hong Kong among all places in the world. In many countries, including even Chile in South America, the government's share is only 13%. In China (for China is learning about lottery tickets from Hong Kong), the government's percentage share is the lowest, while between 30% to 50% of the proceeds from the sale of lottery tickets go to charity. Why does the Government in Hong Kong insist on feeding itself from the pot of paupers, so to speak?

Mr President, over the past eight years, I kept on urging the Government in policy address and Budget debates to allocate more to the Lotteries Fund earmarked for social welfare services. Only the Jockey Club yielded. I think that now is the time for this Council to act. I will ask for the support of the newly established Welfare Services Panel and request this Council to revise the apportionment of the proceeds from the sale of Mark Six lottery tickets in the form of a private member's bill, so that the sale of Mark Six lottery tickets, the only kind of lottery ticket that is lawful in Hong Kong, will really serve a charitable purpose.

An ancient Chinese scholar, FAN Zhongan, said, "When there are things to worry about, we should do the worrying before everybody else does. When there are things to celebrate, we should celebrate after everybody else has celebrated." The Governor's policy address has not dispelled the doubts and concerns of welfare workers. One important reason for this is the absence of assurance that there will be money for improving the quality of welfare services after 1997. An even more important reason is that the welfare policy evidenced by the policy address is neither an ambitious plan to cope with the social needs of the next century nor a clear and comprehensive development plan. Whether the important objective is "welfare politics" or "welfare politicization," what the policy address reveals is that, on matters of services, the Government responds only where it is the most criticized by members of the public. One can hardly avoid the impression that things are fragmentary and will be transient. One even suspects that the Governor's sole purpose is to try to give the public momentary satisfaction.

Examples to illustrate this are found everywhere. A case in point is the plan to provide services to the mentally handicapped. This plan, obstructed by local residents with prejudice, has not been carried out on schedule, which is regrettable. But the only promise that the Governor has then gone on to make is that \$20 million will be spent in the next three years on public education. The

Governor lays down no specific strategy and makes no long-term financial commitment. This, too, is disappointing. As we all know, public education takes time to produce results. Examples are the "Keep Hong Kong Clean Campaign" and the promotion of the metric system. How can we expect that discrimination against the physically handicapped and the mentally retarded will disappear among members of the public in three years' time? Nor does the Governor describe his policy. One really cannot tell how the Government plans to spend this \$20 million for maximum effect. I think that the Government should give more thought to promoting neighbourhood activities in which the mentally handicapped and their parents can participate. Another possibility is to encourage students to spend their summer school holidays working as voluntary workers in relevant service agencies. It will provide students and their parents more opportunities to meet physically handicapped and mentally retarded persons. Fears due to ignorance and misconceptions will then disappear.

In the area of services for the elderly, nobody will deny that the Governor is paying great attention to the severe shortage of services. He talks about setting up a special working group that will report directly to him on what can be done to provide the sort of integrated care for the elderly that they need and which Hong Kong can afford. He also talks about improving health care for the elderly by creating specialist medical teams and by backing the development of home help teams. He talks about providing more hospital beds, infirmary and nursing home places and providing more housing for the elderly. Still, it is certain that people will doubt that there will be sufficient trained persons to cope with such a sudden expansion of services. More importantly, the plans are not enough to offset the dejection and disappointment at the Governor's foot-dragging in making a decision to set up a central provident fund. As everybody knows, it is important for the elderly to have things that they can depend on. At the heart of the problem is the fact that, when a person grows old and retires, he loses his working ability and financial independence, so his livelihood becomes totally unprotected. The Governor ignores the unanimous conclusions reached long ago by members of the public and by this Council, which is that the Government must act expeditiously to implement a retirement protection system. Instead, he only revives issues that have been studied time and again over the past 20 years or so. He even blames the disagreement between the public and this Council as the reason why the Government has failed to make a decision. This makes it amply clear that the Governor either lacks a full understanding of life in Hong Kong or has lost the intelligence, courage and resolve that he should have as a wise leader.

Similarly disappointing is the Governor's failure to take a square look at the community's demand of public sector housing. Since the Governor finds it intolerable for members of the public to have to wait for a long time before they receive welfare services, he certainly should not ignore the tens of thousands of families whose names are on the Waiting List for public housing. Their living environment is urgently in need of improvement. I think that, since the Governor wants the Housing Authority to make a long-term commitment to the better management of public housing, then the Government

should make the first move. This means that the Government should increase the supply of land for public housing without regard for the annual land grant quota and should reduce the amount of interests receivable from the Housing Authority. In this way, the supply of public housing can be increased at a faster pace for the solution of what is the the most pressing problem of all.

In order to settle the disputes between the Housing Authority and its tenants over rents and management matters, I suggest that the Governor should ask the Housing Authority to learn from the example of the Durham Municipal Council and design a "Tenants Charter" that sets forth the particulars of tenants' rights and obligations and the managing authority's service commitments. Of course, an even more satisfactory way is to amend the Housing Ordinance to make sure that the Housing Authority will have more members who have the backing of the electorate. Policies made by the Housing Authority will then be more credible and receive a larger measure of public approval.

Mr President, in conclusion, I continue to stress one point, which is that, if the Government wants to be perceived as caring for the community, it must do more than using the policy address as a vehicle of selective responses dealing with those services that are pressingly needed. The more important thing for the Government to do is to show sincerity and to respond with specific actions to the needs of the community. Even if not all the needs can be satisfied simultaneously, the community will find acceptable a demonstration by the Government that it is willing to make a long-term financial commitment to, and pledge on, quantitative increases and qualitative improvements in the area of services. The people of Hong Kong are always practical. The degree of their support for the Governor and the Government will decline if the Governor continues to highlight superficial figures in his future policy addresses while ignoring the core problems and their full resolution.

With these remarks, I support the motion.

MR MARTIN LEE (in Cantonese): Mr President, I would like to ask Members one question: What kind of Hong Kong do you want to live in when year 2047 arrives, when the Sino-British Joint Declaration will have completed its historical mission? If Hong Kong cannot develop a democratic political system now in accordance with the Joint Declaration, will future generations be able to enjoy the kinds of stability, prosperity, freedom and rule of law that we now take for granted?

Mr President, all Members of this Council voice support for democracy. But their views differ on the pace of democratic reform, with some of them wanting gradual progress, that is, a slow pace. Be this as it may, nobody, I believe, disagrees that there is a need to maintain the freedoms and the rule of law, a need to preserve the capitalist way of life. Members who belong to the gradualist school fail to see that the freedoms and the rule of law, as well as stability and prosperity, have to be safeguarded by a democratic system. The

rule of law cannot be upheld by judges alone. Judges' job is to interpret law and hold trials on the basis of law. Law-making is the job of the legislature. If the legislature is undemocratically constituted, legislators will not be accountable to the public and the law that they make may not be in the interests of the public and may fail to safeguard the freedoms of the citizens. Some members of the Preliminary Working Committee of the Special Administrative Region have said time and again that the Hong Kong Bill of Rights Ordinance should be repealed after 1997. If more than half of the members of the first legislature of the SAR take orders from the Central Government of China, the first piece of legislation of the SAR, enacted after 1 July 1997, will very probably be the repeal of the Hong Kong Bill of Rights Ordinance.

By the same token, the rule of law cannot be upheld by a conscientious police force alone. Under the law, the police is responsible for arresting and prosecuting suspects. If more than half of the members of a legislature are not accountable to the public, the legislature will very probably make laws to encroach on human rights and personal freedoms, for instance, by empowering the police to make arrests and conduct searches at will. Police officers, no matter how conscientious, will have to follow orders.

The truth is that, if the post-1997 SAR Government is not open and democratic, keeping the judiciary independent will be very difficult. If the executive branch of the SAR Government takes its orders solely from the Central Government of China, and if the SAR legislature, being undemocratically constituted, does not act as a check and balance on the executive branch, then it will be possible for government officials to interfere with court proceedings at will and, by the direct or indirect exercise of influence, even to tell the legal profession not to touch certain cases because of their sensitive nature. If the SAR does not have a democratic legislature to defend the freedom of speech and the freedom of the press, mistakes made by the administration will never be brought to light. If Hong Kong's rule of law, freedoms and way of life are to be safeguarded after 1997, it will be necessary for government officials, legislators, judges, lawyers, police officers, press reporters and others to have the courage to say to the Central Government of China, "Sorry, I am accountable to the public in Hong Kong. I cannot do your bidding." It is only under a democratic and open system that the holders of public offices will not be afraid to give offence to those in power, for they will be accountable not only to their superiors but also to the six million population and the discerning press.

Mr President, actually, everything that I have just said about the democratic political system, about the rule of law and about the freedom of speech is specifically safeguarded by the Joint Declaration signed in 1984. I recall that, when Mr Douglas HURD, the British Foreign Secretary visited Hong Kong in January 1990, members of the Executive and the Legislative Councils, taken by surprise, began to worry that Britain might want to sell out Hong Kong. So they called an emergency meeting. A senior Councillor said at the time, "I have been keeping my conscience quiet for too long. Now I must

speaking up for my own peace of mind. The things that have happened up to now are a total departure from the Joint Declaration of 1984 as understood by me at the time. What has happened to the concepts of "Hong Kong people ruling Hong Kong," and 'a high degree of autonomy'?"

Mr President, the Joint Declaration stipulates that "Hong Kong's previous capitalist system and life style shall remain unchanged for 50 years." Well then, since Hong Kong's economic prosperity and life style are to remain unchanged, Hong Kong's political system must be changed with the transfer of sovereignty. The Chinese and British representatives to the 1982-1984 talks visionarily conceived of the "one country, two systems" mode: after 1997, Hong Kong would be ruled by Hong Kong people and would enjoy a high degree of autonomy. A democratic political system would be promoted to safeguard the rule of law and the freedoms, as well as stability and prosperity, after 1997. Now, if we are to make the transition from a fully appointed Legislative Council in 1984 to a fully elected legislature in 1997, Hong Kong's political system must be reformed. This is the iron-clad truth.

Very regrettably, after the Joint Declaration was signed in 1984, China and Britain never lived up to their words. Instead, they reached secret agreement after secret agreement to tear up the Joint Declaration page by page, to sell out Hong Kong in a progressive manner. After Mr Chris PATTEN became Governor last year, the Government finally bowed to the wishes of the people and put forth a constitutional package that was democratic in spirit though only slightly progressive. After three debates, this Council passed a motion supporting Governor PATTEN's constitutional package. A majority in the community, too, have consistently supported it. But China has chosen not to go with the trend. China has not yielded to the democratic aspirations of the people of Hong Kong by giving them "a high degree of autonomy" under a "Hong Kong people ruling Hong Kong" formula. Instead, it has used harsh language on many occasions and even tried to intimidate the people of Hong Kong by threatening to play the economic card. More sadly still, in the most recent year, the Government has tried once more to sell out the people of Hong Kong in secret talks. It has made major concessions on the point of how the nine new functional constituencies and the electoral committee should be constituted in 1995. It has then brazenly characterized these "major concessions" as "major initiatives"! What saddens me most is that some, despite being representatives of public opinion, have succumbed to China's threats and baits. They have forgotten the Joint Declaration. They have forgotten that their job is to secure the interests of the people of Hong Kong.

I have great admiration for Mr. PATTEN for something he said in his 1993 policy address. He said, and I quote, "It is about ensuring that democratic development is fair and open. If we allow a system to develop in which elections may be compromised, we invite corruption; we endanger the rule of law, on which our success depends; and we risk losing many of the freedoms that protect our way of life and which both the Joint Declaration and the Basic Law seek to guarantee." Governor PATTEN's words are pleasing to the ears.

But in this case "words are prettier than actions." Instead of expeditiously tabling his constitutional package at the Legislative Council, he has taken the initiative to put democracy, the freedoms and the rule of law "on sale at a discount", begging for an agreement in return.

Mr President, agreement is of course important. Hong Kong and China are closely interdependent. Everybody wants a good relationship between China and Hong Kong in the interest of a smooth transfer of sovereignty. But a good relationship depends on mutual respect, with neither side using intimidation to try to subdue the other. I hope that the present quarrel between China and Britain is just a short-lived flare of temper. I hope that both sides will calm down. The truth is that a conclusion satisfactory to all parties is possible. I very much hope that my colleagues will be of the same mind, that they will ask China and Britain to take practical steps to implement the Joint Declaration and respect the wishes of the people of Hong Kong. I express this hope because defending the Joint Declaration is incumbent on every Member of this Council.

Very regrettably, some Members have said time and again that they are afraid that the talks will fail. They have been accommodative to China in everything. Every time Beijing made a show of anger, they felt their knees weaken. They have even forgotten the name of their own party. If Members really support democracy and the freedoms, then they should insist on a fair and open election system. My deep concern is that some Members are really very afraid of democracy. They are afraid that they will be rejected by the electorate under a fair and open election system. So they put pressure on China and Britain to reach an agreement on what is ostensibly an election but really a system of royal appointments. They try to scare the people of Hong Kong. They say that it will be Hong Kong's doomsday if an agreement is not reached. They use intimidation to stop the people of Hong Kong from supporting democracy, to make them follow suit and scrap the Joint Declaration.

Hong Kong is at a historic crossroads. With each stroke of the pen, we are now writing the future history of Hong Kong. The people of Hong Kong should open their eyes wide and take a clear look into the future. If we abandon our principles now and do not stop China and Britain from tearing up the Joint Declaration, it will be tantamount to sacrificing the happiness of future generations. Let me ask my colleagues: Can you afford to be history's men of guilt? If Members continue to refuse to stiffen their backs at this important juncture and continue to refuse to defend the Joint Declaration, they will later have to say "Sorry" to themselves, to the six million people of Hong Kong and to future generations! I hope that anyone among you who does not have the courage to take up his historic responsibility will resign immediately in favour of somebody else who will have the guts.

Mr President, everybody in Hong Kong wants Hong Kong to be stable and prosperous and China to be tranquil and peaceful. Building a democratic and open society is the only way towards this end. Who can identify Hong Kong's weaknesses relative to other parts of the world, and say that, because of these

weaknesses, Hong Kong does not deserve democracy and the freedoms? I want you to look at the map of the world. Look simply at Hong Kong's neighbours in Asia, at Japan, South Korea, India, the Philippines, Pakistan and even Mongolia. They all have fair and open democratic elections. In Taiwan, several democratic elections have already been held. Are we to assume that, because of some birth defects, the people of Hong Kong and China do not deserve democracy? How can we, the people of Hong Kong, who love both Hong Kong and China, say that we are not yet ready for democracy?

Mr President, my speech focusses on political reform. Mr SZETO Wah will follow with an analysis of other constitutional issues. Eleven members from the United Democrats of Hong Kong (UDHK) will speak on policy areas within their respective provinces. They will comment on whether the policy address' messages on livelihood issues are up to UDHK's expectations.

Mr Albert CHAN will suggest that Hong Kong should have a contingency plan for the Port and Airport Development Strategy. He will call for expeditious actions to untie the Gordian knot of traffic conditions in New Territories North and West and to solve the transport problems of Tseung Kwan O and Ma On Shan. In addition, he will speak against the construction of the Container Terminal No. 9 at Tsing Yi.

Mr CHEUNG Man-kwong will call on the Government to implement the full use of the mother tongue in education, to use the Institute of Education to train more primary school teachers and to subsidize kindergarten education directly. He will also call on the Government to speed up the implementation of the policy of civil service localization.

The Rev FUNG Chi-wood will talk about environmental problems. He will call on the Government to lay down an energy policy to require the full implementation of those recommendations of the White Paper on environmental protection which have not yet been implemented.

Dr HUANG Chen-ya will talk about Hong Kong's economic development and urge the Government to formulate plans for the development of manufacturing and service industries, to draft a fair trade bill and to set up a Fair Trade Committee.

Dr Conrad LAM will speak against the policy of pegging medical charges to costs and urge the Government to lay down a policy on services to chronic patients and to review the problems of the nursing profession.

Mr LAU Chin-shek and Mr Michael HO will call on the Government to act expeditiously to set up a central provident fund and to create more employment opportunities for retrained workers.

Mr LEE Wing-tat will urge the Government to review its long-term housing policy and to build more public housing and more Home Ownership Scheme (HOS) housing, including HOS housing for the sandwich class. Mr MAN Sai-cheong will talk about better measures for stopping sharp price increases in the private housing market.

Mr James TO will focus on human rights, the legal system and law and order issues. He will call for the establishment of an independent Human Rights Committee. In addition, he will review anti-corruption law.

Dr YEUNG Sum will talk about Hong Kong's welfare policy and urge the Government to make law to prevent discrimination against the mentally handicapped, to implement the proposal of "one social worker for each school" and to increase the amount of Public Assistance for children.

Mr President, everybody will then see that many of the goals long pursued by UDHK in improving the quality of life of the people have not yet been achieved. I believe that the public will also see that, under the present undemocratic political system, elected Members are hampered in many ways, with the result that the voices of the people are easily overwhelmed by the voices of appointed Members. The truth is that, without a democratic system, what the people of Hong Kong will lose after 1997 will not be limited to the rule of law, the freedoms and the human rights. Stability and prosperity, too, will be difficult to maintain. If there is no democratic and open government, who will be there to heed the public's wishes for a better quality of life? Whom will our elderly, infirm and handicapped friends be able to tell their sufferings to? The first and foremost *raison d'etre* of a government is to serve the public. The public has a right to tell the government what kinds of economic system, education system, welfare system or health care system they want to live under. The public has a right to tell the government how much public housing and HOS housing they want to be built. The public also has a right to tell the government how they want it to improve poor working conditions. However, if Members elected by universal suffrage are doomed to be a minority in this Council, then how can we fight for the reasonable rights and interests of the public? How can we press for the things that they want, including the way of life that they want?

Mr President, Hong Kong's capitalist system and way of life, Hong Kong's stability and prosperity, as well as the freedoms and the rule of law, must be based on a democratic political system. Without a democratic political system to provide the groundwork, everything else that we treasure can be easily toppled by those in power. Therefore, UDHK will be steadfast in its position. It will continue to strive for a democratic political system for the long-term protection of Hong Kong's rule of law, freedoms and human rights and for the long-term improvement of the quality of life. Governor PATTEN has said time and again that the people of Hong Kong should wait until 30 June 1997 before passing judgment on him. I must remind Governor PATTEN that, if Hong Kong on that day still does not have a solid democratic structure to safeguard the people's

preferred way of life, history will definitely declare that his ruling ends in a fiasco.

Mr President, these are my remarks.

MR DAVID LI: Mr President, once again, the Governor should be congratulated for his policy address, which follows last year's major proposals. He should be commended for his compassion, for the depth of care and concern that he has shown for Hong Kong's elderly, for its disabled and mentally handicapped, for its children, and for its families.

The Governor's recognition of Hong Kong's increasing economic interdependence with China, and the resulting infrastructure plans, are also admirable. I am pleased that the Administration is increasing contact with Guangdong, and that Hong Kong is co-operating with China to further develop high technology and applied research capabilities.

But, unlike last year, when the Governor deserved praise for his sense of vision for Hong Kong, this policy address has the hollow ring of a well-worn British campaign speech. It is an address full of well-intentioned promises, but an address that is devoid of long-term direction.

It was as if the Governor had thrown a handful of crumbs to a flock of pigeons. Certainly the crumbs will keep the pigeons busy for a little while. But the crumbs cannot meet their needs.

This is not the time for empty promises, or for stale crumbs. This is not the time to feed what the Governor called Hong Kong's "rising aspirations" until they become never-ending dependencies. I recognize that the Governor cannot right the policy omissions of the past 150 years in just five years, but I believe that this policy address sadly lacks what today's Hong Kong needs most.

It is time for clear, concise direction. It is time for courage as well as compassion, a time to admit publicly the limits of government and to acknowledge that budgets are finite, and, in fact, must ebb and flow with the economic tide. It is imperative that we distinguish among what we must do, what we would like to do, and what we simply cannot afford to do. It is a time for vision, a time for leadership.

The title of the Governor's address — *Today's Success, Tomorrow's Challenges* — is itself instructive. It reveals the Administration's inability to understand Hong Kong's long-term needs.

Alas, I listened long, but all that I heard was a tale of yesterday's economic success, and nothing about the challenges that we face today. For today's economic success was earned in the past, and the challenges the

Governor chose to put off until tomorrow will cost Hong Kong dearly when that day arrives.

The Governor says that his second priority is the economy and the need to keep it "strongly competitive". He goes on to say: "Nothing is more important than getting our economy right".

He is right, but his remedies are wrong. In the 190 paragraphs there is no vision, no strategy, no concrete measure to enhance Hong Kong's advantages in the international marketplace.

Since I have long advocated a level playing field for Hong Kong's business community, I appreciate the Governor's efforts to bring fairer trading practices to Hong Kong, provided that this initiative is not accompanied by a strangling web of regulation spun by a growing number of civil servants.

But the Governor must realize that Hong Kong's real challenge is not domestic. It is international. As we face this challenge, we cannot forget that we have an enemy within. That enemy is endemic inflation.

The Governor does concede that inflation is too high. He says: "we cannot be complacent". And then he does nothing about it. Meanwhile, every day, the value of the dollars in your pocket wastes away. And every day Hong Kong's costs climb a little bit higher.

If this inflationary trend continues unabated, Hong Kong will find itself losing market share to international competitors. To make matters worse, the Administration continues to increase spending at a time when it should be saving for a rainy day. The Governor says that he cannot "imagine Hong Kong ever facing a financial crisis".

In fact, Hong Kong has not always registered a budget surplus, and as the Finance Constituency remembers all too well, Hong Kong has indeed been racked by several financial crises. Not since the recession of the early 1980s has the public sector consumed such a large share of Hong Kong's gross domestic product. The man on the street is expected to save for tighter times. Why not our Government?

While I believe that it is admirable that the Government wants to help so many Hong Kong people, the Administration must curb its expansive expenditures. The "culture of carelessness" should not become a term that can be applied to government spending. Instead the Administration should find creative ways to free public funds for social welfare.

Privatization, again missing from the Governor's address, would afford the Administration the means to do just that. The Administration should take another look at privatizing the Kowloon-Canton Railway, the Mass Transit Railway, and the Post Office.

Privatization could also assist in the Administration's own pledge for greater efficiency — a pledge which the Governor last year said would help reduce inflation — by contracting to outside suppliers such services as highways, the Government Printer, hospital and correctional services, the airport projects, garbage collection, street cleaning, waterworks, and legal aid.

Last year the Governor declared — the muck stops here. Again, I would like to congratulate the Governor for doing more about Hong Kong's environment than any of his predecessors. Perhaps he should start wearing a green tie! The \$50 million Environmental and Conservation Fund is money that should be well spent, and the Governor's plan to recruit more business leaders in support of a greener Hong Kong is also a positive step towards a greater community involvement.

Although these measures continue the good start made last year, I believe the Administration has missed an important opportunity by not firmly incorporating environmental concerns into its plans for Hong Kong's transport infrastructure. There was no mention of controlling vehicle emissions, or of lessening the noise generated by large and heavy vehicles such as buses and lorries.

Year after year, more and more Hong Kong people are experiencing higher and higher rates of asthma and chest infection, respiratory ailments which the medical community attributes to increased air pollution. We might not need so many hospital beds, so many long-term care facilities, if the Administration adopted a plan to bring the cleaner vehicle technology, now available in Europe and the United States, to Hong Kong's smoggy roads.

Instead, Hong Kong will be importing more polluting petrol — completely opposed to the environmentally concerned world — as we phase out the use of diesel fuel. Our emission controls are already twice as lenient as Singapore's.

I also hope that the Administration will study the possibility of promoting recycling, which, while it would help clean up Hong Kong, could also become a lucrative area of expertise as countries in Asia adopt more environmentally sound policies for development.

While I regret the missed opportunity to curb vehicle emissions, plans for Hong Kong's infrastructure development are the most promising component of the entire address. The transport strategy recognizes Hong Kong's present and future in China, and that Hong Kong's infrastructure must support and meet the demands of China's expansion. I am also pleased that the Administration has called for a 24-hour border crossing at Lok Ma Chau, since Hong Kong currently loses several billion dollars a year due to border closings.

While the Administration should be applauded for its long-term commitment and comprehensive approach to transport development, it gets poor marks for its education plans.

The Governor did note that Hong Kong's only real natural resource is its people. In fact, the people of Hong Kong are our greatest strategic economic strength. Through hard work they have generated the capital and expertise that make Hong Kong a vibrant and competitive regional business centre.

But without constant upgrading, we may lose that critical edge. We must work to make sure our only natural resource, our people, is the best educated workforce in the world.

But this address does not look forward to the educational needs of tomorrow. What crumbs are we offered? \$300 million for a language fund? That is less than \$320 per student enrolled in our primary and secondary schools.

There is also \$114 million for computers. If the Governor were to shop in Sham Shui Po, he could only buy enough computers so that each student would have to stand in line for five hours to use one of the few computers for just five minutes. At this rate it will be decades before computers are as common as blackboards in Hong Kong's classrooms.

Although the Administration has issued its own report card — a feat which I am sure many school children would be keen to duplicate — it does not reveal how much of its \$300 million retraining fund has been spent in the past year to train 4 000 of the 15 000 people mentioned in last year's address. Nor does it make any allowance for the long-term needs of our workforce. We have generations of people who need their skills upgraded.

For business and for government, success is the reward earned by recognizing the dynamics that create change, and by anticipating that change with proactive policies. As today's success was created in the past, tomorrow's success will be forged today.

We should not look back over our shoulder to tired old ideas that have failed on distant shores. We need to look forward to the future that awaits Hong Kong if, and only if, we are properly prepared. For that we need a vision that is tempered by the realities of yesterday, shaped by the challenges of today, and fired by the possibilities of tomorrow.

With these reservations, Mr President, I support the motion.

MR NGAI SHIU-KIT (in Cantonese): Mr President, this year social welfare programmes occupy a major part of the Governor Chris PATTEN's state-of-the-territory address. In fact, as far as the non-political front is concerned, this

second policy address seems to be more suitable for Hong Kong than the first one. It can be said a passable address.

Mr President, as representative of the industrial functional constituency, I am worried that political development in Hong Kong would be unstable and that it would impact economy, trade and so on. And I am disappointed with the Governor's policy address which can only but list out some fragmented economic and industrial policies wholly void of specifics.

Mr President, as indicated by the most up-to-date statistics, Hong Kong's manufacturing industry atrophies with days. And, in comparison with last year the number of employees has dropped by more than 10%. Meanwhile, employees in the service industries have been on a steady increase. That the structural transformation of the territory's economy and the development of Sino-Hong Kong industry complement each other is an irreversible trend. To cope with this development, the Government should adopt a positive attitude. Instead of letting the manufacturing industry run its course, it should change its policy. It should invest in high-tech training and assist the existing industries in raising their standards of technology so that resources are properly spent and Hong Kong could become a centre of manpower to provide high-tech services. Then working hand in hand with the mainland, what Hong Kong can contribute and what the mainland has achieved in technological research will form a composite of advanced technological forces bringing benefits to the two places and playing a more effective role in their industrial and economic development, and pushing their economic developments to another new peak.

In the sixth paragraph of the policy address, five priorities are outlined for the coming year, and they include "ensuring that our economy remains strongly competitive in the international marketplace". However, what we can see in the policy address are only some subsidies to the research on the so-called competition policies in the local consumer market. There is no mention at all of what effective measures the Government would take and what assistance it would give to relieve the pressure that Hong Kong's economy meets with in the international marketplace. As a matter of fact, members of the local economic sector have already warned that development of the local economy has begun to slow down at the present stage and the tax base is seen to have been narrowed, and that if the Government spends freely without an effective policy to boost exports, then in the long run Hong Kong's economy will be in a crisis of standstill.

In paragraph 10 of the policy address Governor Chris PATTEN mentions the uncertainties in Hong Kong's future in trade, for example, there is no telling if China's MFN status will be renewed and it is likely that the Uruguay Round of the GATT negotiations would be without result. In my opinion, we should face these issues squarely. But the Governor has not introduced any actual measures or strategies to deal with the problems. He is prepared to spend over \$20 billion, with emphasis on improving people's livelihood and welfare, but not an iota of initiative on the promotion of economic development. We must

not forget economic development and improvement of the quality of life are closely interrelated. The Government should strive to help the people create wealth and produce a favourable environment for the economy and investment. It would be more practical and more compatible to the Government's concept for the future.

In paragraphs 174, 175 and 177 of the policy address, Governor Chris PATTEN said the reason why the efforts of China and the United Kingdom had failed to bear fruit was that the Chinese officials did not understand the people's aspirations for democracy. The Governor stressed that the United Kingdom had made concessions in the negotiations and that they were waiting for China's response. In fact, as regards aspirations for democracy, it is clearly stipulated in the provisions of the Basic Law. The political development in Hong Kong will be heading a more democratic direction. It is exactly because the mode of development for Hong Kong is stipulated in the Joint Declaration and the Basic Law that China has to stick to the principles and cannot compromise. That the negotiations are required to proceed in accordance with the spirit of the documents is to fulfil the promises that have been made to the people of Hong Kong and to abide by the policy of developing democracy progressively. It seems that China is not going to agree that someone should be allowed to put forth any opinion that is not in conformity with the principles stipulated in the two documents or even to make any move to ruin the territory's stability and the people's confidence. Unfortunately, in the past year, when dealing with the relations between China and Hong Kong, what the Governor did and said was not of any help to the strengthening of connections, let alone promoted further development. Governor Chris PATTEN is probably the last governor of Hong Kong. Politically, the delivery of this policy address during this latter half of the transition period is a confrontation with China and lack of "love and care for the people of Hong Kong". As a member of the public who wishes Hong Kong will remain prosperous and stable, I feel rather regretful.

Governor Chris PATTEN is an eloquent, capable politician. I sincerely hope that he will make use of his capabilities to take up the "mission" to "protect" the people of Hong Kong so that they can live and work in peace and contentment and have a smooth transition, to assume the historical responsibility of "loving Hong Kong and loving the Hong Kong people" in accordance with the people's general acceptance of the Joint Declaration, the Basic Law and the diplomatic exchanges between the two countries, and to be an official who really works for the benefits of the people of Hong Kong.

With these remarks and the views that I have expressed about constitutional development, I support the motion.

MR PANG CHUN-HOI (in Cantonese): Mr President, the Governor has introduced to this Council his second policy address outlining the Administration's plans for the coming year. He has also included in the annex a

progress report on individual undertakings he made in last year's policy address. This is a responsible deed which I find commendable.

The Governor, who has come to Hong Kong for one year only, mentioned various issues of public concern such as economy, transport, manpower resource, education, housing, health care, a secure old age and corruption and made some undertakings. However, looking back, we can see that should the Government be determined to address these problems head-on in the past, though they may not have been completely solved, such problems at least would not have been delayed until today and made the general public bear the adverse consequences of such a delay. I would like to point out the following items and hope that the Government would give them serious consideration.

1. *Economic restructuring*

From the outset of the 1980s, many of our manufacturing establishments have gradually moved outside Hong Kong with the workforce shifting to the service sector. In the late 1970s, the Government's high housing price policy by controlling the supply of land opened Pandora's box. This is the major reason for the manufacturing industry's decline. At that time the labour sector and both the middle and lower classes earnestly called on the Government and the capitalists to act responsibly. However, it is a pity that the good advice jarred on their ears. Today over 80% of the production operations in the labour-intensive manufacturing industry locally based in the past have been moved elsewhere outside Hong Kong. What is worse, with the Government's implementation of labour importation to curb salary growth in the fine-sounding name of stemming inflation, the middle-aged workers engaged in the manufacturing industry are facing great difficulty in their employment and change of job.

It is not until last year that the Governor decided to allocate \$300 million to the Employees' Retraining Fund. However, employers are offered the option of employing imported workers. They therefore impose on the retrainees harsh terms and conditions in respect of their age, sex, academic qualifications and so forth. Thus the workers who have completed training are not as what the Governor said in his policy address as having "no difficulty in moving on to new jobs" and, indeed, the situation is very unsatisfactory. This indicates that the Government turned a blind eye in the past to the industrial restructuring and stood aloof from it with folded arms. Consequently, it leads to the present anomaly whereby some people are jobless when there are jobs unfilled. I think the Government should indeed be held responsible for it.

2. *Housing policy*

The provision of resettlement housing, public rental housing and the Home Ownership Scheme (HOS) was originally based on the notion of showing care to the lower class in terms of their housing needs. Yet, over the years it has come to a situation under which the rent of public housing units is set at a

level whereby the factor of inflation is taken into account while the price of HOS flats is pegged to that of private housing. Today not only does the lower class find it hard to afford the high housing prices but even the sandwich class needs government subsidy. Given the fact that the Housing Authority has accumulated a huge surplus and its current capital has amounted to \$15 billion, it actually corners the market and becomes a profiteering body. It is disheartening to note that there are still 160 000 families with over 400 000 citizens on the Waiting List and yet the Government fails to conduct any review of its housing policy in response.

3. *Health of the elderly*

Most public housing units and HOS flats in Hong Kong are designed for small families. Yet the Governor said that "the best solution is care in the family". This idea, in fact, is out of step with the real social situation. The Governor now intends to change Hong Kong people's life style but it seems to be already too late. Nevertheless, I still hope that the Government and the departments concerned could make concrete plans for improvement.

In addition, medical services provided by the Government are apparently running counter to the policy as stated by the Governor. I hope if he really cares for the elderly, the Governor should pay heed to the proposals put forward in the Green Paper entitled *Towards Better Health*. According to the proposals, the fees will be pegged to the costs. Under such a policy, the elderly, who make up 40% of in-patients population throughout the territory, will become a heavy financial burden for their families or they may even be abandoned and fall victim to such a medical policy reform.

4. *Retirement protection and Central Provident Fund*

The labour sector has strived for retirement benefits for over 20 years. As early as the end of the 1960s, textile workers already proposed to their employers in 1969 the establishment of retirement or provident fund. After half a year's serious negotiation, the trade union settled the issue with a majority of employers and signed an agreement granting workers long service gratuity. In the 1970s the cotton and textile industries put the agreement into practice. This exemplifies that employers in Hong Kong could afford the financing of retirement protection for their workers. However, it is very regrettable that the Government has turned a deaf ear to the requests of the labour sector over the past decades. Now the Governor says that a decision would be made at the end of this year. I bet there will not be any good news because it is far too late.

5. *Political system*

The Government previously turned down the proposal of some members in the community for holding direct elections in 1988. Neither did it accept the OMELCO Consensus Model which proposed that 18 seats be returned by direct election in 1991. Only today when we are in the latter part of the transition

period does the Government attempt to correct its past mistake by speeding up the pace of democratization and this will naturally meet tremendous obstruction. The Sino-British relationship is now at the worst since the signing of the Joint Declaration. And there is no sign of easing of the strained relations. Under such circumstances, the Hong Kong community will be overwhelmed with uncertainties and worries. The Governor in his policy address also fails to reassure Hong Kong people about their future.

I have to stress that Hong Kong needs an agreement, which is crucial to the maintenance of prosperity and stability in Hong Kong. I would not like to see that China and the United Kingdom are, in the name of "defending Hong Kong's interests", going separately on their own ways because this will inevitably deal a serious blow to Hong Kong in the latter half of the transition period. I call upon the Government to do its best to effect the resumption of Sino-British co-operation so that the two countries will work hard together for the future of Hong Kong and arrive at an arrangement which is open, fair and acceptable to Hong Kong people. Only by so doing will Hong Kong people's well-being not be threatened.

Mr President, these are my remarks.

MR SZETO WAH (in Cantonese): Mr President, "we now have only weeks rather than months to conclude these talks", some people have reacted with fury upon hearing these words in the policy address. We have to ask these people: Even this world will eventually come to an end, so how can there be no time limit for the talks? Can we say that if there is no agreement on the "through train", then the talks will have to "board" the "through train" and straddle 1997? We have to ask them also whether they remember that 10 years ago during the Sino-British negotiations one side had set a time limit, saying that if no agreement was reached by that time, it would unilaterally announce a scheme for resuming the exercise of sovereignty over Hong Kong. At that time, these people were not reacting with fury. Instead, they were clapping their hands with fervour. In a word, if they want it to be quick, it has got to be quick; if they want it to be slow, it has got to be slow. Only they can speed things up, others cannot; only they can slow things down, others cannot.

As regards the acceleration and procrastination of the negotiation process, I want to tell a story which I recently read in a magazine. In the 1993 second issue of *Zhongguo Nongmin* (The Chinese Farmers), a memoir entitled *The Anecdotes of Li Kenong* was published (reprinted in the 1993 seventh issue of the *Xinhua Wenzhai* (New China Digest). LI Kenong was the Deputy Minister of the Ministry of Foreign Affairs, but when introducing him to foreign visitors MAO Zedong said, "LI Kenong is a super secret agent of China, a secret agent of the Communist Party." LI was in fact the highest backroom decision maker on the Sino-Korean side in the Panmunjom negotiation over the Korean War.

During one round of negotiation on the exchange of war prisoners, which was chaired by a delegate from the American side, the representatives of the Sino-Korean side, under the instruction of LI Kenong, said absolutely nothing but kept sitting still like a statue. They remained like this and 132 minutes passed in dead silence. The American side, though puzzled, could do nothing but adjourned the meeting.

At the following round of negotiation, which was chaired a delegate from the Sino-Korean side, just when the two sides had sat down, the leader of Korean delegates declared the meeting adjourned immediately after announcing the commencement of the meeting. This round of negotiation took no more than 25 seconds. This scene was also directed by LI.

I do not know whether the Sino-British talks on the 1994-95 elections, of which 13 rounds have been conducted and the 14th round is ongoing, have had scenes that are equally or even more interesting. I hope that after a number of years someone can reveal in his memoirs what happened during the talks such that I can know in my life time the real situation.

From the anecdotes of LI Kenong, it can be seen that there is always a strategy and political objective behind the move to accelerate or procrastinate the negotiations. The reaction of fury upon hearing "we now have only weeks rather than months to conclude these talks" is a revelation of the tactics to procrastinate. Otherwise, weeks of time is still enough for reaching an agreement, why react with fury?

The political objectives of the tactics to procrastinate are:

1. To have more time to further the united front work of isolating, dividing, disintegrating or buying over the opposing parties.
2. To create by the procrastination an even more uncertain situation to the effect that some people, conjecturing that the British side will sell out the people of Hong Kong, will think, "as you will sell me out, why won't I sell myself out first", and then decide to pocket the money and defect and snuggle up to the united front tactics of isolation, division, disintegration and buying over.
3. To use a long period of uncertainty to crush the will of those people in Hong Kong who still hope to strive for democracy and implement the concepts of "one country, two systems" and "high degree of autonomy".

It has recently been suggested that the electoral arrangements for the 1994 and 1995 elections should be handled separately in the manner of "dealing with the easy part first before coming to the difficult part". In fact, this proposal is put forward to attain the political objectives of the procrastination tactics. It has been said in the *Dream of the Red Mansions*: "The unreal is real and the real is

unreal; non-being is being and being is non-being" In fact, there is no difference between the "easy" and the "difficult" parts. This can be shown by revising the above statement to read as: "The easy is the difficult and the difficult is easy; procrastination is negotiation and negotiation is procrastination". If there is really a difference between the "easy" and the "difficult" parts, then why no agreement has been reached on the lowering of voting age to 18 after 13 rounds of talks? Why no progress whatsoever has been made on many technical and practical matters in the Joint Liaison Group?

Some people have even threatened that if there is no agreement, even district board members and members of the two municipal councils will not be allowed to board the through train. I have to ask: Which provision in the Sino-British Joint Declaration and the Basic Law has stated that even district board members and members of the two municipal councils have to have their "tickets" checked? This is really a kind of unbridled exercise of purported authority. We have to ask: Does that mean even the area committees, mutual aid committees and owners' corporations of buildings, councils of schools, councils of trade unions, boards of directors of limited companies and so on will all have to get off the "train"?

Talking about the "through train", I must mention that a paragraph of my speech during the motion debate on the political system on 11 November last year has attracted attacks against me for nearly one whole year. That paragraph reads like this:

"According to some news reports, there are people exerting pressure to dissuade some political groups from supporting Mr PATTEN's package and warn that, upon failure to do so, their members will not be able to ride the through train beyond 1997, that is, they cannot retain their seats in the legislature of the Special Administrative Region. If these reports are true, then the through train will not be a through train. It will be a red wagon for pigs. Sitting on it will not be humans but pigs — red pigs who say yes to everything. It is not a big deal for a self-respecting man not to ride in the red wagon. Convergence and smooth transition in the red-wagon mode will not lead to a world of humans. One would rather forget about such convergence and smooth transition!"

Those who attacked me have only quoted the words "red wagon for pigs" but have never quoted the whole paragraph and never directly answered whether that report is true. This is like chopping a person into two halves and gouging out his brains and heaping abuses on him saying, "This is a corpse with no brains, so what it said are all rubbish." I mention this paragraph again because I want those people to continue attacking me, but I hope that when they do so, they should quote the whole paragraph and answer whether that report is true.

It has also been said in the policy address, "why keep a bird on a string unless you want to tug it back from time to time?" We can find something that coincides with this statement in XU Jiatur's memoirs in which XU said that the problem of a "safety coefficient" must be considered when drafting the part of the Basic Law on the political system. This so-called "safety coefficient" is the string used to tie the bird. This "safety coefficient" should in fact be called "control coefficient". The metaphor of the policy address may not be very good because the bird cannot fly away. A better one should be: why not make a bigger bird cage so that the bird can have more space to fly unless you want its wings to degenerate to the extent that it will become crippled just like a hen that cannot fly?

No matter how long the talks will continue and whether an agreement will be reached, the Bill on the 1994-95 elections will finally be submitted to this Council to be voted on. That will be a critical moment when the honesty and courage of every Member will be tested, a critical moment when the integrity of every political party will be tested. In the last Session, there were a number of motion debates on the political system. The stance of every Member who voted was recorded clearly. I request all the people of Hong Kong to watch carefully whether these Members and parties have maintained or changed their stance when they vote on the Bill on the 1994-95 elections. No matter what the Bill will become after passage by this Council, the public will still have the right to vote. The people of Hong Kong, you should use your vote in the 1994-95 elections to give a fair historical judgement on the honesty and courage of the candidates and the integrity of their political party. Even though we cannot have a democratic political system, we must keep Hong Kong a righteous society!

Mr President, I so make my submission.

MISS CHRISTINE LOH: Mr President, however much we might like to wish otherwise, our deliberations on the Governor's policy address are overshadowed by the question of electoral reform, by the Sino-British talks and by the prospect that some resolution must be reached in "weeks rather than months", to use the Governor's own words.

The Governor was, particularly in his concluding remarks, blunt on these issues.

He acknowledged that if Hong Kong does not have a legislature which is "fairly and openly elected", then the rule of law here will be undermined. He explained that the undermining of the rule of law would mean the undermining of Hong Kong's "prosperity and freedom".

He also acknowledged that for moral, political and practical reasons only Hong Kong itself should decide Hong Kong's future. The Government, he said, "cannot claim to be any stronger, any wiser, any more determined than the

community itself." Above all, it was the "community's legislature (which) sets the limits to the Government's power" "We cannot be bolder than you," he said.

It was gratifying to hear such home truths at last. But it is also saddening to reflect on how little recognition has been paid to those same truths in the years and months gone by.

Proposals for reforming the electoral system, in preparation for the 1994-95 elections, might have been put directly to this Council in March this year, or even earlier. Instead, they were made the subject of prolonged and secret negotiation in Peking between the British and Chinese Governments. Negotiations have so far produced nothing except anger, delay and confusion.

The proposals originally made to this Council last October, and favourably received here, were — we now learn — secretly diluted in a misjudged attempt to obtain a Chinese approval which has not in fact been forthcoming. What was once a question of principle became a question of degree.

Now, with public opinion unsettled, with China having struck a series of public postures from which it will be most reluctant to retreat, and with Britain having offered heaven knows what other half promises and sweeteners in the course of 13, soon to be 14, rounds of negotiations, this Council will be invited to sort out the mess.

We have hesitated on reform, and our ideals are very nearly lost.

We must hesitate no further. If we believe that the rule of law is essential to the maintenance of Hong Kong's prosperity and freedom; and if we believe that the rule of law depends upon a credible legislature, fairly and openly elected; then we must regard the proposals put before this Council last October as the very minimum to be taken in 1995 towards achieving such a legislature. A legislature elected by universal suffrage in 1995 would be far better still.

If the Governor wishes to give substance to his recent words, then the very least which he should do is put his proposals of last October before this Council, at the very earliest opportunity, and to make clear that he himself regards their enactment as absolutely essential to the continued well-being of our society and our economy.

It may be, of course, that enactment of electoral reforms will anger or disappoint China and that China will repeat its threats to dismantle the sitting legislature in 1997. But if we believe that without a democratic legislature our rule of law will be undermined, then we have no choice but to proceed. We have nothing to lose, and everything to gain, from putting appropriate reforms in place. We should trust that their success and their popularity will enable them to survive.

If, on the other hand, the Governor misguidedly insists — or is obliged to insist — that electoral reform must remain for some time yet the hostage to Sino-British negotiations, then I hope he will at least keep this Council informed, promptly and in detail, about what more is being said on Hong Kong's behalf at the negotiating table. He has shown us that such information can, in fact, be made public, despite earlier assertions to the contrary. If nothing else, let us have the opportunity to protest against compromises offered in our name.

I now turn to other aspects of the policy address.

Legal vacuum

The Governor warned that there was a "high risk that the work in the JLG" on the adaptation and localization of laws could not be finished before 1997 if "progress in the JLG does not speed up and we will then face a legal vacuum".

One would have thought that the risk of a "legal vacuum" should not arise since adaptation and localization of laws should be essentially a technical issue plugging Hong Kong laws to the Basic Law.

We now know that an enormous amount of work still needs to be done, but the cloak of secrecy covers the details of the JLG's work, inhibiting, indeed, excluding Hong Kong people from comment and from offering constructive suggestions.

Neither Britain nor China should want there be a "legal vacuum" in 1997. It would be extremely helpful for China to state clearly how it will handle matters relating to Hong Kong's law to ensure that there will be a smooth transfer of our laws, and thereby, our legal system. And to state that it is China's policy to work at a pace and with a positive attitude that China itself will ensure that Hong Kong will not run any risk of facing a "legal vacuum".

Corruption

On the subject of corruption, we have been told by the ICAC that up to 3% to 5% of operating costs of Hong Kong companies doing business in China could be spent on "gifts", including cash, and in some cases, deposits in bank accounts. It is right that the Governor should wish to deal firmly with corruption. We should not overlook the seriousness of business corruption. A single bribe creates a web of criminality. It could lead to the deterioration of corporate ethics, which will in turn undermine effective management. In a liberal, open society, corruption can be beaten. We know that to be the truth because we beat it here in Hong Kong. Let us not weaken our resolve now.

Personal freedom

It would have been reassuring to hear the Governor develop in more concrete detail his thoughts on the safeguarding of personal freedoms in Hong Kong, both before and after 1997. Obviously, the rule of law is key. But laws themselves must presume the dignity and the worth of the individual and must set explicit limits to the powers of the state.

It is all very well saying that in a democratic society the community is both "the rulers and the ruled". But how can that noble sentiment have any real meaning if the community has little or no information on much of what the government is doing? A responsible society must be an informed society, able to assess, evaluate, debate and criticize. Yet Hong Kong inherits from Britain a tradition of official secrecy, compounded here by a much more powerful role for the Civil Service and a much weaker role for the legislature. Official secrecy tends to suit officials very well, and the culture of government was always going to resist change in this area.

If we want an informed, responsible society; if we want to entrench democratic values and democratic expectations throughout the community; then we need much more open government. And the only way we are ever going to get more open government is through the provisions of laws to which citizens can appeal when they want to know something which government is not disposed to tell them.

Civil servants will always advance a thousand sinuous and seductive arguments why any piece of information should be kept private rather than made public; but in many cases they are placing their own professional convenience above the legitimate public interest, and we must correct the imbalance. An Access to Information Ordinance (資訊公開法) is a proper and necessary foundation for a well functioning civil society, and should command a high place on this Government's agenda. Yet the Governor only timidly mentioned "human rights, press freedom and data protection" in the most casual passing manner. I would have wished him to be much more robust.

Turning now to the period beyond 1997. The Governor's assurance that "the International Covenants on Civil and Political, and on Economic, Social and Cultural Rights, as applied to Hong Kong" will continue to apply after 1997 is sadly incomplete.

An integral part of those covenants is an obligation on the part of each signatory state to make itself accountable to the United Nations human rights mechanisms. China is not a signatory to the covenants. Hence, as matters stand, the reporting requirement will not be enforceable after 1997.

For China to sign the covenants would not merely be, in the Governor's own words, "a welcome step". It would be an absolutely essential step towards fulfilling the treaty commitments made by Britain and China in the Joint

Declaration. It follows that China's failure to accede to the covenants would be a very serious matter. Britain is trying, for its own convenience, to play down the significance of this issue, and to pretend that it need do nothing. This passive attitude is unacceptable, both morally and legally.

The environment

In respect of the environment, we are confronted in the policy address with a few general statements of intent, and a small sum of money to assist reflection. But when it comes to building new roads, we can suddenly find very specific proposals and very large sums of money.

How can we possibly say, on the one hand, that dense traffic can be, and I quote, "extremely harmful to our environment, our economy and our well-being", and then go on to say two paragraphs later that "our number one priority has to be to keep traffic moving to make the road system as user-friendly as possible"?

In answering this question, the Secretary for Planning, Environment and Lands demonstrated his impeccable logic to this Council, at a recent briefing, by saying that it was better to have traffic moving than standing still.

No. Our number one priority should be to get as many people and as much freight as possible out of vehicles and off the roads, by developing public and rail transportation. This is the best long-term solution to air pollution and to our transport problem. It was disheartening that the Governor should construct his policy address in such a way that the obvious and important link between air pollution and transport was not made. This oversight confirmed my fear that at the top policy levels of government, there is a total lack of an integrated approach regarding the environment. Mr President, when will this be corrected? Our air quality is estimated to deteriorate by 50% by the end of this decade.

The Governor remarked that "Hong Kong is gradually getting cleaner." It is so in certain limited respects. And perhaps it will do so in more general ways if we ever start translating our pious sentiments and our long-term planning into tough and intelligent action.

I look forward to the promised action for turning the New Territories back from rubbish dump into countryside. But why so late, and after so much disfigurement? What is possible now which was not possible five years ago when everybody knew the deterioration of the New Territories to be accelerating, but nobody did anything about it? Why have we waited until a rescue operation is needed which will cost, according to the Governor himself, "several billion dollars"?

Will we finally learn from this fiasco that it is not only better but also cheaper in the long run to safeguard our environment — and not to offer it as an adventure playground to scrap merchants, container lorries and fly-tippers?

It seems to me rather strange economics to spend "billions of dollars" on cleaning up the New Territories, but find only \$50 million to fund a body which might help prevent such disasters recurring. Nonetheless, the money is welcome and it is a step in the right direction.

Perhaps the Private Sector Committee on the Environment might like to arrange a donation of a matching amount of \$50 million from the private sector to put the new Environment and Conservation Fund on a doubly secure footing, and to symbolize public and private sector co-operation in this area.

Women's rights

Turning to women's rights, the reason that the Government is not in favour of accession to CEDAW is because the Government does not wish to provide anti-discrimination, and in particular, equal pay legislation. So, accession to CEDAW is not a problem but equal pay is. We will have a debate in this Council on the Government's consultation paper *Equal Opportunities for Women and Men*. I will leave my arguments till then. For now, I only wish to say that equal opportunity cannot mean that women are merely made to do the same job for less money.

Conclusion

The Governor says, in the name of his government, "We can only be as bold as you."

Let us say back to the Governor, just as directly: "You have the power, you have the authority, you have the ear of the Foreign Secretary and the Prime Minister. Our boldness counts for nothing unless you are prepared to act upon it. You yourself must be bold enough to place your confidence in us. Even then, boldness is wasted without wisdom and morality. We must decide what is right, and then do it. Great actions inspire unanimity. It is only hesitation and uncertainty which divides".

Mr President, I support the motion.

MR TAM YIU-CHUNG (in Cantonese): Mr President, the Governor made his first policy address a year ago, putting forth a constitutional package that was inconsistent with the spirit of the Basic Law and detrimental to the smooth transition of Hong Kong's political system. The Governor's constitutional package jeopardized the Sino-British co-operative relationship and triggered off a controversy in the community. Major differences have emerged in the community, with adverse effects on social stability. A dark shadow has been

cast on Hong Kong's smooth transition. After several months, the Sino-British talks have not yet led to any agreement on the issue of Hong Kong's political system. Consequently, as the Governor delivered his second policy address, everybody was hoping that it would contain some good news about the resolution of the controversy over Hong Kong's political reform. Yet, this policy address is disappointing in this regard.

In his policy address, the Governor keeps talking about the close relationship between Hong Kong and China and the importance of Sino-Hong Kong co-operation. But he does not want to accept responsibility for the fact that his way of ruling Hong Kong during the past year would do more harm than good to Sino-British co-operation. Yet he lays blame squarely on China by saying, "We have still not succeeded in convincing Chinese officials that Hong Kong's extraordinarily modest aspirations for political development are legitimate." I deeply regret such a statement which is irresponsible.

I sincerely hope that, for the sake of the people of Hong Kong and for the sake of Hong Kong's smooth transition, both sides will reach an agreement, thereby ending the political row we have seen in the past year. Therefore, now that everybody is waiting for the talks to make progress, I do not want to see any man-made obstacle to that progress. For instance, the laying down of a deadline — "a matter of weeks" — will not help the talks. Nor will it solve any problem.

Another matter is that, in paragraph 183, the Governor promotes a line of thinking that reflects distrust in the Sino-British Joint Declaration and the Basic Law as well as misgivings about Hong Kong's future. He says, "If we are not prepared to stand up for Hong Kong's way of life today, what chance of doing so tomorrow?" He seems to suggest that some people will sabotage the Joint Declaration and the Basic Law and change Hong Kong's way of life, and therefore the people of Hong Kong must put up a fight now or there will be no chance tomorrow. Such a totally unfounded conspiracy theory will only damage relations between China and Hong Kong, cause social disquiet and do unadulterated harm to Hong Kong's transition. I hope that the Governor will desist from promoting such thoughts, which are bad for Hong Kong's stability.

More than 10 rounds of the Sino-British talks have already been held. Agreement has still not been reached. I think that, in order that the talks may make substantive progress, the United Kingdom should talk to the Chinese side about the arrangements for the 1994 district board elections first. Solving one problem at a time will be conducive to the resolution of the arrangements for the 1995 elections. However, in his policy address, the Governor rejects the idea of separately tabling at this Council a bill for the 1994 elections and a bill for the 1995 elections. This is not a reasonable move; it is also detrimental to the Sino-British talks.

Also disappointing is that part of the policy address which deals with localization of the Civil Service. The Governor devotes several paragraphs of his policy address to the discussion of our Civil Service. But he makes no reference at all to a major change made by the Government towards the end of July in the localization policy — a change that would allow expatriate civil servants to remain in the service by converting to the local pensionable establishment. Such a move is undoubtedly inconsistent with the localization policy which has already been in effect for years. Nor are the Government's explanations for the change convincing. No wonder many local civil service bodies, as well as this Council, are reacting strongly to this policy change and calling on the Government to put it on hold. This move also attracts clamours of comments in the community. Civil service stability and morale during the latter part of the transition period are indeed very important. The Government's backpedalling with regard to the localization policy will only be a blow to the Civil Service. It is detrimental to Hong Kong's smooth transition. Because of this obstacle in the course of localization, it may be difficult to groom a good team of high and middle ranking civil servants for important positions for the future governance of Hong Kong. However, in his policy address, the Governor evades this much-criticized change in the localization policy. He acts as if nothing had happened. Glossing things over in such an irresponsible manner is disappointing. How can it not be?

In the areas of livelihood and labour policy, the Governor speaks on the basis of his sketchy perceptual knowledge. Then he injects money from the Government's reserves to programmes that every Governor knows about and finds necessary. The Governor's problem-solving methods are highly intuitive. I think that his methods are very marginally effective for the development of social policies. I understand that quantitative solutions for livelihood problems are easy to find and that their effects, as well as the credits therefor, are quickly visible. I hope that the Governor will not become complacent because of the credits that he can take. I believe that the development of social policies does not depend on continuous quantitative charity. It depends more on a policy basis that is socially just and on qualitative development in the provision and management of services.

The Governor failed to do comprehensive consultation work in the past year. He took little part in the discussion of policies at the formative stage. As a result, policies were either not well thought out or off the track. The manpower policy and industrial safety policy are cases in point. I deeply feel that the Governor did not feel the difficulties and worries of the labourers in general. We do not see any resolve on reform or direction.

The policy address as a whole shows a great indifference to labour matters. This is clear from its indifference to the two major concerns of labour: inadequate employment protection and inadequate retirement protection. The Government keeps saying that Hong Kong's low unemployment rate is the proof that there is full employment and a shortage of labour in Hong Kong. I think that Hong Kong's unemployment rate should not be compared

simplistically to those of other countries. For Hong Kong's labourers, employment is the only protection of their livelihood. The effect of unemployment hits the unemployed person instantly. He who loses his job also loses his livelihood. A 2% unemployment rate in Hong Kong means that more than 50 000 labourers are without livelihood. Is this not the plain truth? Therefore, the main aim of a manpower policy should be to give employment to the unemployed. The training of local workers should be given due attention and not be secondary to the importation of foreign workers. If the Government continues to import more and more foreign workers, this will hurt the feelings of local labourers and infuriate them.

It is reassuring to note that the policy address highlights industrial safety. However, for the solution, the Governor only looks to legislative controls, heightened safety awareness and the employment of safety officers. This is far from being a complete solution. Recently, some factory inspectors and safety officers made many eye-opening comments to me. One comment was: "The Government had on several occasions engaged British experts to make valuable studies of Hong Kong's occupational safety and to make policy recommendations. What were those recommendations? Why were they not implemented? We have no idea. We hope that the Government will make public the recommendations." Another comment was: "Since the Government says that it is aware of the seriousness of the problem, why has it not made up its mind to conduct a policy review? Why has it been afraid to deal with the root cause of the problem?" Some factory inspectors asked, "Why are we not using the valuable recommendations of the British experts with regard to the policy on industrial safety? Why are we shelving those recommendations?"

Where the Government is concerned, at least several things can be done. Firstly, in the area of regulations, the Government should not merely impose heavier penalties; it should find out if the regulations are sufficiently deterrent in practical terms. The Government should not merely stiffen penal regulations; it should also stiffen preventive regulations. Secondly, in the area of inspection, the Government should not merely increase the number of factory inspectors; it should also find out if factory inspectors are efficient and sufficiently trained, if they have the necessary professional knowledge for their jobs, if they have enough power to stop dangerous operations, if their terms and conditions of employment conditions are satisfactory, and if the Government is taking the lead by adopting strict safety control systems in government project sites.

In his policy address, the Governor does not take a clear position concerning a territory-wide retirement protection scheme. Nor does he give a response to the Central Provident Fund (CPF) idea, which is widely supported in this Council. The Government's argument is that, technically speaking, the community has not yet reached a consensus on CPF. But I think that the Government should not regard the issue of retirement protection as a purely technical one while ignoring the community's strong support for retirement protection as a matter of principle. The community has consistently supported

one basic principle, which is that reliability should be the essence of a retirement protection scheme. The Government should at least make a positive commitment to this principle.

After delivering his policy address, the Governor expressed his views on the limitations of CPF. He said that if an employee contributes 10% of his monthly salary to a provident fund, the amount of his pension 35 years later will equal only 17% of his monthly salary at the time of his retirement. We have no idea on what assumption or by what method the Governor came to such a conclusion. So I will not respond to it in detail at this point. What I want to point out is that from the outset I have regarded a retirement protection scheme as a scheme that should be flexible, adjustable and dynamic. CPF should have the same qualities. A retirement scheme must be responsive to the times and should take the realities into account and meet the expectations of the community at the time. No retirement scheme, no matter in which country or area, remains immutable. Singapore's CPF has been revised several times over the past nearly 30 years. It is therefore no longer as limited in scope as it once was; it is now responsive to the times. Such dynamic experience deserves to be studied by Hong Kong as we are less experienced on that front.

Another thing is that Secretary for Education and Manpower Mr Michael LEUNG has made a prediction about the prospects of CPF. He said that CPF, as an interim arrangement for a territory-wide retirement protection system, would have far-reaching repercussions for Hong Kong's politics, finances, tax system and society. I do not deny that there may be such repercussions. However, to be prudent, we should discuss the impacts further and not use them as an excuse for delaying or rejecting CPF. A few days ago, Deputy Secretary for Education and Manpower Mr LAM Woon-kwong pointed out that the rate of return on a government-managed pension fund would be low. He then rejected CPF on this ground. What is clear is that in the term "Central Provident Fund" the Governor focused his attention on the idea of "provident fund" when he talked about a provident fund system, Mr LAM Woon-kwong dwelt on the word "central" and Mr Michael LEUNG prepared a retreat for CPF. They collaborated with one another on their attack on CPF each from a different angle. However, we have yet to see any remarks made by the officials which amount to an open, mature and comprehensive assessment. The officials indeed have failed to have due regard to the urgency and reliability aspects as the general public expects. I find this regrettable.

I myself, as well the Democratic Alliance for the Betterment of Hong Kong, have made comments on different occasions in response to other social policies, such as the education policy, the health care policy, the housing policy, the environmental policy, the health care policy, the housing policy, the infrastructure policy and the social welfare policy. In view of time constraint, I will not repeat them here. I hope that the Governor will look

ambitiously beyond 1997, stop being temperamental, forget about deadlines and take upon himself the duty of sincerely working for the interests of the people of Hong Kong.

Mr President, these are my remarks.

MR ANDREW WONG (in Cantonese): Mr President, I put a question to the Governor, Mr Chris PATTEN, on 7 October — the day after he had presented his policy address. He was very clever in sidestepping both the obverse and reverse sides of my question. He only said my question was not "boring", but "seductive" and then repeated once again what he had to say — things he had said a number of times.

Lurking at the back of my question were my views — views about this latest policy address and the current situation. I said "The first half of the policy address is plain, but 'informative', while the second half 'hot' and maybe 'inflammable'". I do not wish to comment on the first half other than to point out that adding up roughly all the costs estimated for the new policy initiatives put forth by the Governor would work out to an increase of some \$6 billion in expenditure in next year's Budget. The Governor will inevitably be regarded as "going on a spending spree to win the people's heart", so as to enhance his and the Government's popularity, thus garnering more bargaining chips for the talks on Hong Kong's political system.

If Mr PATTEN's package of political reforms is a genuinely democratic set of proposals, and if his and Britain's strategy for the talks is one of plain talk rather than provocation, then there is nothing to carp at as regards his move to garner more chips. But the second half of the policy address, despite being a little more subdued in tone than last year, is an iron hand in a velvet glove, hitting right at the bull's eye. This is why I said "the second half 'hot' and maybe 'inflammable'".

Mr President, there are now indications that China and Britain are on the verge of breaking up. And Hong Kong people with strongly held views are being polarized into "pro-Patten" and "anti-Patten" camps, hurling abuses at each other. I cannot help heaving sigh after sigh after sigh although they have yet to come to blows. Is division and breaking up something inescapable for Hong Kong people and the Hong Kong community?

In October last year, I wrote a poem whose first line reads "The thin thin Hong Kong dollar coin", to express my feelings about the split situation. This October poem was later read out by me when this Council debated the Honourable Christine LOH's motion on 11 November last year. It is now October again. I should like to share with you another new poem of mine.

Already, it is October —
 Why is there still this incessant cruel rain?
 Is it because the skies have changed?
 Or is it because men have changed?
 Again, it is October —
 On my middle finger am I wearing
 A precious metal ring?
 Or a holy beaded rosary?
 Still, it is October.
 Have the skies turned murky?
 Or have I turned silly?
 My ring rosary am I wearing
 On my index finger to the right?
 Or my ring finger to the left?
 My rosary ring am I wearing
 On my index finger to the left?
 Or my ring finger to the right?
 Oh! Is it worn on my left hand or my right?
 Am I looking at the palm or the back of my hand?

Again, it is October —
 Why is there again this incessant cruel rain?
 The skies have indeed changed!
 Men have indeed also changed!
 Oh yes! Men have changed, hence, the skies have changed.

Still, it is October.
 I have not changed —
 On my middle finger I wear
 The same ring rosary.
 On my middle finger is worn
 The same rosary ring.
 Have you changed?

Already, it is October —
 Why is there still this incessant cruel rain?

Again it is October. Why is there still this incessant cruel rain? True, this is somewhat sentimental, perhaps to the point that hurts. But this is where my worries and love lie intertwined. And I believe there is still a ray of hope which will light up the way for us to escape from the imminent situation of helplessness that is beyond redemption.

If we call the proposal put forth by Mr PATTEN last year as Package Number One and the so-called unchanged proposal insisted on by China as Package Number Two, then my proposal can be regarded as Package Number Three. My package can be regarded as Number Three because it take an approach entirely different from that of One and Two. My package is not new.

It was proposed by me during the 14 October Legislative Council debate on the Honourable Jimmy McGREGOR's motion. Then in January this year, I set it out in greater detail and presented it to the Government formally, as contained in the "Supplement: Summary of Proposals" issued by the Constitutional Affairs Branch.

Generally speaking, I propose that the focus of reform be placed on the functional constituencies where comprehensive reforms should be introduced. The proposed arrangement is to regroup the 30 functional seats and to redistribute them among seven multi-seat (not single seat) functional constituencies, with nomination rights restricted to organizations within each individual constituency or/and relaxed to include political parties. And candidature is restricted to knowledgeable and experienced persons within each constituency while the right to vote may be open to the full electorate. That is to say, while seats will be distributed according to constituencies, the electorate will not be similarly grouped. Each voter will altogether have eight votes — seven in the functional elections plus one in the direct elections according to geographical constituencies.

My proposal is more democratic than that of Mr PATTEN as these 30 functional constituency seats will be fully compatible with the principles of popularity, fairness and directness. Together with the other 20 directly elected seats, there will be 50 seats returned through genuine democratic elections.

Although my proposal advocates directly elected functional constituency seats, it does not offend Basic Law provisions in respect of functional groups as only functional groups may make nominations and only the experienced and knowledgeable within each constituency are eligible for nomination as candidates.

It could be said that I am making a rallying cry today but I do not harbour the extravagant hope of getting the immediate support of Honourable Members. Nor do I harbour a similar hope as far as China and Britain are concerned. I just want to urge all Members and the Chinese and British sides, in particular the latter two and Mr PATTEN and Mr LU Ping, to consider this carefully. Do we need to explore new approaches, such as a third package, with which to start talks anew if we are determined not to let the talks break down?

There is in fact much room for manoeuvre in my Package Number Three. For example, we can model ourselves on the Seanad Eireann (Irish Upper House of Parliament) by not directly electing these 30 functional constituency seats but by indirectly electing them from among elected members of various tiers of boards and councils. And the electoral system for these 30 seats can be the proportional representation system such as the "List Voting system" or the "Single Transferable Vote system". We can even go further and use a similar proportional representation system for the 20 seats to be returned through geographical direct elections.

Success of any endeavour depends on human effort; the responsible Chinese and British Governments should lay down their pride and face the Hong Kong public and take up this sacred mission.

Already, it is October. Why is there still this incessant cruel rain?

THE PRESIDENT'S DEPUTY, MRS ELSIE TU, took the Chair.

MR LAU WONG-FAT (in Cantonese): Madam deputy, there are just a little more than three years before sovereignty over Hong Kong reverts to China. In this latter half of the transition period, which is a very critical stage, there are many important tasks requiring the collaboration of the Chinese and British sides. Such collaboration is the earnest hope of the people of Hong Kong and, I believe, was also the common hope of Britain and China when they signed the Sino-British Joint Declaration. It is very obvious that the sincere co-operation of the two sides on the problems of Hong Kong is crucial to the smooth transition and change of sovereignty over Hong Kong.

In reality, the question of electoral arrangements for the 1994-95 elections has disrupted the relations between China and Britain to the extent that the two now distrust each other. In such circumstances, the progress of many matters relating to the transition and awaiting discussion by the two sides has been slow, and some have even had no progress at all. It is really regrettable that after 10-odd rounds of talks China and Britain have not only been unable to reach an agreement on the electoral arrangements, but have even failed to attain any substantial progress. The Governor has said in his policy address that there are only weeks to conclude these talks. If that turns out to be true, we will soon have to face a situation where there will or will not be an agreement. Now that there is still a wide gap between the Chinese and British sides on electoral arrangements, if the British side set such an imminent deadline, I believe that it will be more realistic for us to speculate that there will not be an agreement.

Madam deputy, it is extremely important to reach an agreement on the electoral arrangements for the 1994-95 elections. What will be the inevitable consequences if there is no agreement? The inevitable consequences are that the basis for Sino-British co-operations will be destroyed and the two sides will become hostile to each other. The various boards and councils produced by the 1994-95 elections can only function until 30 June 1997 and the question of through train will be irrelevant. Moreover, the poor Sino-British relations will definitely affect the economy of Hong Kong. It will be practically difficult for the Hong Kong Government to function smoothly. The emergence of these critical situations will be beneficial to no one.

It is beyond doubt that the talks are difficult but we definitely should not give up easily. I think it is unnecessary to set a time limit for the talks at this stage because that will not be helpful to the talks, but will only create new

conflicts which will be unfavourable to the atmosphere of the talks. Even though the Administration must complete the legislative process so as to have the electoral arrangements in place by July 1994 at the latest, I believe we can still afford more time for the talks. Provided that an agreement can finally be reached, Hong Kong's well-trained, elitist law drafting team and Members of this Council can make their best effort and display greater efficiency even under a tighter schedule in order to complete the drafting and examination of the Bill concerned.

To make the talks successful, I think it is worth trying the method of dealing with the easy part first before coming to the difficult parts. The British side has lately agreed to deal with the arrangements for the 1994 district board election first, but emphasized at the same time that there has to be a precondition for the separate treatment, namely, that the voting age should be lowered to 18, the single-seat, single-vote system should be adopted and all the appointed seats of district boards should be removed. I am afraid China can hardly accept such an attitude because the precondition means that the arrangements for the 1994 district board election have to follow the Governor's proposal. In this regard, I hope that the British side can display greater flexibility and genuinely discuss with the Chinese side the arrangements for the district board election first. As the British side has repeatedly stressed the arrangements concerned are just a proposal, so there should be room for revising or otherwise dealing with them.

If there is no agreement, it will be impractical to have any reform package, in whatever form that might be, submitted to this Council, because that will only place Hong Kong in an extreme dilemma. Many people are puzzled by the current situation. As the Chinese and British sides could reach an agreement and even signed a joint declaration on such a difficult issue as the future of Hong Kong with the result that the prospect of Hong Kong became immediately bright and clear, how come they now seem to be unable to resolve a relatively much smaller problem of the electoral arrangements for the 1994-95 elections? This is a supreme irony. The Heung Yee Kuk of the New Territories maintains that the resolution lies in making the electoral arrangements for the 1994-95 elections conform with the Sino-British Joint Declaration, the Basic Law and the understandings and agreements reached between China and Britain. Only this can have a sufficient legal basis to ensure a continuation of the various boards and councils before and after 1997 and also a smooth transition for society as a whole.

Madam deputy, the Governor has said in his policy address, "for Hong Kong, nothing is more important than getting the economy right." I totally agree with him on this point. Hong Kong's economic success in all these years has put us among the ranks of affluent societies of the world and has greatly improved the quality of life of the public. The principle of giving the first priority to the economy should be upheld by our officials no matter whether before or after 1997. If we cannot get the economy right, not only will it be difficult to realize our ideal plans, it will even be difficult to maintain the

stability of Hong Kong. There have been examples of this kind elsewhere in the world.

As Hong Kong is getting more affluent, the public should of course be taken better care of. Like other developed societies, Hong Kong is also facing the problem of an aging population. Many elderly people are alone without anyone to depend upon, and their situation is pitiable. The Governor has proposed plans to take good care of them in terms of their medical and housing needs. Such a proposal is timely and appropriate. Hong Kong definitely has sufficient resources to attain this objective and to let our elderly people have someone to rely on and share the fruit of prosperity.

Madam deputy, after repeated demands by the public, the Administration has finally decided to take improvement measures to relieve the traffic problem. Anyway, this is a praiseworthy decision which will not only benefit the daily life of the public, but will also be helpful to our economic development. Although the construction of new climbing lanes on the Tuen Mun Highway and the introduction of surveillance cameras to cover the entire length of the Highway will not thoroughly resolve the problem of serious traffic congestion in the northwestern New Territories, they will be short-term relieving measures. Since the Tuen Mun Highway is already very congested, I hope that the Administration will do everything possible during the construction of the climbing lanes to avoid the construction works aggravating the traffic congestion of the Highway. In the final analysis, any substantial improvement in the traffic situation in the northwestern New Territories and the freight traffic between China and Hong Kong will depend on the construction of Route 3 (Country Park Section) and a mass transit system connecting Tuen Mun and the urban area. The Administration has the responsibility to see to it that these projects be carried out as soon as possible.

Flooding is another chronic problem that has been troubling the New Territories. The recent extraordinarily severe rainstorm has fully revealed the seriousness of the problem. In fact, flooding occurs nearly every year in the New Territories, but the Administration seems to be helpless in this regard and is only pinning the hope of resolution of the problem on the antiflood project which will take many years to complete. A long-term solution is of course important and necessary, but the Administration should not neglect the measures to cope with floodings that occur from time to time. I propose that the Administration should set up as soon as possible an inter-departmental working group to study and co-ordinate the measures to cope with the floods that may occur in the next few years, and to take positive steps to minimize the damage that may be caused by floodings.

Finally, I would like to talk about the cleaning up of the countryside and the plan to build more flats. I believe that all the people of Hong Kong would like to have a clean countryside. The Administration intends to set up a task force and to spend several billion dollars to clean up the New Territories over the next decade. As the Governor has said, this will be no easy task. Therefore,

I think that it is necessary for the Administration to conduct extensive consultation on this plan such that a proper solution to the problem can be found.

The Housing Authority has planned to offer rehousing to all current temporary housing area residents by 1997, and the Administration also intends to give additional staff to the Lands Department to speed up processing private sector housing projects so as to increase the supply of flats. This is undoubtedly a policy that is beneficial to the public, but it seems that one area has been neglected. Due to the slow processing by the relevant government department, the backlog of applications for building small houses in the rural New Territories has been serious, which has long made rural residents unable to improve their living environment. In fact, there are substantial differences between the rural and urban areas in terms of housing and other facilities. So the Administration should rectify such unequal treatment as soon as possible and speed up the processing of applications for the building of small houses, and realistically implement the Rural Improvement Strategy the progress of which has so far been very slow.

Madam deputy, with these remarks, I support the motion.

MR EDWARD HO (in Cantonese): Madam deputy, as Hong Kong is moving closer to the transfer of sovereignty in 1997, its economy is never better. At least in terms of economy, Hong Kong is not affected by what Mr Andrew WONG described as the "incessant cruel rain" in his poem. This healthy economy has been due to Hong Kong's economic integration with southern China which has provided it with low cost manpower and land, both resources being finite and limited in Hong Kong, thus greatly enlarging the industrial base of Hong Kong.

In the last decade, China's move towards an open market economy and its impressive economic growth have given great benefits to Hong Kong in terms of re-exports, and as a service and financial centre. Of great significance is the fact that the benefits are mutual to both Hong Kong and China.

With a healthy economy, Hong Kong has been able to maintain a stable society in this transition period, and the Government has been able to invest on infrastructure and social programmes.

Hong Kong has, of course, its own quota of problems — problems that are shared by other large cities of the world: problems of inflation, traffic congestion, deteriorating environment, law and order and how the elderly, the needy, the disabled and the sick can be given help. These and others are problems that naturally worried the people of Hong Kong. I shall concentrate on two major problems that have worried the Hong Kong people — relationship with China and housing. Both problems occupy top positions in a CNTA survey recently.

Sino-British relations

The one problem that is unique to Hong Kong is that whilst in less than four years the sovereignty over Hong Kong will be reverted from the British Government to the Chinese Government, relationship between the two Governments in these final years of transition is at an all time low. When Mr Chris PATTEN and Mr LU Ping, both men having direct responsibilities over affairs in Hong Kong, do not and would not communicate with each other, it is a telling story and it is not a happy story. The Governor himself acknowledged in his address that the work of the JLG had almost come to a halt; and he said that failure to settle matters in the JLG "would call into doubt the continuation of Hong Kong's vital legal and commercial relations with the outside world".

The failure to come to an agreement on the arrangements for the 1994 and 1995 elections after 13 rounds of talks is deeply worrying. An election system that cannot continue beyond 1997 would have a most damaging effect on our confidence for the future.

More than anything else, the people of Hong Kong want to see their life style and institutions to remain unchanged after 1997, as set out in the Joint Declaration and in the Basic Law. They do want to see a credible, fair and open election system now and after 1997, based upon a pace of democratic development no less than what is set out in the Basic Law.

If talks on the election arrangements were to break down, the people of Hong Kong have the right to know what either Government's bottomline was, so that they can judge which of the sovereign countries has deliberately put obstacles on achieving an agreement that would be based on the Basic Law.

Public Housing

Despite the many new initiatives in the Governor's policy address that seek to improve social programmes, such as the emphasis to help the elderly which is greatly welcomed, the address is disappointing as a whole in tackling the problem of housing.

For the average Hong Kong person the cost of housing has become a major and sometimes unbearable burden. For the poor, the needy, the inadequately housed, those on unsafe hillside slopes, in "caged apartments", or sheltered under flyovers, the prospect of being housed in a public housing can still be years away. For a society that is as prosperous as we are supposed to be in, this is difficult to justify.

The Housing Authority has made remarkable achievements in recent years. It has performed above its target ever since the Long Term Housing Strategy was started in 1987. Yet, the Governor's apparent complacency is worrying when he suggested that the Housing Authority has out-performed his

pledges by completing 140 units a day against a target of 100 daily. Those figures can be grossly misleading, as I understand that it was derived from production figures of a 9-month span from October 1992 to June 1993. Figures released from the Housing Authority do not show such a rosy picture in the next few years. There is little comfort for the 153 000 families in the Waiting List who have been waiting anxiously for years for their turns to be housed in public housing.

Despite the long Waiting List, some public housing tenants who are no longer required to be subsidized still stay in public housing, occupying units that can be made available to the more needy. This is surely a great social irony. According to a survey conducted by the Housing Authority in November 1992, 13 % of public rental housing tenants, or 74 000 households, own properties outside of the public housing estates. The flats they own account for 12% of all private domestic properties owned by local individuals. In addition, the median rent to income ratio of public housing tenants is about 7%-8% in the last six years. In the same period, the median rent to income ratio of non-owner-occupiers in the private sector is 18%-33.3%, and occupying much small space per person.

We are in danger of losing sight of the basic social objective that has worked so well for Hong Kong. And that is that we must help those who cannot help themselves, but for those who can, we must give them every opportunity to rely upon themselves. There are no "free lunches" for those who can buy their own.

One effective way of building on that social objective is to sell public housing units to the sitting tenants. This will promote stability, self-reliance, and gradually generate mobility as owners upgrade themselves, creating vacant units for those in the Waiting List. Once becoming owners, tenants will also feel a natural desire to maintain their units in a better condition.

Members of the Liberal Party propose that the selling price of flats to sitting tenants should be worked out in such a way that it would offer a real incentive to the tenants who after all are paying very low all-inclusive rents and have virtual secure tenure.

We recommend that the selling price should be based on a cost method. Prices will be the sum of the original construction cost plus overheads and interest incurred since the building was completed. The interest rate is 5% p a as this is the rate at which the Authority borrows from the Government. Similar to HOS, a Land Cost Payment based on 35% of replacement cost will also be charged. The average flat price produced by this method would be \$152,000. And restrictions in the resale of public housing units should be along the same line as those applicable to HOS flats.

Another method to increase home ownership is being considered by the Housing Authority, which is to build a more affordable version of home

ownership flats. Whilst this is a worthwhile objective, it is only a partial solution to public housing. In order to take care of those who are on the Waiting List — those who are really in need of housing — the Authority must increase its housing production. This would mean increased resources in land, infrastructure and finance.

The Authority needs firm commitment from the Government to make land available, build infrastructure and expedite inter-departmental procedures to enable earlier commencement of building works on site to fulfill its objectives in the Long Term Housing Strategy.

The revenue generated from successful sales of public housing units that I proposed can be a source of additional revenue to enable the Authority to construct more units, for example, by purchasing land from the private sector or entering into joint venture with them in applying for land exchanges or rezoning, or to build infrastructural projects so that housing development can take place in areas where infrastructural support is not adequate and where the Government is reluctant to commit resources.

Private Housing

Hong Kong's housing problem cannot be tackled just on the public housing front. Housing costs in the private sector place an immense burden on our citizens, and they are threatening the competitive position of Hong Kong relative to its neighbours as part of overall costs of business.

The Governor's proposal to ease housing costs is to add staff to the Lands Department to speed up land exchanges procedures. This is greatly welcomed, especially if it is to be accompanied by a more streamlined procedure. No less resource support should be given to the Planning Department which is responsible for processing the first part of all such applications.

In addition, there is a vital need in the Government to take up an active co-ordinating role at policy level in housing matters, both in terms of housing and public housing.

Infrastructure

Finally, members of my functional constituency are most disappointed that the Governor has virtually disregarded in his speech the importance of building up Hong Kong's infrastructure. Whilst the Airport Core Programme is still not able to move speedily ahead due to disagreement between the two Governments, the Ting Kau Bridge seems to be the only new initiative this year.

We are beginning to see Hong Kong's pace of development being bogged down by the lack of infrastructure. Development of northwest New Territories has been constrained by the Government's indecision in going ahead with Route 3 (Country Park Section). In the case of northeast New Territories, the

development has been limited by the capacity of Tolo Highway while Tseung Kwan O Phase 3 restrained by transport problems.

The Government should look for ways how these development constraints can be removed as soon as possible. At present, even if the private sector is willing to pay in the form of land premium for the construction of infrastructural projects in order to enable development to proceed, it is not permitted, because land premium goes to the general revenue, and infrastructure has to be bid in the resource allocation exercise. The Government should consider how private sector resources can be utilized to participate in infrastructural projects which would be mutually beneficial.

More strategically, with the fast economic development in mainland China, Hong Kong's infrastructure is in danger of not being able to match what is happening just north of the border. For instance, it is certain that when the new Jing Jiu Line is completed in 1995, and when the Guangzhou-Shenzhen superhighway opens in 1994, rail and road systems on our side of the border will not be able to cope with the additional flow of passengers and freight.

Madam deputy, Hong Kong's prosperity today is due to the foresight of our predecessors in building up our infrastructure over the years. We should not rest on today's success. We should continue to invest in building our infrastructure, improve our technology, develop our manpower resources and strengthen our ties with mainland China, not only to meet the challenges of tomorrow, but also to take full advantage of the vast opportunities that tomorrow will bring.

Madam deputy, with these remarks, I support the motion.

MR RONALD ARCULLI: Madam deputy, the Governor in his policy address has set out five priorities for the coming year. I propose to deal only with three of the five and these are: (1) our economy and its competitiveness; (2) our housing programme; and (3) Sino-British negotiations.

In covering these points, my comments will include several areas of particular concern to my constituents. The first is the state of our economy and our competitiveness. There can be no doubt that our economic success owes much to the expansion of the Chinese economy over the past years. Other than China, our major trading partners have experienced a pretty severe downturn in economic activities and this has had its effect on Hong Kong. One wonders what the state of our economy would be today if it were not for the foresight and daring of Hong Kong's entrepreneurs who over a decade ago saw the economic future of Hong Kong being inextricably linked to the Chinese economy. However, this success has had its toll on our community in several respects and I believe the Administration has to bear the lion's share of the blame in failing to anticipate some of these problems. The first is the restructuring of our economy to one that is much more service-oriented. The consequences are plain

to see: a section of our workforce who earned a reasonable living found themselves unemployed or underemployed and though relatively young were regarded as too old or too costly or both to be absorbed by service industries. Some years back Members of this Council pressed the Administration to provide retraining to these members of our community but the decision to do so was made far too slowly and lacked commitment. Whilst we welcome the Governor's initiative to provide training for victims of industrial accidents as well as the elderly and disabled workers, we believe that the financial commitment as it stands is still quite a way off the mark. Therefore the inclusion of additional categories of our workforce under the Employees' Retraining Fund will further dilute what is presently inadequate. If the Administration is sincere and resolute in tackling this problem, clearly a further injection of funds into that particular Fund is vital. We have to do more to help the casualties of our economic success. The second is inflation. Despite being called on to do much more, the Administration has again failed in this respect. Indeed, in his address the Governor seems to have all but surrendered. Perhaps the Governor has taken a cue from our Financial Secretary. One of the principal causes of our inflation is wage levels. What the Administration may not have taken into account is one plain fact: with the level of investments Hong Kong and foreign companies have made in China coupled with the economic explosion in China, a lot of our people are virtually working in China and are therefore lost to Hong Kong, so to speak. My honourable colleagues may remember that pre-1989 our hotel industry suffered a severe shortage of labour because of the demand for experienced workers for that industry in China. It has been said time and again that if Hong Kong is to tackle inflation there are several problems we have to attack: amongst them is not just the level of wages but the shortage of labour. However, let there be no misunderstanding. The Liberal Party does not, and I repeat, does not support unrestricted and wholesale importation of labour. We believe that the importation of labour has to be reasonable and only in sectors where the local workforce is insufficient. We believe that the Administration must not avoid this problem: under our current economic situation, inflation will not go away by itself. It has to be a community effort led by the Administration. We have to tackle these problems if we are to sustain not just real growth but to retain our competitiveness. Madam deputy, we must not be complacent about our competitiveness. We should realize that slowly but surely we are losing either companies or sections of companies to other countries. Some of our neighbours are continuously bringing down the rate of taxation and this does not augur well for our competitiveness in the long term.

The second priority point I wish to deal with is our housing programme. I have the advantage of prior knowledge of what my Liberal Party colleague, the Honourable Edward HO, has said. Needless to say, I entirely agree with all the points that he has made and made convincingly. There are, however, two points I would like to emphasize. We believe that there is nothing like ownership to spur on the desire to enhance and protect one's investment. We believe that the Housing Authority ought to be realistic and practical in setting the terms and conditions for the sale of public housing to sitting tenants.

Realistic in a sense that there are some units that sitting tenants may not wish to buy, for instance, units where they have to share communal facilities. One solution obviously is to redevelop them, another may well be to offer them for sale to applicants who are on the Waiting List for public housing. Clearly in either event the existing tenants will have to be rehoused.

Another concern is private housing. As the representative of the real estate and construction industry, I welcome the Governor's initiative to speed up the processing of private sector housing projects. The estimate the Governor has given is an additional 2 000 flats on top of the current 15 000 or so that should reach the market each year. I am afraid that is only part of the picture. The real estate industry believes that much more than simply streamlining lease modifications and land exchanges can and needs to be done. To put it in a nutshell: we have to use our land resources more efficiently. It is well recognized that redevelopments on certain scale can achieve many advantages such as: First, greater efficiency in design, examples being improvements in the net to gross area ratio or more practical layouts. Some improvements could be brought about by a change of some rather outdated requirements of our building planning laws. Second, traffic and drainage improvements. Third, planning gains such as provision of open space or community facilities. Fourth, instead of using down-zoning as a weapon, consider bonus plot ratio as an incentive in urban redevelopment schemes. Madam deputy, I suspect I could go on and on with the list but I shall resist.

The next point that I would like to make is what I would refer to as "the new policy" adopted by the Administration in passing the buck to the private sector. Ever since criticism has been levelled at the Administration both in and out of this Council about the tremendous growth in the Civil Service, one disturbing trend has emerged and seems to have been adopted and used by the Administration. The first example is how to tackle the problem of illegal immigrants from China found on construction sites — the buck was simply passed to the contractor. If this was not enough there are constant outcries that perhaps the solution is to increase penalties. I have worked long and hard with the construction industry and the Security Branch but I regret to say that the industry's justifiable and reasonable complaints have fallen on deaf ears. The police are overstretched and clearly do not regard this as their problem. After all who can blame them if their priority is to ensure the safety and well-being of the community. Madam deputy, the solution is definitely not to pass the buck to the industry. The Administration must review the whole situation and co-operate with the industry. The Administration must recognize that it is not always possible to totally secure a construction site where illegal immigrants who do not work on the site sneak in and use it as their home for the night. I should like now also to refer to the Occupational Retirement Scheme or the much discussed Central Provident Fund as another example. The sheer reluctance of the Administration to play a meaningful role in the Compulsory Retirement Scheme put forward by it is yet again another example of passing the buck to the private sector. This Council asked the Administration to give comfort to those who will be required by the law to contribute to a compulsory

scheme. The comfort was not a guarantee against fluctuations in investment values but against fraud by managers. The Administration has so far refused to accede to this request but has maintained that the compulsory scheme will have sufficient safeguards because it is regulated under the existing framework, namely, passing the buck to the private sector again. Madam deputy, those of us who have participated during the past several years in our attempt to set up an independent Legislative Council Secretariat realize how tough the Administration can be in terms of staffing and other requirements. With all the passing out of work to the private sector, can the Administration claim, let alone maintain, that it is still understaffed? I believe that the time has come for a thorough examination of these issues.

The third priority concerned is Sino-British negotiations on the constitutional proposals for the 1994-95 elections. Madam deputy, it is extraordinary how much time Hong Kong has spent over the past year discussing the Governor's political reform proposals and how little has been achieved by Chinese and British negotiators. Even as recently as yesterday, members of the Liberal Party were asked during our meeting with the Foreign Affairs Committee of the House of Commons whether and, if so, how the original Patten proposals were in breach of the Basic Law. Surely the time for such a discussion is long past. What we must do is to try to move the matter forward and secure an agreement between the British and Chinese Governments that is acceptable to the people of Hong Kong. That is what is expected by the people of Hong Kong. They have been extremely patient over what at times seems to be petty and unnecessary bickering between China and Britain. The Governor has called his policy address this year *Today's Success, Tomorrow's Challenges*. I have this to say: Today's challenge for Hong Kong is to insist on an acceptable agreement and to make this abundantly clear to the Chinese and British Governments. We must not let either government off the hook and I call on my honourable colleagues to join in Hong Kong's demand for an acceptable agreement.

MRS PEGGY LAM (in Cantonese): Madam deputy, Governor PATTEN's second policy address obviously differs from his first one in three aspects. First, Mr PATTEN gave the livelihood issue more coverage this year. Second, a chapter on Sino-Hong Kong relationship was added. Third, some policy proposals were amended. (The last point indicates that there are problems in the Governor's first political package in that it contravenes the principles originally agreed upon by both China and the United Kingdom and, for this reason, he is making some concession.)

I welcome very much the above changes because livelihood is undoubtedly something which arouses the greatest concern of Hong Kong people and calls for the Administration's immediate attention. It is appropriate for the Government to take it as its first and foremost task.

The success or otherwise in handling Sino-Hong Kong relationship and in settling the political arrangements is of great importance to Hong Kong's longterm development. I am very pleased to see that Mr PATTEN has pointed out in his policy address the need to explore new ways to strengthen our working relationship with China and Chinese institutions. It is because only by taking a down-to-earth attitude to handle Sino-Hong Kong relationship can we achieve harmony and secure co-operation, which is conducive to building a stable and prosperous society. This is indeed what we are yearning for.

There is another point worth mentioning. Different from last year, women's well-being is slightly touched upon in this year's policy address but regrettably it is only briefly described. I hope this scope of coverage does not indicate that the Government is merely paying lip service to the elimination of discrimination against women.

Having been engaged in women's affairs for years, I think that it is incumbent upon the Government to promptly introduce into Hong Kong the Convention on the Elimination of All Forms of Discrimination Against Women. It should also establish a Women's Commission to carry out a comprehensive review of the relevant policy and study women's needs so as to formulate a policy to promote women's interests.

Although most women are still content to go out to work and take care of their families concurrently, the community, however, must provide equal opportunities and a fair environment to women as a form of support. Yet, I regret to find that there is still room for improvement in many areas. I believe when I move a motion on the *Green Paper on Equal Opportunities for Women and Men* in December, my colleagues in this Council will certainly put forward many constructive views. The Governor said that a positive response would be made early next year. In this connection, I would like to urge him to formulate a policy to promote women's interests and state that in his next policy address.

Environmental protection

I welcome very much the Governor's proposal of establishing an Environment and Conservation Fund for financing environmental education and research. But the Government should give an early clarification of the operation of the Fund.

If the proposed sum of \$50 million is seed money, my concern is that in view of the present low interest rate, the actual portion of fund that can be used is virtually negligible. For this reason, I hope the Administration could explicitly inform us of the amount of Environment and Conservation Fund that can be used each year. I am afraid that if the Fund is not enough to go round, people enthusiastic in the promotion of environmental protection will feel disappointed.

As for the criteria of granting and the monitoring mechanism, I believe it is necessary for the Government to set up a working group for collecting the opinions of various sectors and deciding the targets of the Fund and the proportion of subsidy to the targetted beneficiaries.

The Governor has also mentioned in his policy address that the private sector and all government departments will be asked to appoint their own "green managers". With these specially appointed managers, we will naturally achieve better results in environmental protection. However, there is indeed an acute shortage of experts specializing in environmental protection in Hong Kong. Environmental protection courses are surely available in our tertiary institutions. Yet their emphasis are on technology application and environment assessment. Suitable candidates for green manager posts responsible for providing and promoting environmental protection in factories and offices are limited.

In my opinion, the Environment and Conservation Fund should subsidize the relevant training courses so that the proposal of appointing green managers can be expeditiously and extensively put into practice. In the long run, environmental protection courses provided by tertiary institutions should be boosted to enable them to meet the needs of our community.

Yet, the Governor has not stated the professional requirements of the green manager. Are the green manager posts in government departments a newly created posts or are they posts taken up by serving officers in addition to their own duties? It must be borne in mind that any additional financial burden and the acceptability of such an idea by the staff will affect the implementation of the proposal.

In fact, a greater awareness of environmental protection among the general public could help save a considerable amount of resources and reduce environmental pollution. However, just as what the Governor has said in his policy address, we have not managed to mobilize the enthusiastic support of our community. Why is that? I think it behoves the Administration to review its own policy.

Ever since its establishment, the Environmental Campaign Committee has all along been promoting the notion of 3R: "reuse, recycle and reduce". In 1991 a sponsor donated more than 300 litter bins to collect waste paper for recycling, which are placed in housing estates. A good many citizens showed their support by taking the trouble to avoid mixing waste paper with other litter and disposing waste paper separately into those litter bins. It is a pity that over the past two years or so the Government has not taken any follow-up action and neither has it intended to implement the policy of encouraging people to separate different types of waste before disposing. It is, indeed, very disappointing.

As chairman of the Environmental Campaign Committee, I once again call upon the Government to pay attention to the recovery of waste such as paper and antimony cans, on top of industrial, construction and chemical waste. The Government should seriously consider placing on streets litter bins for the separate collection of different types of waste. It should also formulate a policy of classifying the litter and encourage the public to separate their litter by types at home before disposal so that the concept of recycling can be put into effect. This is not a difficult task. Europe, the United States and even Hong Kong's neighbour, Taiwan, have already implemented this measure to protect environment.

A secure old age

As a matter of fact, as early as 10 to eight years ago we could already foresee the aging of our population. However, at that time the Government was not willing to make any commitment and only up till now does it find it necessary to face the reality and give response. For this reason, it is appropriate for the Governor to give more coverage to discuss the problem of the aged in this policy address.

The aging population has brought about heavy pressure on our health care services. Although the Governor has pointed out that the provision of acute beds and day places for the elderly would meet their demand in full, it is distressing that there is a serious shortage of infirmaries because it is envisaged that nursing homes in the pipeline will not be able to meet the needs.

Under the present circumstances, it is inevitable that the Government has to depend on care and attention homes in the private sector to make up for the acute deficiency of service. I hope that the Government would subsidize the old people in need so that they could stay in this type of infirmaries which charge higher fees. This will, of course, cost a lot but it is precisely what the Government should make amends for its lack of long-term commitment in the past.

I hope that the Government could learn a lesson and set a long-term goal. For instance, it should expeditiously put into practice the proposals with regard to primary health care so that the public can enjoy better health and the elderly in particular can be provided with improved health care services. This will ease off the pressure of the demand for health care homes.

The Governor proposes the setting up of a special working group for studying and co-ordinating the sort of integrated care for the elderly. I would like to express my hearty support for it. I would also urge the Government to promptly set up this working group without delay.

Education

As regards education, pre-school education is all along not regarded as formal education. Through the effort of various sectors over these few years, I am very pleased to learn that the Governor has recognized the importance of pre-school education in his policy address.

Yet, as he has remarked that this sector of education could not be ignored, the Governor should do more than making improvements to the Kindergarten Fee Remission Scheme. He should go so far as to include pre-school education in the ambit of formal education and go ahead with subsidized kindergarten education. In that case, an overwhelming majority of parents need not apply for subsidy, neither will they hesitate to send their children to kindergarten because of the school fee problem. In addition, kindergarten operators will also have more resources to provide high quality pre-school education.

The creation of the Language Fund will indeed help to improve students' language proficiency. However, where students' deteriorating proficiency in both Chinese and English is concerned, we should not simply lay blame on teachers' quality and teaching facilities. Factors such as confusion in the medium of instruction and the change in learning attitude have played a far greater role.

Madam deputy, we are after popular and high quality education. The shortage of education resources also sparked concern when the policy address was discussed in a Wan Chai District Board meeting yesterday. The district board members hope that there can be an overall revamp of Hong Kong's education policy.

Recently underage girls are found working in karaoke lounges and this is indeed a warning to us. This group of youngsters who should be studying at school convey to us a crystal-clear message that there is a lack of a proper environment for them to grow up.

For this reason, the refurbishing of school building and the installation of more computers for schools are very worthwhile investments. However, the investments should be made timely. Funds should not be held back by drawn-out application procedures for years and neither should there be rigid rules that an overall refurbishing could only be done with an interval of five years or 20 years. In addition, we should also make available more resources to counselling service for the purpose of correcting students' learning attitude and value judgement. This would also provide teachers with better support so that they can concentrate on teaching as well as strengthen their relationship with their students. Furthermore, better designed curricula will encourage learning on the part of the students. School clerks play a very important role. This is particularly true in primary schools. At present a primary school with 24 classes can only employ one clerk. With inadequate support, teachers have to take up clerical work as well. They are not supposed to do those jobs. Indeed,

we are wasting manpower resource. In respect of this, the Government has to seriously consider the creation of one more clerical post in a whole-day school with 24 classes.

Madam deputy, Hong Kong also has to create a good environment in which the people can live. The row over our political system since last year has aroused concern among the public and they are already worried that the stability and prosperity of Hong Kong will be affected. I urge the Governor to respect Hong Kong people's aspiration for a smooth transition and expeditiously come to an agreement with China on the electoral arrangements. He should also deal with district board and municipal council elections first so that preparation for the imminent 1994 elections can be commenced as soon as possible. When the part on constitutional development in the policy address was discussed in Wan Chai District Board meeting yesterday, members asked me to request the Governor on their behalf to consider reducing the number of appointed seats gradually. District board is merely a consultative body. Its members represent a wide spectrum of the community and admirably reflect extensive views of different social strata. I would like to clarify one point here. It is true that I am an appointed Member in the Legislative Council. But I am also an elected district board member.

Madam deputy, with these remarks, I support the motion.

MRS MIRIAM LAU (in Cantonese): Madam deputy, roads in a city are like blood vessels in a human body. If a blood vessel is blocked in a human body, it may cause pain or, in a more serious case, lead to paralysis or even death. It is clear that a good circulatory system is very important to one's good health. Similarly important is a good road system to Hong Kong's economic prosperity. The Government has yet to thrash out a comprehensive long-term transport policy for Hong Kong as a whole. It seems to cover up traffic congestion for fear of criticism and takes a piecemeal approach to the problem, that is, the head is treated when there is a headache and the foot is treated when there is a sore foot. Sometimes, the Government even regards traffic congestion as an insoluble problem. Meanwhile, Hong Kong suffers inestimable economic losses because of traffic congestion.

The Governor's policy address this year devotes seven long paragraphs to expounding the Government's policy for solving the transport problem. A grand promise is made to spend \$9 billion next year to build and improve roads to solve Hong Kong's traffic congestion problem. It seems that the Government is at last getting serious. However, after the Governor's policy address, the Secretary for Transport revealed to this Council that \$7 billion out of this \$9 billion was for projects in the Airport Core Programme. And so there will only be \$2 billion for building and improving roads. This is not much help in the way of really solving the traffic congestion problem.

The truth is that the Government is not planning many road improvement projects and most of those in the pipeline are along Tuen Mun Road and Castle Peak Road. The policy address says not a word about traffic congestion elsewhere, for instance, in Tsim Sha Tsui East, along the Sham Shui Po section of Cheung Sha Wan Road and Castle Peak Road, in Tsing Yi and in Kwun Tong, although the conditions there have also become unbearable. None of the projects mentioned will benefit these areas. Therefore, such projects are simply unable to ease the traffic congestion problem of Hong Kong as a whole. In view of this, the Liberal Party thinks that the Government's so-called policy for solving the traffic congestion problem remains to be myopic and superficial.

This Council has been urging the Government again and again to proceed expeditiously with the construction of Route 3 (Country Park Section), which is the only possible long-term solution for Tuen Mun Road's traffic congestion problem. But it appears that the Government has turned a deaf ear to our request and stuck to its original schedule. The Liberal Party thinks that the Government should be able to speed up this project and complete it in 1997, in time to synchronize with the completion of Ting Kau Bridge if it has the will. But the policy address fails to address the urgency of Route 3 (Country Park Section). The Liberal Party finds this disappointing.

Madam deputy, several major factors are responsible for traffic congestion in Hong Kong: The number of vehicles has shot up in the recent years; there are not enough roads to begin with; road repairs in progress often render roads unserviceable; and we lack a reliable mass transit system. We of course support the Government's plans on road construction and improvement, and we urge the Government to take effective measures to limit the effects of road repairs on traffic flow. Over the long term, however, the Liberal Party thinks that the Government, to address the root cause of the problem, should work hard to develop mass transit systems and to find effective ways to control the number of vehicles on the roads.

The Second Comprehensive Transport Study contains two recommendations for railway development: (1) The railway system should be extended to all those high population density areas that do not yet have railway service. (2) The present urban railway system should be expanded to alleviate over-crowding train service along certain routes. A railway study, published some months ago, contains detailed railway development plans. We are surprised that the policy address says nothing about these plans except that consideration will be given to the construction of a railway to the container terminals via New Territories West. The Liberal Party thinks that the Government should make a quick decision to carry out the recommendations of the railway study. In particular, the Government should proceed expeditiously with the construction of a railway in suburban area to Tuen Mun and the construction of an MTR extension to Tseung Kwan O. In newly developed Ma On Shan and in long-neglected Hong Kong Island South, the Government should consider building railway systems with private-sector participation, so

that mass transit services may become available sooner to the local residents. However, these railway systems must not be monopolistic. And the Government must put in place a good system for monitoring and controlling future train fare increases, thereby protecting the interests of commuters.

According to the projections of The Second Comprehensive Transport Study, there will be twice as many vehicles in Hong Kong in year 2011 as the number stands now. Against this background, the Secretary for Transport disclosed recently that the authorities were thinking about collecting road fees from motorists. And the Government is also contemplating the revival of the electronic road pricing system — a system that was rejected by the public in the past. The intention of such moves is to keep the number of vehicles under control. The Government tried in the past to discourage car ownership by sharply raising motor vehicle taxes. That proved ineffective because people were getting richer and found car ownership affordable. In fact, collecting road fees as a means of discouraging road use is unfair. The Government must find some better alternatives to keep the number of vehicles under control. I think that the Government should step up public education to persuade the public to make more use of public transport services. When we have good and convenient mass transit systems together with adequate supporting public transport systems, members of the public will not find it necessary to own private cars. This is the way to eliminate the root cause of the problem.

As a related issue, the Government must act quickly to solve the long-standing shortage of parking space. The shortage of parking space for lorries and heavy trucks is particularly severe. At present, many vehicles have to be parked illegally for lack of legal parking space. This is also one of the causes of traffic congestion.

Madam deputy, very often, traffic congestion is due to laxity in the enforcement of traffic rules. At many busy crossroads in Hong Kong, yellow checker lines are painted on the ground to prohibit cars from stopping there and obstructing traffic. However, we noticed recently that many motorists paid no attention to the rule and stopped their cars on the yellow checker lines. Their unlawful action always caused traffic jams. Clearly, the Government has become quite lax in enforcing traffic rules. The Government must step up enforcement to deter such traffic offences.

Talking about enforcement, I want to praise the police for their recent sustained operations against unlawful taxi drivers. Such operations help to weed out black sheep in the taxi trade. The truth is that effective enforcement of traffic rules is quite important to the good quality of public transport services and to good traffic conditions in general. But police action must be well-planned and persistent if it is to be effective. Regrettably, the police must always give their top priority to crime fighting. Operations against traffic offences really cannot be accorded higher priority. Therefore, as a long-term solution, I suggest that the Government should give more power to traffic

wardens. With greater power to bring traffic offenders to court, they could help to lighten the traffic-control burden of the police. So that traffic wardens may become an effective arm of the law, the Government may wish to consider making them a unit under the Transport Department.

Madam deputy, I think that the policy address omits an important element of traffic improvement, that is, how to make the best use of existing public transport resources. Here I want to cite minibuses and buses as an example.

So far, the Government has not had a comprehensive policy for minibuses. The 1990 White Paper on Transport Policy in Hong Kong said that the Government should encourage the conversion of red minibuses into green minibuses with franchises to operate along fixed routes. Transport Branch, too, told this Council's traffic panel at one time that the Government would proceed methodically with the conversion of red minibuses into green minibuses, which could be controlled more effectively. However, the progress made in carrying out this policy has been very slow. Up to now, among Hong Kong's 4 350 public minibuses, 2 800 are still red minibuses. The Government's policy for the control of minibuses seems to have lost its bearing. And a review is called for.

In many newly developed housing estates and low population density areas, not only is there no railway service, but even bus service is inadequate. The Government should respond to the transport needs of the local residents and approve green minibuses routes, subject to non-violation of the rights of other public transport operators. Where it is thought that green minibuses may not be suitable, the Government may wish to consider awarding short-term franchises to red minibuses, which will then operate within specific hours and charge approved fares, with the objective to end local residents' transport woes.

The Government should maximize the role of green minibuses in its support of mass transit systems. Following demographical changes in Hong Kong, the populations of some areas will decline. Bus lines serving these areas will lose money heavily. This is a waste on resources and will create a pressure for fare increases. Furthermore, the same buses will not be available for service in other areas where there are more passengers. The result is: "In some cases, supply of bus service falls behind demand while in other cases, demand exceeds supply." The Government should consider making the best use of green minibuses to serve these areas, wherever possible. Of course, effective measures will have to be taken to control the schedules and the quality of service of the minibuses. The fare differential between the minibuses and the buses should be kept narrow to reassure the local residents. This being the case, the local district boards will not object so much as well.

There is another thing that I want to mention. It is minibus fares. Minibus fares are now generally more expensive than bus fares, given that a minibus has fewer seats. Proportionally speaking, the operating cost of a

minibus is higher than that of a bus. Actually, in most cases by far, a minibus can be fitted with 18 to 20 seats. The Government arbitrarily limits the number of seats per minibus to 16. This is wasteful. I think that the Government may wish to consider allowing a higher number of seats per minibus. This will in turn lower the operating cost of the minibuses, with the result that they will not have to ask for fare increases so often. Passengers will be benefited as a result. However, this applies only in the case of green minibuses, whose fares are subject to government control. The purpose of allowing a higher number of seats per minibus is to benefit passengers and not to raise the profitability of minibus operators. If the Government handles the fare controls properly, this suggestion will not affect the premiums paid for minibus licences. Of course, a higher number of seats per green minibus will generate more revenue and improve the operators' profit margin. Therefore, the Government may also wish to consider requiring all green minibuses to charge elderly passengers concessionary fares. In this way, the elderly will have one more choice of transport service.

Madam deputy, concerning cross-border traffic, this Council's traffic panel suggested more than a year ago that the Government should take vigorous efforts to seek talks with the Chinese side with a view to keeping the border crossing points open 24 hours a day for freight traffic. The panel believes that this will help to ease cross-border traffic congestion. I am very glad to learn that the Government is planning to talk to China about keeping the crossing point at Lok Ma Chau open 24 hours a day. I hope that the Government will talk to China also about gradually extending the opening hours of the crossing points at Man Kam To and Sha Tau Kok, so as to cope with the rising volume of Sino-Hong Kong freight traffic. At the same time, I hope that both Hong Kong and China will deploy additional manpower to the crossing points, increase the number of counters at each crossing point and raise the efficiency of freight inspection. This will mitigate traffic congestion at the border and save time for truck drivers.

Another matter is Sino-Hong Kong co-operation. Hong Kong's future transport development will be closely linked to that of China. Therefore, co-operation between China and Hong Kong, which is now limited to traffic management matters, should be extended to all aspects of cross-border traffic. More importantly, as Hong Kong will become a part of China after 1997, to achieve maximum cost-effectiveness, there must be co-ordination between China and Hong Kong regarding infrastructure projects. Better communication and co-operation are needed if this objective is to be attained.

Lastly, I would like to talk about environmental protection. The Government recently hit upon the idea of requiring all commercial vehicles to use gasoline. I have some reservations about this. Gasoline is far more expensive than diesel. Converting to gasoline will surely raise the operating cost of taxis and minibuses. There will then be a pressure to raise fares, thereby fuelling inflation. I think that the Government should introduce Sweden's

environmentally clean "city diesel" to Hong Kong. It is environmentally much cleaner than ordinary diesel. The Government should, at the same time, consider lowering the fuel tax on "city diesel", thereby encouraging its use by commercial operators.

With these remarks, I support the motion.

THE PRESIDENT resumed the Chair.

MR LAU WAH-SUM (in Cantonese): Mr President, I am very disappointed with this year's policy address. Over the past year, Hong Kong people expressed a lot of views on livelihood issues. However, the policy address has neither innovative ideas nor merits to speak of and is simply another routine document.

The part covering economy in the policy address is obviously inadequate. Economic growth is a prerequisite for Hong Kong's stability and prosperity. The Government should attach great importance to the various factors contributing to economic growth. Regrettably, the policy address has failed to address this problem seriously.

First of all, inflation is the Number One enemy of economic development. However, the policy address only touches on this issue lightly by saying that "inflation has eased but it is still too high." It seems that the Government is contented with the half per cent drop in inflation and has no new proposal on ways to ease the inflationary pressure. In fact, in the long term, this level of inflation will have great adverse effects on our livelihood, economy and future massive infrastructural development. Since the Government acknowledges that Hong Kong's economy comes first, why then does the part on economic issues only emphasize on immediate results without any long-term planning?

Over the next few years, Hong Kong is going to embark on several massive infrastructural projects which would bring considerable pressure to the labour market. As Hong Kong's economy is undergoing gradual restructuring, resulting in shortage of skilled labour in some sectors, it is indeed high time to import skilled foreign labour. Regrettably, the chapter on "workforce" in the policy address only talks about industrial safety and the retraining programme, but makes no mention of the long-term policy on the importation of labour and the ways to increase and allocate human resources. This is an example of the Government's myopia.

Housing policy has been a matter of great concern to the people of Hong Kong. During the past few decades, although a large number of public housing units have been built and the quality of housing has been upgraded, there are still 100 000-odd applicants on the waiting list and another 62 000

temporary housing area residents waiting to be rehoused. The Government should increase the land supply for public housing immediately and expedite the construction of more public housing units. As regards the current policy of requiring well-off public housing tenants to pay double rent, the problem of public housing tenants owning private property, the feasibility of selling public housing units to sitting tenants, the resumption of vacant housing units and so on, it is disappointing that no proper solution has been suggested by the Government.

Next year will be the International Year of the Family. The Chinese traditional concept of a family places great emphasis on family ties and a harmonious relationship between family members. Elderly people have been playing an important part in traditional families and should be respected for their past contribution to society. There is a specific chapter on "a Secure Old Age" in the policy address to discuss the old-age problem. Regrettably, the solutions proposed by the Government are far from adequate and simply serve as an embellishment.

For example, the policy address points out that by 1997, we will have an extra 44 000 people aged 75 and over to look after. It was mentioned in the policy address that the Government can only provide an additional 461 acute beds and day places for elderly patients. The point is that the Government not only has to look after the elderly patients but also the well-being of other elderly people before it can fully achieve the goal of "a secure old age".

In fact, the old-age problem is not an issue which popped up in the recent two or three years. The Government used to have a working group to examine the elderly's various demands for social services. Now, the Government plays the same old trick again by setting up a special working group so as to employ the delaying tactic. It does not have the sincerity to solve the problem at all. In fact, the Government may well refer to and draw on the experience of other advanced countries in the welfare for the elderly, and then tackle the problem according to the practical needs of Hong Kong in order of priority. Mr President, if a special working group is to be set up, I request that the working group make public its findings within six months the latest without further delay, setting out in detail the target of Hong Kong's policy on welfare for the elderly and adopt a phase-in timetable so that the welfare for the elderly in Hong Kong can measure up to the standards of advanced countries within the shortest possible time.

Whether the elderly people can enjoy their twilight years depends on whether they have savings at their disposal after their retirement. Recently, the public have repeatedly urged the Government to undertake the responsibility of introducing a central provident fund scheme. Regrettably, the Government has been dragging its feet on this matter, and a decision will not be made until the end of the year. Mr President, if the Government rejects the setting up of a central provident fund, it should propose other suitable alternatives instead of saying some vain words that a secure old age would be guaranteed.

As regards political issues, there have been incessant rows since the Governor put up his political reform package. Since the Governor delivered his first policy address last year, he has been stressing that we should maintain a good relationship with China and that we should have a fair, rational and open society. However, what we saw this year are only political bickering, mutual suspicion and distrust between the Chinese and British Governments. There has been a gradual emergence of confrontation arising from divided political views among Hong Kong people who used to enjoy their peaceful life. Divisiveness has also crept into our dedicated Civil Service which used to be politically neutral. This is a phenomenon which we absolutely do not want to see in the latter half of the transition period.

Although the conclusion of the policy address is very appealing, it has an implicit threat of dividing the people of Hong Kong, thus creating a confrontational situation. On the one hand, it advocates opportunity for fair election, the principles of free democracy, and the hope of maintaining good relationship between Hong Kong and China. On the other hand, it shakes people's hope for the above and their faith in the future sovereign state in implementing the "one country, two systems".

If the colonial Government is really sincere in striving for the well-being of Hong Kong people, it should have given the six million Hong Kong people a choice and granted them British passports with the right of abode in the United Kingdom long ago. However, the British Government amended the British Nationality Act in a well-planned manner instead, downgrading the BDTC passports held by two million-odd Hong Kong people to something even inferior to a travel document. What is more saddening is that the British Government is so relentless that it has denied the several scores of war widows whose husbands fought to protect Hong Kong during the World War II the right of abode in the United Kingdom.

As such, what else can we expect from this colonial Government?

There are only three more years to go before Hong Kong is reverted to our mother country. We can only request the Chinese and British Governments to abide by the Joint Declaration and promise us a stable transition so that Hong Kong can have a smooth transition and continued stability and prosperity.

I urge all those who stay to build for Hong Kong to have strong faith in Hong Kong's reversion to our mother country. Let us contribute to Hong Kong, promote the continued prosperity of Hong Kong's economy and achieve the ideal of "one country, two systems" with the perseverance and persistence we used to have in building up Hong Kong. Let us not be disoriented in face of divisiveness and confrontation. As long as we have a firm belief, no divisiveness whatsoever can shake our confidence.

The future of Hong Kong is, in fact, in our own hands.

Mr President, these are my remarks.

MR JIMMY MCGREGOR: Mr President, it is impossible, in the course of 15 minutes, to attempt to respond to the many statements made and policies and proposals set out in the Governor's address. I do not disagree with his broad thrust and philosophy, that of carrying Hong Kong forward and maintaining our economic, social and political momentum. The Governor has been fortunate that the Hong Kong he inherited as our Chief Executive was already enormously successful, indeed an example to the rest of the world, in the rapid development of a peaceful, multi-lingual international city state enjoying the rule of law and a wide range of human rights. This is a territory which has attracted several million immigrants since World War II, seeking a better life and some seeking political asylum. All have benefited from a system which, although colonial in status, has offered opportunity, sympathy and support. In turn, our immigrants have contributed greatly to the rich and diverse character of our community. We have all contributed and we all, I think, have something to be thankful for. The system of government in Hong Kong, rooted in the past and initially the result of colonial expansion, has been very greatly modified through the years, to take account of both local and international developments. The end result, at least up to the present time, is a system of government which needs no apology and whose track record of service to the people of Hong Kong is commendable. Quite clearly, it is a system which Hong Kong people wish to retain. It is a system which China wishes to retain and which the British are prepared to help to retain. The arguments over further political development do not detract from the general agreement by all three parties concerned that the basic economic and social systems shall stay in place, being modified only to give them greater efficiency and application.

The Governor's address makes this quite clear. Despite the many initiatives taken and proposed, the basic economic philosophy, for example, and the policies which have developed from it, will remain unchanged.

We will continue to seek economic growth through open door, unrestricted, international trade, through free trade practices and minimum restriction on free enterprise at the corporate and personal levels. We will continue to rely on the individual and not the state, on human ingenuity and enterprise and not on bureaucratic instruction, direction or direct participation. The predominant contributor to Hong Kong's immense and continuing success is the freedom of the market and the individual. This freedom must be preserved at all cost. And the two sovereign governments which are shaping our destiny must have this pointed out as often as necessary. Our business thrives on initiative and freedom. Investors invest where they have confidence in doing so. All depend upon a free market environment that is both attractive and stable, not given to sharp changes and bureaucratic interference.

In all the excitement of the twists and turns of political debate, posturing, pronouncements, accusations and denials, it sometimes needs to be remarked that when all the hoo-hah and razzmatazz is over, Hong Kong will still have the same economy, the same economic and social institutions and the same high degree of efficiency, drive, energy, and, I am sure, success in our continuing efforts to keep our position among the world's most successful territories. The Governor has properly remarked on our very good economic performance whilst the rest of the world, or much of it, has been in recession. I hope it is also noted that, despite the sometimes vitriolic language of threats and vituperation attending the political talks, or lack of them, our economy, has been thumping along, creating new records and embarrassing all those who predicted economic downfall and disaster, should the talks falter or fail.

Perhaps they know a thing or two, these businessmen and investors who persist in regarding Hong Kong as a good long-term prospect.

Perhaps they have come to the conclusion that rhetoric will give way to reason, that commonsense will recognize common interests. Business people, although predominantly concerned with business and profit and not at all inclined towards politics, are really quite good at assessments. It seems to me that the business sector is now making a broad assessment that the talks will end with agreement, and that, even if that is not so, the end of the world is not nigh!

My comment on the talks is to support the call for conclusion on an honourable and sensible basis, remembering that they were entered into to support the concept of "Hong Kong people ruling Hong Kong with a high degree of autonomy". There is a deadline and there will be a great deal for this Council to do when it comes.

The Governor's address is not, as some have suggested, a rather weak chronicle of self congratulation. It seems to me to be a frank and open recitation of progress on all fronts, of problems that have yet to be solved and the planning that will be needed to tackle the longer term important issues. Many of the matters he commented upon have been with us for many years. Some will be with us for many years to come. Some will always be problems, such as education, housing, health care and security simply because there is no final goal. We will never reach the ultimate levels of excellence because, in the nature of things, they stay ahead of all our efforts, providing the incentive for new initiatives.

I will, however, touch upon a few points, among many, that will need continuing attention from the Government and this Council.

Paul CHENG, Chairman of the Chamber of my constituency, has stressed the need for continued vigorous action to keep inflation moving down and to allow our market economy more freedom to help bring this about. The cost of doing business in and through Hong Kong is greatly affected, directly and indirectly, by the very high comparative cost of accommodation both for

businesses and for individuals. A greater release of building land could help a lot. The cost will also remain high where labour is not in ready supply and that has been the case in certain areas of our economy for many years. I do not believe in an open market for immigrant labour. But I do think that labour supply at the lowest end of the market might be augmented further by improvement of the scheme for imported labour.

I am personally rather nervous about the various studies which are being carried out by the Consumer Council on competition policy. I had thought during the last 40 years that Hong Kong is probably the most open and competitive trading territory in the world. I look forward with interest to the sectoral reports from the Consumer Council and to any proposals for legislation to permit class actions which, in some countries, have seriously affected the ability of major industries and professions to operate to their full potential.

I believe that we are rapidly coming to a position in traffic movement, or the lack of it, when we must look again at the need for road pricing. This scheme was thrown out some years ago for reasons considered valid at that time. Our roads are now worse than ever, sometimes completely blocked over large areas. The economic loss, on an increasing basis, is grievous. There is now technology available that will permit Hong Kong to tax the use of roads sensibly and efficiently. More and more vehicles are using this technology at the tunnels, gaining time and cost effectiveness. The same equipment can help to control and reduce traffic on essential road links which are part of the transport element of our economy. Taxes raised can be used to improve and expand the transport infrastructure. It is time, I think, that this matter was resuscitated and, at least, re-examined.

I want to say that it is also time we established high specific standards for vehicle emissions which are based on the best international requirements. In addition, we should consider providing incentives for the use of electric and gas-driven vehicles, both of which are environmentally friendly.

The Governor has set out wide ranging plans and programmes for social development and, in principle, I support all of them. We are beginning to show levels of compassion for our sick, handicapped and aged people, which will provide incentive and initiative in the years to come. I wish to touch upon one such initiative.

I have argued for the establishment of an old age pension for many years, mostly without response from the Government nor much support from my fellow Councillors. Democrats have preferred to push for a Central Provident Fund. Conservatives have feared the possible cost of such a scheme to the community. The Government has fiddled about with an extension of private sector provident funds to encompass all working people. My understanding of this proposed scheme is that it has become a nightmare of inconsistencies, unlikely to secure widespread support or early endorsement.

In my view, which is shared by the Hong Kong Democratic Foundation, by far the best way to provide essential support for people in their senior years is through an old age pension scheme which I will call by its friendlier name a retirement pension for senior citizens. If a basic level of income can be assured to people in their old age, we can afford to be more flexible in how additional saving for old age is dealt with, whether centrally through the Government or through private sector schemes. I, therefore, feel that a retirement pension scheme for all citizens in their senior years has a higher priority than any other scheme to be considered. I shall be introducing a motion next month on this issue and I ask my colleagues and the Government to begin thinking about the plight of the elderly in the light of the need for a just and humane solution.

I began on a political note and I will end on one.

It is the responsibility of this Council to speak and act on behalf of the people of Hong Kong. We do not have any responsibility for Britain or for China. I hope there will be an agreed outcome to the talks which we can all accept. But if these sovereign countries cannot agree on the political proposals now before them, then the package should be put before this Council in its original shape. The proposals will then be dealt with in the light of our overriding responsibility to Hong Kong and Hong Kong people.

Mr President, I support the motion.

MR ALBERT CHAN (in Cantonese): Mr President, I have gone over the entire text of the policy address. I really cannot understand why Governor Chris PATTEN chose to entitle it "*Today's Success, Tomorrow's Challenges*". My speech today will endeavour to show that, as far as land and infrastructure development are concerned, the policy address definitely does not deserve such a title even though it is not totally devoid of substance.

Land Development

First of all, I would like to talk about land development in Hong Kong. One has only to look around and one will see the results of planning mistakes: problems and inconveniences that people have to live with every day. In Kwun Tong and Tsuen Wan, where industrial zones and residential zones are close to one another, residents often have to live with serious problems of air and water pollution. The residents of Tsing Yi are not only plagued by severe traffic congestion but also threatened by mountains of dangerous goods around them. The residents of New Territories West, as everybody knows, are often plagued by traffic problems. Serious flooding occurred recently in New Territories North, with many local residents losing their homes as a consequence. In many parts of the New Territories, large tracts of farmland have been illegally converted into container depots. As a result, more and more container trucks ply between the urban areas and the New Territories. The environment and the quality of life in these areas are directly affected. The

residents of Tseung Kwan O are very worried because plans are being made to build dangerous goods and chemicals depots in the area. These are all problems due either to Government's planning mistakes or to a shortage of officials to enforce the law. The Governor makes no mention of them in his policy address this year.

Nor does the Governor respond on important matters of land development. In July 1991, the Government published a consultation paper on the Town Planning Ordinance. The consultation process was completed. But the date for tabling the bill at this Council has been further postponed. Those outside the Administration do not have the faintest idea as to the cause of the delays. Nor do they know why the bill has still not been tabled at this Council. I think that the Government owes the public a proper explanation.

With regard to the Metroplan, the Executive Council approved the paper: *Metroplan — The Selected Strategy* in September 1991. The Government has begun to prepare under the Metroplan a series of Development Statements for three districts, namely West Kowloon, Southeast Kowloon and Tsuen Wan and Kwai Tsing. This work was supposed to be completed some time between March and June this year. However, members of the public, as well as members of this Council, still know very little about these Statements, not to mention offering comments on them. The United Democrats of Hong Kong (UDHK) at one time suggested that the Government should set up a special working group in each affected area to study the Development Statements and that the working group should include members from the three-tier structure, local people and government officials from relevant departments. Moreover, the group should meet regularly to discuss planning matters. Regrettably, to this day, nothing at all has been heard about these Development Statements, which affect more than one million people.

Port and Airport Development

In April 1992, the Government published the up-dated cost estimate for the Airport Core Programme (ACP). But China and Britain have never been able to reach an agreement on the financial arrangements for the new airport. The two Governments insist that they wish to keep economics separate from politics. Regrettably, however, this wish has not been evident from their talks on the airport.

The truth is that, in his last policy address, Governor PATTEN already said that he was at his wits' end. He even commented ruefully that he might not be able to fly out from the Chek Lap Kok Airport in 1997. A whole year has passed. Not the slightest progress has been made in the talks about the financial arrangements for the airport. In fact, the potential danger is that the project may be stillborn. The policy address that has just been delivered shows that the Government does not know what to do next with the airport project. It has not come up with any constructive idea for solving the difficulty.

On the whole, the policy address is not upbeat about the prospects of the new airport. Although the Governor says that construction has begun on some ACP projects, for instance, the Tsing Ma Bridge and the Western Harbour Crossing, there has been no movement in the two most important projects, namely, the Chek Lap Kok Airport itself and the airport railway. Work has not yet begun on the arrangement of financing for the airport and the airport railway. The dates for the letting of some important contracts have been further postponed. The contracts for the Rambler Channel bridge and tunnel were scheduled to be let in July. But the projects are still on the drawing board as of today. Such progress is very disappointing.

UDHK have expressed strong dissatisfaction with the lack of transparency in the Government's decision-making process with regard to the new airport. On 4 June this year, China and Britain resumed their talks on the airport following a six-month suspension. Before the talks were resumed, the Governor had acknowledged that a new financial package for the airport had been presented to the Chinese side. However, as the talks went on, the Government never told the public or this Council anything about this new package. Mr PATTEN obliquely tells the public something about what progress has been made in the talks on the constitutional package in his address. Why does he not do the same with regard to the airport talks? Members of the public, as well as this Council, know nothing at all about the airport financial package now being discussed between China and Britain. One cannot help but ask: Is this consistent with Governor PATTEN's so-called principles of "fairness, openness and acceptability to the people of Hong Kong"?

Any decision on the airport financial package will have a major impact on the future allocation of the Government's financial resources. Any change in the package will closely affect every taxpayer in Hong Kong. China and Britain should not make decisions for the people of Hong Kong. They should consult the public and this Council before making any decision. I understand that the airport financial package requires a probably sharp increase in the amount of money to be injected by the Government. UDHK absolutely cannot accept this. The people of Hong Kong are already bearing a very heavy financial burden because of the ACP projects. We do not see any reason for further adding to this burden. Therefore, we reiterate that China and Britain should give serious consideration to issuing debt certificates for the financing of the new airport and the airport railway. The amount of money to be injected should not be further increased.

With regard to port development, the policy address notes that there have been delays in the Container Terminal No. 9 (CT 9) project due to China's objections. Serious traffic congestion recently hit the Kwai Chung and Tsing Yi area. Clearly, the area can accommodate no more container terminals, not to mention that CT 8 is scheduled to become operational soon. We reiterate that we are opposed to the construction of CT 9 at Tsing Yi. Since there have been delays in the CT 9 project, the Government should come up with some contingency plans for easing the pressure on container handlers. One way is to

increase the mid-stream handling of freight. Meanwhile, port facilities should be developed as early as possible on the Lantau Island.

When the policy address talks about land and infrastructure, development, it clearly lacks a sense of direction. It is not forward-looking. Neither can we find any emergency measure for dealing with a crisis at this time. It can be said that China has total control and direction over what infrastructure projects Hong Kong can initiate. The Government is totally immobile. Let me ask Governor PATTEN, "How can we meet tomorrow's challenges?"

Transparency of public corporations

In his policy address, Governor PATTEN says, "An open society does not keep unnecessary secrets." The Government intends to ask all public utility companies to publish information on the financial and operational activities of the regulated parts of their business. I welcome this proposal. Moreover, I hope that the scope will be extended to include all public corporations that are wholly owned by the Government, for instance, the MTRC, the KCRC and the Provisional Airport Authority (PAA). I note in particular that the Government has often mentioned commercial secrets and non-intervention in business as justifications for withholding PAA's internal financial information from the public. Since the Government now intends to require privately-owned public utility companies to disclose more financial information, there is no reason why these public corporations should not be required do the same. The PAA's internal personnel and financial problems during a recent period included alleged misuse of funds by employees, slow progress in localization and cost overruns in the hiring of consultants. Without adequate information, it is difficult for members of the public and this Council to supervise the operations of the PAA.

Conclusion

Mr President, generally speaking, Mr. PATTEN, who practices strongman politics, is weak and soft in the areas of land and infrastructure development. In his policy address, the Government fails to advance any new idea in an attempt to free Hong Kong's infrastructure projects from China's constraints. This is very disappointing and regrettable. When he talks about "today's success," Mr PATTEN should not take this to mean his personal success — his own prospects or his own political future. The idea of "one country, two systems" implies not only democratic politics. Initiatives in land and infrastructure development are also part of the idea. To talk about "tomorrow's challenges" without a firm position on the infrastructure is to babble like a fool.

Mr President, these are my remarks.

MR VINCENT CHENG (in Cantonese): Mr President, I can say that two weeks ago as I listened attentively to the Governor's policy address, I had mixed feelings in my heart. Hong Kong made huge economic and social advances during the past year. As a person who often tells foreigners about Hong Kong's success, I felt very proud. On the other hand, I felt very disappointed at the total lack of progress in the Sino-British talks about Hong Kong's political system. Neither the Chinese Government nor the British Government can hold itself blame-free. Recently, comments have been heard in both Hong Kong and China, to the effect that it will be no big deal even if an agreement is not reached between China and Britain. Such comments are quite myopic. If China and Britain cannot reach an agreement on Hong Kong's political system, there will then be no basis for bilateral co-operation on anything else. There will then be no safeguard for Hong Kong's prosperity, stability and smooth transition. With widespread feelings of disquiet, social conflicts will probably sharpen. Society will be divided. The vast majority of the people, who want to live in peace, will not be able to avoid taking sides. Therefore, how can one say that it will be no big deal if no agreement is reached? If no agreement is reached on the arrangements for the 1994-95 elections, will the Sino-British Joint Liaison Group (JLG) not defer its agenda until 1997? Will there be any progress in law reform? Will Hong Kong's infrastructure projects go ahead or stop? These questions are as important to China as they are to Hong Kong.

From China's point of view, resuming sovereignty over Hong Kong is an important and solemn historical mission. Hong Kong has a population of six million. But Hong Kong's economy equals one quarter of the size of the entire Chinese economy. How can one say then that it is no big deal? From Hong Kong's point of view, the six million of us will return to the embrace of our motherland. We will have to establish relations anew with China and with the rest of the world. This is no simple problem. If the necessary arrangements cannot be made during the next three years, Hong Kong's progress and social harmony will come to a smothered end. Being Hong Kong's present and future sovereign powers respectively, Britain and China have a responsibility to reach an agreement on Hong Kong's political system. Neither side can escape responsibility by saying, "What is the big deal?"

The vast majority of the people of Hong Kong want China and Britain to reach an agreement. I believe that the majority of the people of Hong Kong are willing to take an accommodative look at the particulars of the agreement as long as they are about a fair election system.

Hong Kong's economy grew steadily during the past year. People's income rose. But many problems remained. Because of Hong Kong's limitations in the areas of human resources and the infrastructure, Hong Kong's economic growth rate has a limit. A 5% to 5.5% growth rate appears to be the upper limit that cannot be easily exceeded. Until we have made progress in building our infrastructure, any piercing of this upper limit will only result in a higher rate of inflation. What has happened is that under Hong Kong's existing economic and financial systems, using the monetary policy to control inflation

has produced limited results. We are barely able to cope with the growing volume of freight transportation by land, by water or by air. The Governor says that traffic flow today is better than it was during the mid-1980s. I do not agree with this. Traffic conditions were probably improved in some areas following the completion of new road systems. But congestion returned as the traffic volume surged again. A case in point is the Eastern Harbour Crossing.

The Governor says that the Government will spend \$9 billion in the next financial year to improve Hong Kong's road systems. I welcome this. Very regrettably, however, there is a complete blank where the Governor should be talking about the improvement of traffic between China and Hong Kong. Of course, improving the cross-border procedure and lengthening the opening hours of cross-border check-points will result in a more optimum use of the cross-border roads. But we still have to think about future developments. There should be co-ordination between Shenzhen and Hong Kong in the planning of road systems. It takes time to build a road system. If Hong Kong and Shenzhen are to co-operate in land transportation after 1997, China and Hong Kong should start co-operating now or start talking about co-operation.

I hope that the Government of Hong Kong will deal directly with the Shenzhen Municipal Government or the Guangdong Provincial Government in matters of cross-border transportation systems. Such dealings should not have to go through the JLG, which is a diplomatic channel. I hope that China, too, will accept this idea. Very regrettably, China and Britain are yet to reach an agreement on Container Terminal No. 9 (CT 9). If Hong Kong cannot expand its container capacity, it will suffer an economic loss. Southern China, too, will be affected. I would like to know if the Government has an alternative to CT 9 for coping with the growing volume of freight traffic.

I very much support the Governor's interest in consumer protection. However, fair competition is not a problem which we can handle easily. The usual way to deal with it is to make an over-abundance of regulations. This is a case of "good intention, poor result." It hinders economic development. I hope that the Government, when dealing with the problem, will bear in mind that the policy of the least intervention has been the cause of Hong Kong's success. Hong Kong's inflation rate has fallen back to 8.5%. As the interest rate is on the low side, the prices of real estate have been in an upward trend. As a result, the prices of flats are staying at a high level. The banks have now lowered the mortgage ratio, partly to limit their own risk exposure and partly to try to force the prices of flats down. This has finally put a stop to the upward trend of the prices of flats. Clearly, to the ordinary people, buying their first home is only something to dream about. But the policy address dismisses the problem with a casual remark that the Government "will continue to discourage speculation." Reducing demand should not be our sole way to bring down the prices of flats. In the long term, we must increase the supply of land and improve transport services linking the urban areas and the new towns. In the New Territories, there is still an abundance of land that can be developed. We must work very hard to develop transport services between the New Territories, the outlying

islands and the urban areas. The resultant increased availability of land will be the real answer to the high prices of flats.

The Government's public housing scheme has really solved the housing problem for many people. The growing population of the public housing estates has become an expanding political force. When Hong Kong is gradually heading towards election politics, what will easily happen is that certain people will try to curry favour with the residents of the public housing estates by asking the Government to give them still more assistance. This will actually be unfair to others. In the long term, the Government should sell public housing flats to their sitting tenants. In this way, the Government will not have to be stuck with permanent obligations to public housing tenants, especially not to those who have the means to move out but do not do so. Many others in the community, particularly the disabled, the elderly and the infirm are waiting for our assistance.

I am glad to note that social welfare benefits, especially the amount of public assistance for children, will be increased. But \$1,000 a month is still inadequate for supporting a child. Improvements have been made where the mentally retarded previously had to wait for a long time for residential places. But the problem of employment for the disabled is yet to be solved. I know that the Government is continuing to work hard in this area. But the Government's effort alone cannot readily solve the problem. I hope that members of the public, especially employers, will give more help to the unfortunate, thus helping them to develop their potential abilities.

With regard to the question of retirement benefit, we have been discussing the issue for many years. I personally am in favour of a compulsory retirement protection system. Many companies and employers with a sense of responsibility have provided retirement protection schemes to their employees. However, I have great reservations about the central provident fund scheme. I am not against the Government's setting up a number of provident fund schemes in which small companies can participate on a voluntary basis. But I am against the conversion of all existing retirement protection schemes into a central provident fund. A central provident fund will probably have many management problems. For instance, an investment decision may be influenced by political pressure and not based on consideration of returns and risks. This will definitely not be a blessing to Hong Kong.

I welcome the Government's suggestions in the environmental protection area. The environmental awareness of the people of Hong Kong has generally been enhanced in recent years. We have obtained considerable results in fighting industrial pollution. However, there is one thing that I do not understand. The Government is advancing a lot of new ideas about environmental protection and launching some large-scale projects including waste treatment; but it is not seriously prosecuting motor vehicles that emit massive black smoke on the highway. Nevertheless, we should support the Governor's interest in environmental protection.

Mr President, in commenting on the policy address, I have tried to focus on areas which I think are inadequate. Generally speaking, however, this year's policy address has substance. The Government will act along the principles of a prudent financial philosophy in increasing spending on social services and environmental protection. The most important feature of the policy address is its annex on last year's pledges and action so far. This shows a spirit of commitment and it deserves the praise of this Council and the general public. The annex very factually and honestly points out where previous expectations have not been met, such as delays of public works and shortfalls of residential places for the disabled. I hope that this format of policy address will be sustained through 1997 and beyond. We will then be able to supervise the Government's operations more effectively.

At this point, I would like to pay my respects to our Civil Service. The past year has not been an easy year for politicians or for civil servants. The changing Legislative Council has been a blow to, and a pressure on, the Civil Service. I am very glad to see that the efficiency and morale of civil servants have remained the highest in the world. Members seeking press publicity may have been overly harsh in criticizing or questioning government officials. These officials, while accepting the criticism of Members of this Council and the public and while taking questions from them, have argued their cases well and stood their well-considered grounds. This is really a blessing to the people of Hong Kong. Lastly, I would like to thank Sir David FORD personally for his contributions to Hong Kong over the years. He has been a very competent Chief Secretary.

With these remarks, I support the motion.

MR MOSES CHENG: Mr President, having had the opportunity to listen to three annual policy addresses, I find it an interesting exercise to explore the variation in tone and theme that differentiates each one. While the final address of Lord WILSON lacked much of the detail that the current Honourable Governor has put forward in his two addresses, it was an address that sincerely and soberly reflected Hong Kong's role in pursuing progress and prosperity. In a different direction, but with seemingly similar sincerity, last year Governor PATTEN passionately made his popular appeal to significantly alter existing understandings with China. This year, the passion of popular speech making seems to have been reduced due to the necessary influence of practical decision making. Since pragmatism, and not European-style populism, has been the driving force behind the dynamic growth of Hong Kong, I would suggest that the latest address restores a tone more conducive to achieving sound progress in our economy, and an improving quality of lives for our people.

Rather than ranting on about that which, at the moment, is unrealistic or simply out of our immediate reach, I want to use this occasion to measure progress and suggest practical methods of moving forward faster to impact the very real issues faced by our society. While I appreciate the progress report

offered by the Administration for their first year, I believe it is probably refreshing for the general public to be offered as many perceptions of progress as possible, in order to gain the most complete and comprehensive picture of Hong Kong's development. On many of the key issues that I have concentrated on through the course of my career, I remain convinced that a great deal more must be done before the Government is deserving of such self-praise. Specifically, this applies to the Administration's continuing and protracted incertitude in dealing with localization. More generally, I will explain my concerns for greater welfare considerations, enhancing local justice, and rebuilding confidence in our future.

I will take the largest policy realm first and begin with recognizing the Administration's force of commitment to bettering the well-being of those most in need. Last year, the Government expressed its commitment, not only through qualitative improvements in standards, but also in quantitative dispensation of dollars. My Liberal Party colleagues and I have long supported this trend, so long as the policy emphasis is on people, and not the politics of building bureaucracy. One western government after another has succumbed to chronic economic stagnation brought on, amongst other things, by their own irresponsible and inefficient drive to grow wasteful bureaucracies. Rather than helping people, an inefficient approach, with underlying political purposes, usually hinders progress for those most in need. I am happy to express my belief that Hong Kong, thus far, has an impressive record of restraining excessive welfare bureaucracy in proportion to the needs of our citizens, and hence, has a greater ability to provide for all those less fortunate.

Implicit in the Governor's address was the notion that the Administration is not above refinement, in either welfare or other categories of concern. On many welfare issues where my colleagues and I share wholehearted agreement with the general administration policies, I have expressed concern over the methods of implementation which are often counterproductive to the policy itself. For example, on meeting the needs of the mentally handicapped, we are happy to note that the Governor has unequivocally accepted the Government's responsibility to encourage a caring approach amongst our citizens in the integration of the mentally handicapped in the various communities. Yet, the past year has afforded valuable lessons in how to more efficiently translate this laudable objective into a more widespread and beneficial policy. It is clear that the previous method of suppressing information and secretively planning implementation, has at times undermined this policy's value and served no one's interest in the end. The Government has expressed its determination to heed the lessons of the past and proceed with a positive, open, and extensive consultation exercise that is more applicable to a mature society. In addition to this timely turnabout, I want to offer my continuing support to raising the resources necessary for greater public education of this welfare need.

An increasingly significant portion of welfare is rightfully dedicated to our senior citizens, and I wish to reiterate the importance of adequately addressing their concerns and needs in a manner consistent with the honour and

dignity that are due. The prosperity of Hong Kong was built upon the sweat of their brow and their commitment to a better future. While I am encouraged to hear the Administration recognize their labour, and address their physical needs, I am determined that we must maintain our concern to provide them with a dignified and comfortable old age. I would again urge the Government to liberalize the dispensation of old age allowances for those senior citizens who choose to return to their native homes in Mainland China. In general, my Liberal Party colleagues and I welcome the Government's planned programme as expressed in the Governor's policy address. It is evident that the establishment of a Special Working Group on the Elderly can only serve to enhance government decision making on how to provide the best integrated care available. Our guiding and prime principle of welfare for the elderly must be to honour them without patronizing them, and encourage the useful roles they can continue to play in our society.

The senior citizens of our community will be affected, like many others, not only by the targeted goals of welfare, but by the selected means and methodology of reaching such goals. That is why I am again appealing to the Administration, as I have in years past, to refrain from the urge to spend for the sake of spending alone, and adhere to the common sense of fiscal responsibility and resource efficiency. As welfare recipients become a larger segment of the population, and as our commensurate obligations increase, it is necessary to constantly assess and reassess the needs of the community, and the most efficient manner to fulfill those needs. Much of today's perception of need, for example, originated in a previous government White Paper, and that does not account for the changes that have taken place, since the Paper's conclusions were drawn. In well over a year, however, the welfare needs of the community do not remain stagnant, and it is therefore necessary to design an approach that remains flexible in its ability to adapt to change.

To maximize resources, efficiency and quality of care, innovative steps should be taken to involve the private sector in the provisioning of services. Not only do non-government participants offer the potential to bring significant cost savings, they also allow the Government to assume a more forceful role as the guarantor of both efficacy and quality. Rather than only serving Hong Kong as the major "player" in the provisioning of welfare, the Social Welfare Department should establish new, higher and impartial standards, and act as the authority to oversee and monitor voluntary organizations, social welfare agencies, and other private providers of quality care. It is imperative that we not follow the primrose path of political expediency, and abandon the standards of efficiency and effectiveness that have thus far governed our resource allocation. All of us on this Council understand that we have a commitment to the elderly and the needy of this community. So let us progress forward with innovative and responsible planning that insures we will be able to meet the needs of the future generations. Most of the world's prosperous nations have failed in their welfare efforts for one reason or another, and consequently they have burdened their economies to the breaking point of chronic stagnation. Our

task must be to avoid their mistakes, and seek solutions of our own making, so that we may take care of those most in need, for generations to come.

The second area of focus that I would like to stress in response to the Governor's policy address is localization of the Legal, Legal Aid Departments and the Judiciary. It does not afford the possibility of being as agreeable. A moment ago, I mentioned the creeping danger of "chronic stagnation" in a separate context but the same concept can easily apply to the residual government foot dragging and issue avoidance that has become synonymous with the subject of localization. Also chronic, however, have been my consistent calls for a more rapid pace and comprehensive programme to assist in the smooth transition of administration. I am disappointed to find that after years of prodding, there has been little significant progress.

It has been obvious from the outset that the best method of localization is to train and promote local talents from within the appropriate organization, so as to accumulate the necessary experience to qualify for leadership posts. For whatever inexplicable excuse, the Government has avoided the logical path, and is now apparently proposing quick fix, impromptu solutions, with a high degree of randomness. I was alarmed to learn that the latest approach was basically "localization by way of the Classified Section." That is to say, the Government seems now to be determined to pursue the diametrically opposite path, rather than the logical one I just outlined. Rather than instituting the long overdue policies of recruitment, promotion and retirement within these sensitive branches of government, the Administration has decided to go "cold calling" for local candidates, with relatively little to offer and little to gain.

If the issues at stake were not so serious and significant, this latest localization effort might be laughable. However, we who wish to see greater strides being made in the composition and character of the Judiciary, Legal and Legal Aid Departments do not find the Administration's slapstick efforts to be the least bit amusing. At best, their efforts to date have proven to be in favour of perpetuating expatriate positions indefinitely, and patronizing local officers who have patiently awaited promotions. Administration policy on the method and pace of localization vacillates between quiet ineptitude and active demoralization, and has yet to produce a "model means" for any of the key legal institutions. The reverberations of such poor handling are resonating throughout the corridors of the Civil Service, creating a counterproductive and divisive work environment that has seen co-operation, and consequently effectiveness, reduced. It is my sincere hope that the Administration will finally awaken to the logical realities that it must face. It is not unreasonable for Hong Kong's institutions to be increasingly administered by Hong Kong leaders, who better understand local people and are fluent in the local language. I challenge the Government to reverse its course, and act logically and decisively on the issue of localization, as it has promised in the past. We simply cannot afford to waste another moment in formulating practical steps to remedy this situation. I believe the appointment of a Judiciary Administrator to be the first positive step forward, but more must be done to encourage local professionals

to join, even to the extent that means designing special employment efforts and/or incentives. All of these institutions, but especially the Judiciary, must be modernized to address the needs of the system on a timely basis and protect the reverence for the rule of law.

So, Mr President, if I am to accurately characterize and differentiate the tone of this year's policy address, I would say the Governor has indulged in being more celebratory over his self-stated successes, than serene over the serious stakes ahead. While there is reason for both, I would suggest that emphasizing the latter over the former is bound to achieve better results for Hong Kong people in the coming year. As investors worldwide are expressing confidence in Hong Kong's future, much of our population is suffering from lingering personal doubts, brought on by the inability of Britain and China to come to some accord. Because of the disproportionate attention offered to municipal council and district board elections, substantial issues like welfare enhancements and localization are conveniently left aside in the shadows. I hope that my remarks today will serve to shed a little more light on these vital community concerns, and replace the celebratory tones with the essence of contemplation and action. I am eager and willing to actively assist in achieving new progress on these fronts, and I sincerely hope to have the co-operation of the Government in the coming year.

Mr President, with these remarks, I support the motion.

MR SIMON IP: Mr President, when I rose before this Council one year ago to deliver my response to the Governor's 1992 policy speech, I addressed a number of areas of grave concern not only to the legal functional constituency but to all the people of Hong Kong. Foremost in my mind was the preservation of the liberties of Hong Kong people under the law. I cautioned that the Bill of Rights was nothing but a paper tiger unless its provisions were defended by strong institutions. I had three such institutions in mind: a Human Rights Commission to act as a guarantor of the freedoms given in the Bill of Rights; an independent Legal Aid Commission to safeguard the equality of every citizen before the law; and a Court of Final Appeal established in conformity with the letter and spirit of the Basic Law. These crucial institutions have received much attention over the last year. The motion I moved in July in favour of the independence of legal aid was passed by a margin of 37 to two and backed by all corners of the legal profession. The motion to establish a Human Rights Commission was passed on 14 July without dissent. The will of the people of Hong Kong was clear, and it was the responsibility of the Government to heed their mandate.

Unfortunately, however, the will of the people expressed through this Council fell on deaf ears. Pressing concerns around which overwhelming consensus had carefully been constructed were dismissed by the Government with little more than the wave of a hand. The Governor told us in his speech that the "Government cannot claim to be any more determined than the

community itself." Well, I respond that the Government can try at least to be as determined as we have proven ourselves to be on these crucial matters. Key ingredients in the recipe for the continued vitality of the territory have been left out of the mix.

And so, one year later, as I rise to deliver another response to another policy speech, I find that I could just as easily have brought along a copy of my remarks last year and read them to this Council.

Last year, the Governor's attention to human rights amounted to a HK\$1 million allocation to the Civic Education Committee to educate the public on the Bill of Rights. This year, he merely intends to charge the Secretary for Home Affairs with the responsibility for human rights issues and press freedom. I described his attention to our rights and freedoms as woefully inadequate last year, and I will do so again this year.

What more will it take for the Government to acknowledge the problem and take action? The past year has seen the Bill of Rights under threat of abolition after 1997. Press freedom continues to be a source of serious concern to the local and international communities as laws which threaten press freedom remain on our statute books. Handicapped persons have been the targets of discrimination as ugly and vicious as any of us has seen in Hong Kong.

Minority rights are the most fragile ones in any political system and it is the test of a good government how well it manages to uphold the freedoms of the less powerful sectors of society. If Hong Kong's present government is failing this test, what then can we expect of the future?

What is the Government waiting for in establishing a Legal Aid Commission that is free from the watchful eyes of and potential manipulation by political overlords? Short of a divine commandment, there is no stronger mandate the people of Hong Kong can muster than the broad consensus we have achieved in this Council. Besides the support of this Council, the Legal Aid Department itself, the Bar, the Law Society and the International Commission of Jurists have all endorsed the independence of legal aid to safeguard the dearest of democratic principles: equality before the law.

I have stressed the need for decisive action on this issue a number of times. Continued delay in implementation threatens to render sterile the legal rights of many Hong Kong people who cannot otherwise afford legal services. The message is clear: Hong Kong cannot wait.

The Governor mentioned the introduction of a Bill to establish the Court of Final Appeal. Article 82 of the Basic Law stipulates in eloquent simplicity the form the Court shall take. I urge the Government and all Members of this Council to join the legal profession and myself to strive for the establishment of the Court of Final Appeal in accordance with the Basic Law.

I now turn to an important area in which the JLG has made little headway: the localization and adaptation of laws. We have heard the Governor and the Attorney General describe the situation and should by now have some sense of the urgent action required to avoid a legal vacuum after 1997. Multilateral and bilateral treaties affecting Hong Kong's vital interests will lapse in 1997 unless measures are taken to ensure their continuation. There will be considerable uncertainty and confusion in the international community in many areas that are fundamental to Hong Kong's commercial interests and international relations. There is also an urgent need to agree on mechanisms to regulate the legal and procedural relationship in many important civil and commercial fields between the future HKSAR and the rest of China after 1997. We must call on the negotiators to set aside political grudges and give priority to the practical matters at hand to ensure that there will be continuity in our legislation and in our international rights and obligations during the transition period. These are matters for rational consideration, not politicking.

On the question of localization, I believe we must assure equal access to public service such that qualified persons of any ethnicity who are permanent residents have the opportunity to serve our community. This is required by the Bill of Rights. Appointment should be based on merit and proficiency in the Chinese language may properly be a criterion for selection. We must also remember that our central aim is to provide the best services available to the people of Hong Kong, not to quarrel over the ethnicity of those providing the services. However, we must remove differences between overseas and local terms of service and introduce unified terms as soon as possible.

It is disappointing to note that localization by the Legal Department has fallen well short of the target set in 1987. But I am heartened to note that two directorate-level posts have now been opened up to local candidates and a third one by 1995. A new ambitious target should be set as soon as possible for the percentage of locals to be promoted to the directorate by 1995. If the Development Posts Scheme is to be retained, the number of posts should be increased substantially (and not by two as has been proposed) and be replenishable whenever vacancies arise through promotion or wastage.

In his speech, the Governor confirmed the imminent appointment of a Judiciary Administrator and indicated that there would be a review of existing administrative systems to be chaired by the Chief Justice. I welcome this news, given the critical situation prevailing in our courts today. In some cases, the waiting time for cases to be heard exceeds the targets set by the Chief Justice by a multiple of three. Undue delay in the processing of cases is a violation of the Bill of Rights and can seriously undermine the effectiveness and credibility of our criminal justice system.

But more than a new administrator is required to bring our judicial system up to date. The introduction of modern technology in the court room is urgently needed and court buildings generally require substantial upgrading.

The Judiciary should make performance pledges and obtain sufficient resources to implement them.

I would also urge the Chief Justice to consider setting up a Family Court with its own structure within the Judiciary to deal with the increasing number of marriage breakdowns and family breakups which frequently involve difficult questions of children's custody and matrimonial assets. Such a court, with permanent judges at different levels of seniority and providing a career progression would help to develop and retain knowledge and expertise in the handling of delicate human issues with wisdom and sensitivity.

As the elected representative of the legal community, I must offer a word about the influence of politics on the practice of law. I would like to assure the public of my commitment to seeing that no one is denied access to legal representation on the basis on his or her political views. In deciding whether to accept cases, legal professionals should never forget that they are custodians of the rights of the people. I fully support the recent initiatives of the Law Society to ensure that people of whatever political persuasion are not left without legal representation.

I applaud the Governor for his willingness to devote more resources to the ICAC to tackle the rise in the number of complaints about corruption in both the public and private sectors. I would, however, recommend that a more comprehensive approach be taken, beginning with the commissioning of a study aimed at explaining why corruption is seemingly on the increase. The Governor made no mention of how to deal with cross-border corruption. The Chinese authorities and the ICAC should work toward increased co-operation to combat this common evil.

The preservation of law and order in a society caught in the dynamics of change will be a formidable challenge. Greater powers may be needed by law enforcement agencies to tackle opportunistic criminal enterprises. That is what the Organized and Serious Crimes Bill aims to do. However, those powers must be carefully circumscribed and judicially supervised to ensure that personal liberties are properly safeguarded. In the wrong hands, those powers can be turned into instruments of harassment and oppression. The Bills Committee has, therefore, been scrutinizing that Bill thoroughly in order to strike the right balance and prevent abuse of executive powers.

The Governor is rightly concerned with the language abilities of our youth and our workforce, but I wish to caution the Administration about trying to solve problems by throwing money at them. Too often, as we have seen, programmes come and programmes go, yet the basic problems of language education remain. I suggest that the Government take care to examine how the programmes already in place can be enhanced before money is spent on new and potentially faddish schemes. The Language Fund Advisory Committee should draw upon already-established resources and expertise. More specifically, I urge appointment to the Committee of language education experts and

concerned members of the community to address the needs of our society and the shortcomings of our educational system especially with regard to Putonghua and English.

Last year, the Governor proposed to increase the number of graduate teachers by 780 within one year. This year, the Governor again suggested an increase of 800 graduate teachers. But he did not address the question of their training, nor did he mention how the target would be attained. Granted, we do face a problem in the shortage of graduate teachers. We must not neglect qualitative approaches to solving this problem. We must take care not simply to hire more teachers as a short-term solution. We must devise ways of upgrading the teaching profession as a whole by improving their conditions of service and career prospects. Failure to do so will render futile other efforts to upgrade teacher education as potential recruits into the profession will be attracted to other jobs and opportunities offering greater financial rewards and personal satisfaction.

As the Sino-British talks drag on, essential preparations for a smooth transition have ground to a halt with the JLG making no meaningful progress.

Hong Kong cannot wait much longer to settle the debate over political reform. But no matter what the outcome of the talks, we must still prepare ourselves for some measure of self-rule. We must have in place a solid and adaptable institutional infrastructure to ensure the continued prosperity of our city underpinned by the rule of law. Fortunately, we in this Council and the Hong Kong Government do have the ability to carry out some of these preparations. So, then, let us direct our impatience to the part of our future we can shape, acting with courage and foresight so that, whatever 1997 brings, we will be ready.

Mr President, I support the motion.

MR STEVEN POON (in Cantonese): Mr President, the Governor has said in paragraph 15 of the policy address that the Administration intends to ask all the companies which provide essential utility or transport services to accept new standards of financial disclosure. In addition to the publication of the profit and loss account and the balance sheet, publication of separate information on the financial and operational activities of the regulated parts of their business will also be necessary. I welcome the Governor's proposal. In the last Session, we discussed the new profit control scheme on telephone service. But since the Hong Kong Telephone Company and the Hong Kong Telecom International could not provide detailed financial and operational information, it was impossible for this Council to effectively examine the franchises of the two companies. A great controversy was aroused, and this Council finally forced the Administration and the Hong Kong Telephone Company to renegotiate the agreement on residential telephone rentals. Members also urged the Administration to request the two telecommunication companies to provide

detailed financial and operational information, and to extend the applicability of such request to other utility companies under regulation. Now the Governor has made a commitment in response to Members' request. I am appreciative of his decision.

Besides private utility companies, there are also public utility companies in Hong Kong. Although the Mass Transit Railway Corporation and the Kowloon-Canton Railway Corporation do make detailed financial disclosure, the operational information available of the other five government utility services, namely the water supply, the postal service, the government tunnels, the airport and the wharf service, is very scarce. And such information is not announced in the ordinary commercial format. It is therefore very difficult to monitor these government utility services. I suggest that the Administration should extend the applicability of the requirements on financial disclosure by private utility companies to public utility services as well, such that the public can effectively monitor the operation of these services.

Since the inauguration of Mr PATTEN as Governor, most of our political and economic attention is centred on the issues of the political system and the new airport. However, the Governor has revealed very little on the new airport in his policy address and nothing about the talks with China and has not disclosed the new financial proposal put forward a few months ago by the Administration. I think all these are in contrary to the principle of openness much touted by the Governor.

The repeated deferrals of the airport project have pushed the completion dates of the new airport and the airport railway out of the foreseeable future. In the past year, the Administration has achieved virtually nothing in this regard. This is in fact a project item which can be decided upon through discussion in just a morning's time, including the time for taking a cup of coffee, but it has now been discussed for a year and there is still no solution. This is really disappointing.

I hope that the Chinese and British Governments can separate political issues from economic ones and speedily resolve the problems concerning the financing of the new airport and the airport railway. Given the relatively sound financial standing of the Government, it should raise the amount of capital to be injected into these two projects to a relatively reasonable level such that the borrowing ratio of the two projects can be maintained at a level lower than 1:1. If we want to separate political issues from economic ones, we must have a reasonable economic package. I think our Administration should work harder in this regard.

Besides the problem of financing, the new airport also has the problem of monitoring, and the starting point of monitoring must be the Airport Authority Ordinance. Paragraph 6(1) of the Memorandum of Understanding on the New Airport states the Airport Authority Ordinance will as far as possible be modelled on the Mass Transit Railway Corporation Ordinance, and the

Hong Kong Government will retain the powers pertaining to its leadership role in the Airport Authority and be responsible for the main areas of the policy concerned before 30 June 1997. But we know that the Mass Transit Railway Corporation has not given any leadership role related powers to the Government. So in order to meet the requirement of the Memorandum of Understanding on the New Airport, the Airport Authority Ordinance will have to be different from the Mass Transit Railway Corporation Ordinance in a few main points. I have the following proposals:

- (1) The Airport Authority must be responsible for the frontline monitoring of operation of the new airport and the supervision of the management, and be responsible to its shareholder which is the Hong Kong Government.
- (2) The Ordinance must provide that the annual programme and budget be submitted to the Administration for examination and cannot be implemented unless with the Administration's approval.
- (3) The structure of accountability must be clearly defined, that is to say, the Airport Authority should be accountable to the Administration, and the Administration must be accountable to the Legislative Council for and make regular report on all the operational activities of the Airport Authority.
- (4) The Ordinance must provide for a "technological transition" which means that when the new airport starts to operate, all the staff at the top administrative and technical management level must be local people, in order to avoid the undesirable situation of the Mass Transit Railway Corporation where after 20 years since its incorporation all the important posts are still filled by foreigners.

Mr President, I have to make a remark here, which is that the Administration must give sufficient time to the Legislative Council to consider the Airport Authority Bill, and cannot again use the pretext of approval by the Chinese and British sides to force this Council to pass the Bill in a tight schedule.

Mr President, the Mass Transit Railway Corporation Ordinance was enacted 20 years ago and, judging by the social and political criteria of today, many provisions in the Ordinance are already outdated, especially in regard of how to make the Corporation accountable to the Administration and how to make the Administration accountable to this Council on the operation of the Corporation. Given that the investment in the airport railway exceeds \$40 billion, it is essential for the Administration to amend the Mass Transit Railway Corporation Ordinance to the effect that it will be like the Airport Authority Ordinance in enabling the public and the Legislative Council to exercise effective monitoring.

Mr President, in 1991 when I first spoke in this Council, I suggested that the Administration should organize with China a Southern China Economic Co-operation Committee, whose remit should cover Hong Kong and provinces in southern China, to discuss and arrange matters relating to economic co-operation in this region. In the debate on the Motion of Thanks last year, I also urged Governor Chris PATTEN to reconsider this suggestion and to enlarge it into a China-Hong Kong Economic Co-operation Committee. However, both suggestions have not been accepted by the Administration.

In fact, we already have a Hong Kong/Japan Business Co-operation Committee and a Hong Kong/United States Economic Co-operation Committee. It is therefore puzzling that the Administration should be so resistant to the setting up of a China/Hong Kong Economic Co-operation Committee. China is our largest trading partner and our immediate neighbour. It is really unreasonable that there should be no government department or body with government support to deal with matters about economic co-operation with China. A considerable part of the policy address is about the relations with China, but there are very few substantial proposals about the strengthening of co-operation between China and Hong Kong, and even these few proposals are piecemeal without any vision and co-ordination.

Let us take the example of paragraph 146 of the policy address which proposes to exchange information on major infrastructure projects in Hong Kong and Guangdong. This is a rather passive measure because the exchange of information will not have any substantial effect. The most important thing is to formulate an overall planning, to co-ordinate and to have a reasonable division of responsibilities. Only such positive measures can be helpful to the overall development of Hong Kong and the Southern China.

All the economic plans involving China and Hong Kong, for example the discharge of sewage water into the South China Sea, the use of the oil depot on Guishan Island by the new airport, the construction of the Zhuhai Bridge to expand the economic connection between the western bank of the Pearl River and Hong Kong, the construction of a new power station for Hong Kong in the Guangdong Province to relieve the pressure on the land supply and environment of Hong Kong, the procurement of sand from the Guangdong Province for reclamations in Hong Kong, the aviation safety and co-ordination of the five international airports in the southern China and so on, all these matters require integrated planning by Hong Kong and China.

I would like to urge the Administration again to consider the proposal of setting up a China/Hong Kong Economic Co-operation Committee and an interdepartmental group at Secretary level to co-ordinate all the economic planning and communication with China.

With these remarks, I support the motion.

PRESIDENT: In accordance with Standing Orders I now suspend the sitting until 2.30 pm tomorrow afternoon.

Suspended accordingly at ten minutes past Seven o'clock.

Note: The short title of the motion listed in the Hansard has been translated into Chinese for information and guidance only; it does not have authoritative effect in Chinese.