

# OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 19 October 1994

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 MR MICHAEL LEUNG MAN-KIN, C.B.E., J.P.

THE FINANCIAL SECRETARY

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

THE ATTORNEY GENERAL

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

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

THE HONOURABLE 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.

DR THE HONOURABLE DAVID LI KWOK-PO, O.B.E., LL.D., 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.

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, O.B.E., J.P.

THE HONOURABLE MOSES CHENG MO-CHI

THE HONOURABLE MARVIN CHEUNG KIN-TUNG, O.B.E., 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.

**ABSENT**

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

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

THE HONOURABLE ALFRED TSO SHIU-WAI

**IN ATTENDANCE**

MR ANTHONY GORDON EASON, J.P.  
SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

MRS ELIZABETH MARGARET BOSHER, J.P.  
SECRETARY FOR ECONOMIC SERVICES

THE CLERK TO THE LEGISLATIVE COUNCIL  
MR RICKY FUNG CHOI-CHEUNG

THE DEPUTY SECRETARY GENERAL  
MR LAW KAM-SANG

**PAPERS**

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

*Subject*

Subsidiary Legislation	<i>L.N. No.</i>
Building (Administration) (Amendment) (No. 3) Regulation 1994.....	530/94
Building (Administration) (Amendment) (No. 4) Regulation 1994.....	531/94
Building (Appeal) Regulation .....	532/94
Merchant Shipping (Safety) (GMDSS Radio Installations) (Amendment) Regulation 1994 .....	533/94
Merchant Shipping (Safety) (Life-Saving Appliances) (Ships Built on or after 1 July 1986) (Amendment) Regulation 1994 .....	534/94
Fish Culture Zone (Designation) (Amendment) Order 1994 .....	535/94
Public Health and Municipal Services Ordinance (Public Pleasure Grounds) (Amendment of Fourth Schedule) (No. 6) Order 1994 .....	536/94
Employees Retraining Ordinance (Amendment of Schedule 2) (No. 11) Notice 1994 .....	537/94
Employees Retraining Ordinance (Amendment of Schedule 2) (No. 12) Notice 1994 .....	538/94
Shipping and Port Control (Specification of Areas) (Amendment) Notice 1994 .....	539/94
Official Languages (Authentic Chinese Text) (Landlord and Tenant (Consolidation) Ordinance) Order .....	(C)20/94

## Sessional Papers 1994-95

- No. 16 — Hong Kong Housing Authority  
Annual Report 1993-94
- No. 17 — Vegetable Marketing Organization —  
Statement of Accounts for the Year Ended 31 March 1994
- No. 18 — Fish Marketing Organization —  
Statement of Accounts for the Year Ended 31 March 1994
- No. 19 — Marine Fish Scholarship Fund Report  
for the Period from 1 April 1993 to 31 March 1994
- No. 20 — Agricultural Products Scholarship Fund Report  
for the Period from 1 April 1993 to 31 March 1994

**WRITTEN ANSWERS TO QUESTIONS****Juveniles Eligible to Enter Hong Kong after 1997**

1. MRS ELSIE TU asked: *Will the Government inform this Council of the following:*
- (a) *how many juveniles are estimated to become eligible to enter Hong Kong from China under Article 24(3) of the Basic Law after 1 July 1997;*
  - (b) *how many of them, as far as is known, already have both parents living in Hong Kong legally;*
  - (c) *how many of them are at present under 10 years of age; and*
  - (d) *could the Hong Kong Government negotiate a further increase in the daily quota to clear the backlog of juveniles eligible in the next three to four years?*

SECRETARY FOR SECURITY: Mr President,

- (a) The most recent estimate of the number of children now in China and under 20 years of age who will, under Basic Law Article 24(3), have right of abode in Hong Kong after 30 June 1997 is 64 000. This estimate is based on the data available, including records of applications for Certificates of Absence of Marriage, legal immigration statistics, demographic statistics, and a survey of

the number of Hong Kong men married to women in China. We have also made some assumptions about future family size.

- (b) We do not have the necessary data to enable us to estimate the number of such children having both parents living legally in Hong Kong.
- (c) We estimate that about 51 200 of these children are below 10 years of age.
- (d) We are now reviewing the one-way permit immigration quota from China. This review will include an assessment of the likely impact on Hong Kong's social services, of a further possible increase in the quota to enable more children in this category to come to Hong Kong before 1 July 1997.

### **Rents and Prices of Goods at Kai Tak Airport**

2. MR ERIC LI asked (in Chinese): *Is the Government aware that the rents of the shops at Kai Tak Airport and the prices of the goods sold there are far higher than those in other districts in the territory. Will the Government inform this Council:*

- (a) *whether it has carried out any in-depth study to find out if the sale of such high-priced goods at the airport will tarnish Hong Kong's reputation as a shopping paradise;*
- (b) *whether it has any plans to prevent similar situations occurring at the new airport; and*
- (c) *whether it will consider setting rules to regulate the gross profits of goods sold in the shop at the airport?*

SECRETARY FOR ECONOMIC SERVICES: Mr President, it is the aim of the Civil Aviation Department (CAD) to provide airport services and facilities at Kai Tak of the highest possible standard. This includes ensuring that concessionaires providing retail services in the terminal building offer members of the public a quality service at a fair price.

Retail concessionaires operating at the airport are not required to pay rent to the Government. Concessions are awarded by open tender and evaluated on the basis of the prospective tenderer's submission, including the proposed licence fee to be payable to the Government.

CAD also requires all prospective tenderers interested in bidding for a retail concession to submit a business plan, including details of operating costs and proposed profit margins, which is taken into consideration in assessing the tender. Under the terms of their concession agreements with CAD, concessionaires are required to ensure that the price of their goods does not exceed the manufacturer's recommended retail price. For items where the manufacturer's recommended retail price is not available, the requirement is that goods shall not be sold at a price higher than that normally charged at the operator's other outlets or comparable shops in other districts in Hong Kong.

The enforcement of the contract terms and monitoring of service standards provided by concessionaires is the responsibility of CAD. Staff of CAD's Airport Management Division undertake regular inspections of retail concessions, including price checks which are carried out on a weekly basis. If any discrepancies are found, the matter will be raised with the concessionaire concerned and a warning letter will be issued to ensure immediate rectification. In the event of further breaches, consideration will be given to serving notice to the concessionaire for termination of the agreement.

The Hong Kong Tourist Association conducts studies to obtain overseas visitors' overall impressions of Hong Kong, including their opinions on the attractiveness of the territory's shopping. The vast majority of visitors surveyed are generally very positive about their visit experience and there are no indications that Hong Kong's reputation as a shopping capital is in jeopardy.

As regards retail concessions at the new airport, the Provisional Airport Authority intends to promote fair and reasonable prices by introducing and maintaining healthy competition among retailers and charging them reasonable licence fees. There will be over 150 retail and food and beverage outlets in the passenger terminal at Chek Lap Kok.

The Authority is also considering including in its licence agreements with retailers, provisions requiring that prices either not exceed manufacturer's recommended or suggested retail prices where available, or be comparable to those at the licensee's other retail outlets in Hong Kong or similar establishments.

The Authority will monitor prices to ensure that its policy objectives are met. In the light of the above measures, we do not envisage that there will be a need to regulate the gross profits of retail outlets at the new airport.

### **Receipts from Charity Concerts**

3. DR HUANG CHEN-YA asked: *In regard to concerts organized for charitable purposes, will the Government inform this Council whether it has the following information and whether there is any monitoring mechanism to*

*ensure that receipts from charity concerts are properly channelled to the organizations concerned:*

- (a) the total number of charity concerts held in the last two years;*
- (b) in respect of (a) above, the average percentage of the production cost as compared to the gross receipt per concert, and the total final amount received by the charities; and*
- (c) the breakdown by actual gross receipt, production cost and actual receipt by the charities in respect of each of the last five concerts organized by —*
  - (i) each of the radio and television stations; and*
  - (ii) other organizations?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, at present, there is no legislation enacted specifically to control charitable fund-raising activities. However, under section 4(17)(i) of the Summary Offences Ordinance (Cap. 228), fund-raising activities for charitable purposes which take certain forms, such as, the collection of money or the sale or exchange for donations of badges, tokens or similar articles, and which are carried out in a public place are required to have a public subscription permit issued by Director of Social Welfare. The organizer of a charity concert is not required to apply for a permit issued by the Director as a charity concert is not one of the forms prescribed in section 4. The organizer has, however, to apply for a permit issued by the Television and Entertainment Licensing Authority under section 8 of the Places of Public Entertainment Ordinance (Cap. 172) if the concert is open to the public. Programme contents and public order are the major considerations in granting a permit. Whether the concert is for a charitable purpose is not a factor. The organizer of the concert does not have to state whether the concert is for a charitable purpose when he applies for a permit. In the circumstances, the information requested in parts (a), (b) and (c) are not available.

With regard to the monitoring of fund-raising activities, people organizing fraudulent charity concerts are liable to prosecution under section 17 of the Theft Ordinance (Cap. 210) for "obtaining property by deception". To strengthen control over fund-raising activities, the Administration formed a working group in July 1992 to review the adequacy of existing legislation and measures to control fund-raising activities in Hong Kong. The report of the working group on the control of fund-raising activities was published in May 1994. Among other things, the working group recommended the introduction of separate legislation to require organizers of charitable activities to be held in any place and in any form to apply for a permit. The Administration is in the process of consulting interested parties, such as the Hong Kong Council of

Social Service, non-governmental organizations and other major community organizations on the working group's report. Draft legislation will then be prepared for introduction into the Legislative Council.

### **Ban on Dipyronone Products**

4. DR HUANG CHEN-YA asked: *Despite the potential serious consequences which led to its ban in many countries, the Government has refused to ban the use of drugs containing dipyronone (metamizole) in Hong Kong. Will the Government inform this Council of the following:*

- (a) *what is the total quantity of these drugs sold in Hong Kong for the last three years;*
- (b) *what proportion of the quantity is sold to (i) Hospital Authority hospitals and government clinics, (ii) private hospitals, (iii) private clinics and (iv) pharmacies; and*
- (c) *in view of the ease with which the public have been able to buy these drugs without prescription, what new measures has the Government implemented since early this year to ensure that pharmacies are selling these drugs only on prescription?*

SECRETARY FOR HEALTH AND WELFARE: Mr President,

- (a) the Department of Health does not routinely compile supply statistics for pharmaceutical products, except for those drugs which are commonly abused. The information relating to the supply of dipyronone products for the past three years is not available.
- (b) Over the past three years, Hospital Authority hospitals purchased 750 Baralgin tablets, six Baralgin injections and 200 Metilon injections. Dipyronone products are not used in government clinics. The distribution pattern of dipyronone products in pharmacies, private clinics and private hospitals is not available.
- (c) The licensing authority for pharmaceutical products rests with the Pharmaceutical Registration Committee established under the Pharmacy and Poisons Board. The subject of the registration of dipyronone products was once again considered by the Committee in June this year and the decision was that dipyronone products should continue to be allowed in Hong Kong.

Nevertheless, surveillance activities in respect of illegal sales of prescription-only drugs, including dipyronone products, have been stepped up considerably. The number of test purchases conducted

in the first nine months of 1994 is 5 947 as compared to an annual figure of 1 389 for 1993.

### **Foreign Domestic Helpers Stranded in Hong Kong**

5. MISS EMILY LAU asked (in Chinese): *Under existing legislation, foreign domestic helpers whose contracts of employment have been prematurely terminated by their employers are not allowed to work in Hong Kong until they enter into new contracts with other local employers. Will the Government inform this Council of the following:*

- (a) *what is the average length of time that a foreign domestic helper has to wait before the Labour Tribunal adjudicates his or her case;*
- (b) *what is the number of foreign domestic helpers in Hong Kong whose contracts have been terminated prematurely by their employers and who have to await the Labour Tribunal's adjudication of their cases; of this, how many foreign domestic helpers are being stranded in Hong Kong awaiting adjudication due to their inability to afford the return passage to their country of origin;*
- (c) *in respect of the foreign domestic helpers who are stranded in Hong Kong as described in (b) above, what measures does the Government have to provide for their living during their stay here; and*
- (d) *if the foreign domestic helper concerned chooses to return to his or her home country first, will the employer be responsible for the cost of the passage to Hong Kong when he or she is called upon to appear before the Labour Tribunal; has the Government considered that a situation may arise where the foreign domestic helper is forced to drop the case on account of his or her inability to pay for the passage to Hong Kong?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President,

- (a) The Labour Tribunal does not discriminate cases as to whether the claimants are foreigners or locals. At present, the average length of time between the original approach by a claimant to the Labour Tribunal and adjudication is around seven months. However, the Labour Tribunal may arrange an early appointment for a person who needs to leave Hong Kong urgently. The waiting time for adjudication is expected to be reduced when the Minor Employment Claims Adjudication Board set up in the Labour Department commences operation later this year. Besides, the Judiciary are now

carrying out a comprehensive review of the Labour Tribunal as announced in their Policy Commitments in association with the Governor's recent annual address.

- (b) We do not have statistics on the number of foreign domestic helpers whose contracts have been terminated prematurely by their employers and who have to await the Labour Tribunal's adjudication of their cases. However, as an indication, in the first three quarters of 1994, the Labour Department referred 679 foreign domestic helpers to the Labour Tribunal to further pursue their claims. This may not be an exhaustive figure as foreign domestic helpers may file claims with the Labour Tribunal without first approaching the Labour Department.

There should not be any foreign domestic helpers stranded in Hong Kong awaiting adjudication due to their inability to afford the return passage to their country of origin because, by virtue of the employment contract, an employer is required to provide his foreign domestic helper with a free return passage on termination or expiry of contract, regardless of whether or not the foreign domestic helper needs to await adjudication of claim at the Labour Tribunal.

- (c) Foreign domestic helpers who have to stay behind to await adjudication usually manage to find temporary accommodation through the assistance of consulates, church, worker organizations and friends. The family services centres of the Social Welfare Department can arrange accommodation in one of the two shelters for battered women for foreign domestic helpers who have been ill-treated. In addition, counselling service can be provided and financial assistance can also be arranged for genuine hardship cases.
- (d) In the case of a foreign domestic helper awaiting adjudication of the Labour Tribunal, the Government would normally allow the helper to continue to stay in Hong Kong pending the conclusion of his or her claim. If the foreign domestic helper chooses to return to his or her home country first, there is no obligation for his or her employer to supply the helper with passage to return to Hong Kong to attend a Labour Tribunal hearing. However, in serious cases involving allegations of criminal offence, the Government will consider paying for passages to bring the foreign domestic helper back to facilitate court proceedings.

### **Polluted Beaches**

6. MISS EMILY LAU asked (in Chinese): *Owing to the long delay in implementing the sewage disposal scheme, a number of beaches have become*

*badly polluted and are thus unsuitable for swimming, and this has resulted in a significant decrease in the number of recreational places for the public on public holidays. Will the Government inform this Council whether consideration will be given to opening up and developing outing sites in rural areas as well as outlying islands, including the construction of roads to the bathing beaches along Tai Long Sai Wan in Sai Kung, so that more people can enjoy these beautiful beaches and bathe in cleaner water?*

SECRETARY FOR RECREATION AND CULTURE: Mr President, at present, the water quality of 13 of the 42 gazetted beaches is still graded poor or very poor. The Honourable Miss Emily LAU's concern about the development of additional gazetted beaches is therefore well appreciated.

The water quality at gazetted beaches can however be improved by the provision of adequate sewerage for domestic sewage and the proper control of livestock wastes discharges. To this end, the Government has a comprehensive prioritized plan for the construction of new sewerage near gazetted beaches to ensure that sewage is collected, removed and properly disposed of. The first part of this plan covering the Southern District of Hong Kong Island would be completed towards the end of this year. At the end of the decade, there should be adequate provision of sewerage at all those gazetted beaches where the water quality has been graded poor or very poor.

The municipal councils will also consider developing new gazetted beaches if suitable venues with easy accessibility, a safe sea-bed and water current, adequate infrastructural support and good water quality can be found. In this regard, a new beach at Tuen Mun, Golden Beach, would be open for public use at the next swimming season.

Separately, an inter-departmental committee will soon be formed to look into water sports facilities, including the existing beaches and the need for and possibility of developing new ones.

As regards the beaches in Tai Long Sai Wan, they are partially located within the Sai Kung East Country Park. There is no plan to provide vehicular access to this area. While such a provision would admittedly attract more visitors to the area, it will, on the other hand, be at the expense of the tranquillity, natural beauty and environment of the country park. In any event, the beaches in this area have a strong undercurrent making it unsafe for the casual swimmers and members of the public are advised not to swim at these beaches.

I would like to point out that about 13 000 000 swimmers on average use our gazetted beaches every year. This compares with about 6 500 000 swimmers going to public swimming pools. It is clear from these figures that there is no lack of facilities for those who choose to go swimming at beaches.

### Medium of Instruction Grouping

7. MR CHEUNG MAN-KWONG asked (in Chinese): *Regarding the arrangements to implement the grouping of the medium of instruction in secondary schools, will the Government inform this Council of the following:*

- (a) *how many secondary schools opened in the new school term have chosen Chinese, English, Chinese or English on a subject-to-subject basis, or Chinese or English on a class-to class basis respectively as the medium of instruction; and in respect of these schools, how does the authority concerned assess the standard for student intake and how does it make recommendations on the medium of instruction in these schools;*
- (b) *what is the breakdown by the the categories as listed in (a) above in respect of prevocational schools, and what measures will the Education Department take to encourage those schools which have taken in more students of lower academic standards to adopt the mother-tongue as the medium of instruction in a positive manner;*
- (c) *of the total number of secondary schools, how many have chosen the medium of instruction in conformity with the recommendations of the authority concerned and how many have not; what is the breakdown by the categories listed in (a) above; and*
- (d) *whether it will consider disclosing the information in (c) above in respect of each secondary school so as to enable parents to make the appropriate decision when they are choosing secondary schools for their children, and to ensure that the parents' right to know will not be infringed and that the children's studying needs will not be affected by the withholding of such information?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President,

- (a) Six new secondary schools (including two prevocational schools) commenced operation in September 1994. Four of them have chosen English as the medium of instruction for their Secondary One classes, while the other two have chosen Chinese or English on a subject basis as appropriate. The Education Department will soon compile the language proficiency profiles of these schools' Secondary One intakes and based on such profiles, advise the schools on the appropriate medium of instruction to adopt in September 1995.
- (b) Of the 25 prevocational schools in Hong Kong, 17 have chosen Chinese and one has chosen English as the teaching medium. The remaining seven schools have chosen Chinese or English on a subject basis. The Education Department will continue to encourage

schools which have a relatively higher proportion of students with lower academic standards to adopt mother tongue as the teaching medium through:

- (i) the organization of seminars for school principals on the benefits of mother tongue teaching;
- (ii) distribution of leaflets to parents, publicizing the benefits of mother tongue teaching;
- (iii) checking through school inspections on the medium of teaching actually adopted as compared with that recommended by the Department; and
- (iv) the making of regular visits to schools to persuade them to use the appropriate medium of instruction.

In addition, the Department is commencing an evaluation study to monitor the learning process of students over the three school years from 1994-95 to 1996-97. The study will be completed by early 1997 and the evaluation results will enable the Department to give firm guidance to all schools in September 1997 on the appropriate teaching medium to adopt as from September 1998.

- (c) In the 1994-95 school year, 139 out of a total of 386 secondary schools have chosen the medium of instruction in accordance with the advice of the Education Department. Details are given at Appendix I.
- (d) All schools are required to specify the medium of instruction they intend to adopt in January each year. Parents of Primary Six pupils are given this information in April to enable them to make a choice of secondary schools in September. The Education Department is now considering whether to disclose to the public its advice to each school based on the language proficiency of its past intakes, and will consult school councils before making a final decision. In this connection, it is noted that the Education Commission's Working Group Report on Language Proficiency has recommended that the Government publish the outcome of the 1994 Secondary School Place Allocation and Medium of Instruction Grouping Assessment exercise to show how far each secondary school has taken account of the language profile of its students in deciding its medium of instruction.

## Appendix I

School's Intention to Follow ED's Advice  
on Medium of Instruction  
(based on a survey conducted in May/June 1994)

	<i>ED's advice</i>	<i>In conformity with ED's advice</i>	<i>Not in total conformity with ED's advice</i>
Government schools	C-school	6	4
	E-school	9	-
	CE-school	2	17
	Sub-total	17	21
Aided schools	C-school	42	94
	E-school	47	-
	CE-school	33*	132
	Sub-total	122	226
Total	139	247	

## Remarks:

## (1) ED's Advice

C: All S1 classes to adopt Chinese as the teaching medium except for the subject of English

E: All S1 classes to adopt English as the teaching medium except the subjects of Chinese Language and Chinese History

CE: Two-medium schools, that is some S1 classes to adopt English as the teaching medium (except the subjects of Chinese Language and Chinese History) and the other S1 classes to adopt Chinese as the teaching medium (except the subject of English)

(2) Six (6) new schools which commenced operation in 1994-95 are not included because no ED's advice was given.

(3) \*Some CE-schools have opted to use Chinese as teaching medium for all their Secondary 1 classes in 1994-95.

## Rehousing Urban Squatters and THA Residents

8. MR FREDERICK FUNG asked (in Chinese): *In the "Progress Report of the 1994 Policy Address" released by the Government, mention was made of the progress in rehousing urban squatters and Temporary Housing Areas (THAs) residents. Will the Government inform this Council of the following:*

- (a) *among the 21 200 of the 33 000 urban squatters on government land who have been rehoused, how many (broken down in tabular form) have been rehoused in THAs and public rental housing estates in urban areas, extended urban areas and the New Territories respectively;*
- (b) *what assistance will be given to squatters on non-government land in case of a clearance, and whether there is a timetable for such clearances;*
- (c) *of the one-third of the people living in THAs (20 900 out of 62 800) who have been offered rehousing, have all of them been rehoused in public rental housing; if not, what are the reasons;*
- (d) *what is the breakdown of THA residents who have been rehoused in newly built Harmony blocks, Trident blocks and public housing estates of other designs respectively; and*
- (e) *whether the Housing Department has offered rental flats in newly built Harmony blocks to all affected THA residents; if not, why not?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President, on rehousing for squatters and THA residents, we can report the following progress:

- (a) The breakdown of the 21 200 urban squatters on government land who have been rehoused since October 1992 is as follows:

<i>Housing type</i>	<i>Permanent housing</i>	<i>Temporary housing</i>	<i>Total</i>
<i>District</i>			
Urban	5 810	5 150	10 960
Extended Urban	4 200	230	4 430
New Territories	170	5 640	5 810
Total	10 180	11 020	21 200

(Note: Figures rounded up to the nearest 10.)

- (b) The Government will clear squatters from private land for development purposes after land acquisition has been completed and on geotechnical grounds. Clearees will be treated the same way as squatters cleared from government land. The timing of clearance will depend on progress on projects requiring it.
- (c) Since October 1993, a total of 20 900 people living in THAs were offered rehousing in public rental housing. Of these, 13 500 have been rehoused in public rental housing. The other THA residents who were offered public rental housing did not take it up because of their preference for rehousing in new flats in districts of their choice where flats were not available, or in flats with a specific orientation and on a specific floor, and so on, which could also not be provided.
- (d) We do not have readily available statistics on the type of rental flats in which ex-THA residents have been rehoused.
- (e) The type of rental flats that are offered to THA residents depends on their availability within the district of rehousing preference of THA residents. Some Harmony flats have been offered to THA residents.

### **Outstanding Fixed Penalty Fines**

9. MRS MIRIAM LAU asked: *In view of the substantial loss of revenue to the Government arising from the large number of unpaid fixed penalty tickets (approximately 660 000 up to August this year), will the Government inform this Council of the following:*

- (a) *what measures are being adopted to recover these outstanding fixed penalty fines;*
- (b) *whether such measures are effective; and*
- (c) *whether a review of such measures will be conducted?*

SECRETARY FOR TRANSPORT: Mr President, the figure of 660 000 relates to the number of Demand Notices issued in respect of fixed penalty tickets, from January to August this year. Such Demand Notices are issued if fixed penalties remain unpaid after one month. The latest figures show that, of these 660 000 cases, payment has since been effected in respect of some 590 000.

The answers to the three specific questions are:

(a) *Measures to recover outstanding fixed penalties*

If the recipient of a Demand Notice fails to pay the fixed penalty within 10 days, an application is made to a magistrate for the issue of a court order. The person may then be required to pay the fixed penalty, together with an additional sum equivalent to the amount of the fixed penalty, as well as costs. On issue of the court order, the magistrate may at the same time make an order directing the Commissioner for Transport to refuse to issue or renew the person's driving licence, to refuse to issue or renew his vehicle licence, and to refuse to effect the transfer of any vehicles registered under his name. The latter order remains in force until all outstanding sums are paid.

If payment is not made within one month of the court order being issued, a magistrate may issue a Distress Warrant directing Court Bailiffs to enforce payment.

(b) *Whether such measures are effective*

We are satisfied that these measures are effective.

(c) *Whether a review of such measures will be conducted*

The measures have been reviewed and this resulted in the introduction of legislative amendments giving effect to the procedures outlined in answer (a) above. We do not consider a further review necessary at this stage, but the situation will be kept under review.

### **Use of Government Vehicles by Government Officials**

10. MR ALBERT CHAN asked (in Chinese): *With regard to the existing arrangements for the use of government vehicles by government officials, will the Government inform this Council of:*

- (a) *the particulars of the ten officials in the rank of Assistant Director and above having the heaviest use of government vehicles outside office hours between April and September 1994, and the total number of times and hours of use in respect of each official during this period; and*
- (b) *how it can ensure that the official concerned will not abuse the use of government vehicles particularly in attending unnecessary social*

*functions and using government vehicles for long periods unnecessarily, so that public money will not be wasted?*

SECRETARY FOR THE TREASURY: Mr President, to answer the question, we have had to undertake a survey of government departments. So as to provide a timely answer — and to avoid using a disproportionate amount of resources in preparing it — we have not been able to carry out a comprehensive exercise. This answer has therefore not included the disciplined services, which do not work to fixed office hours, nor the Lands and Works group of departments which we believe would show very low use outside office hours except on specific duty trips.

(a) Based on the information received, the 10 senior officials who have made the heaviest use of government cars outside office hours (excluding home to office journey) in the period April to September 1994 are:

<i>Position/Rank</i>	<i>No. of times</i>	<i>Hrs of usage</i>
Secretary for Home Affairs	176	1 206
Secretary for Recreation and Culture	153	840
Secretary for the Civil Service	130	702
Secretary for Health and Welfare	121	694
Chief Secretary	102	687
Secretary for Constitutional Affairs	139	575
Regional Secretary (Hong Kong and Kowloon/New Territories)	169	570
Secretary for the Treasury	97	381
A High Court Judge	63	371
Director of Urban Services	78	321

(b) According to government regulations:

- All directorate officers may use a government car, if available, to attend functions arising from their official position, in or outside office hours.
- Senior government officials comprising the Judiciary Administrator, Branch Secretaries, the Commissioner of

Police, Director of Education, the Director of Housing, Judges of the High Court and Justices of Appeal may use a departmental car, if available, for all purposes.

- The Chief Justice, the Chief Secretary, the Financial Secretary and the Attorney General are provided with official cars on a personal basis and may use them for all purposes.
- Any journey that is not made in the course of the official duties of a government officer, or as otherwise permitted in the exceptions quoted above, would be regarded as misuse of government transport. In such circumstances, the officer concerned would be required to reimburse the total actual cost of the misuse of the vehicle and may also be subject to disciplinary action in accordance with Civil Service Regulations.

### **Complaints About Indecent and Obscene Articles**

11. MRS SELINA CHOW asked (in Chinese): *Will the Government inform this Council of the following:*

- (a) *what is the total number of complaints about indecent and obscene articles received by the Television and Entertainment Licensing Authority (TELA) this year; what is the breakdown of the nature of such complaints;*
- (b) *what actions have been taken by TELA in handling these complaints; how many of these complaints have been referred to the Obscene Articles Tribunal and what is their outcome; and*
- (c) *whether the Government will consider introducing special measures to control the display and sale of pornographic comic books which are more easily accessible to teenagers, as opposed to the existing control measures applying to adult publications in general?*

SECRETARY FOR RECREATION AND CULTURE: Mr President, the total number of complaints of indecent and obscene articles received by the Television and Entertainment Licensing Authority (TELA) from January to September this year amounts to 120, of which 17 cases were in writing and 103 through the complaint hotline. A breakdown of these complaints is as follows:

- (a) 66 cases alleged that particular articles sold or hired in the market were objectionable;

- (b) 24 cases alleged the particular articles on public display were indecent;
- (c) 20 cases alleged that particular shops or newsvendors had sold or hired indecent articles to juveniles; and
- (d) 10 cases offered the view that more vigorous actions should be taken against obscene and indecent articles.

All articles which had been the subject of the above complaints, that is those covered by (a) and (b) above, were referred to the Obscene Articles Tribunal (OAT). Since TELA submit articles to the OAT both as a result of complaints and on the basis of its own surveillance, it would be difficult to identify those submitted as a result of complaints and ascertain the OAT's decisions in these cases. It is estimated, however, that about 15% of the articles under complaints were classified by the OAT as Class I (neither obscene nor indecent), about 80% Class II (indecent) and about 5% Class III (obscene).

Apart from submitting articles under complaint to the OAT, TELA took enforcement action either by itself or in joint operation with the police. As a result of such actions on the complaints mentioned in the first paragraph above, TELA issued summonses to 30 persons, of whom 23 were convicted with fines ranging from \$500 to \$30,000 while seven cases are still pending a court ruling.

Selling indecent comic books to youngsters below 18, as with the sale of other indecent publications to such youngsters, constitutes an offence under the Control of Obscene and Indecent Articles Ordinance. Offenders are liable, on conviction, to a maximum fine of \$200,000 and imprisonment for 12 months. Therefore, the Administration sees no need to draw up different control measures in the sale and display of comic books. However, the Administration sees the need to make all indecent articles less accessible to young people below 18. To help to achieve this, the Administration will propose legislative amendments to spell out clearly the minimum size of the warning notice on the cover of indecent articles and to require these articles to be properly enclosed in opaque wrappers.

### **Exhibits of Criminal Investigations**

12. MRS SELINA CHOW asked (in Chinese): *Will the Government inform this Council of the following:*

- (a) *the number of cases involving exhibits of criminal investigations or legal proceedings being claimed by impersonation in the past three years; and the breakdown of the nature of such cases; and*
- (b) *what measures will be taken by the Government to prevent exhibits from being claimed by such means?*

SECRETARY FOR SECURITY: Mr President,

- (a) There has only been one such case in the past three years. This occurred in September 1993 when 191 g of heroin were withdrawn from the property office of the Sheung Shui Police Station by a police constable who claimed falsely that he was the arresting officer in the case. The drugs were exhibits in a case of "Trafficking in Dangerous Drugs", and the trial in which they were to be an exhibit was subsequently aborted. An officer has since been arrested and charged with Theft and Conspiracy to Pervert the Course of Justice.
- (b) There are stringent safeguards in places where exhibits, in particular valuable property and dangerous drugs, are handled and stored. The exhibits are locked up securely, and entry to the places of storage is restricted. Police officers handling the exhibits are required to observe strict procedures governing the storage, transport and use of these exhibits. Only the officer who seized the property or the officer-in-charge of a case is allowed to withdraw the exhibits from the property store. There are regular inspections carried out by senior police officers to ensure that procedures are being adhered to and proper records maintained. These procedures have been examined by the Corruption Prevention Department of the Independent Commission Against Corruption and have been found to be adequate. The Force also provides training to officers to ensure that exhibits are properly handled. Officers not complying with the procedures may be subject to disciplinary action.

### **Increase in Population**

13. MR JIMMY MCGREGOR asked: *In view of the recent dramatic increase in the territory's population (some 142 000 people last year), will the Government inform this Council whether it will:*

- (a) *consider making a thorough study of the increase, including whether it is likely to continue; the make-up of the influx and the demands these additional people will make upon the territory's scarce resources; and*
- (b) *publish the result of such a study?*

SECRETARY FOR FINANCIAL SERVICES: Mr President, the population as at mid-1994 was estimated to be 6.061 million, which represents an increase of 142 400 persons when compared with the estimated population of 5.919 million as at mid-1993. Of this increase, 42 400 was due to natural increase, that is,

births less deaths, while the remaining 100 000 was due to net balance of arrivals over departures during the period.

The major contributory factors for the significant increase in the net balance of arrivals over departures between mid-1993 and mid-1994 were reduced emigration of Hong Kong residents and increased inflow of returned emigrants.

In the light of the recent population trends and specifically, in view of the fact that the increases recorded have been substantially higher than previously projected, the Government is already studying the situation in detail leading to an update of the population projections. The updated population projections will be published in a report by the Census and Statistics Department.

As soon as the updated population projections are available, their implications for programmes in the various policy areas will be examined by the branches and departments concerned. Resource implications will also be examined at the same time.

### **Re-employment of Civil Servants**

14. MR MICHAEL HO asked (in Chinese): *According to Appendix 9 of the Report by the Chairman of the Public Service Commission for the year 1993, the number of re-employed civil servants stands at 11. Will the Government inform this Council of the following in respect of these 11 persons:*

- (a) *what is the number of officers who have received pension gratuities only and the number who are paid the monthly pension in addition to pension gratuities;*
- (b) *why has arrangement not been made for extending their services; and*
- (c) *what are the posts held by the re-employed civil servants?*

SECRETARY FOR THE CIVIL SERVICE: Mr President, the answer to these questions are as follow:

- (a) All 11 officers were granted commuted pension gratuities on their date of retirement but had their monthly pension suspended during their re-employment.
- (b) All 11 officers were on the Old Pension Scheme (OPS) and had to retire on reaching the normal retirement age of 55. Since 1 July 1987, officers on the OPS may only be granted a final extension of service for a maximum period of 90 days. The 11 officers were re-employed,

instead of being granted an extension, because their services were retained beyond 90 days and they fulfilled the criteria for re-employment without a break in service.

Re-employment at the same rank after retirement under the Old Pension Scheme without a break in service may be granted to an officer who has been required to retire on reaching age 55. Re-employment is subject to service need and to the officer being required to remain in the service on account of his ability and experience, and to his being physically fit.

- (c) A breakdown of the posts held by the re-employed civil servants is as follows:

<i>Post</i>	<i>Number</i>
Assistant Mistress	5
Principal I	2
Medical and Health Officer	2
Assistant Supplies Officer	1
Motor Vehicle Examiner II	1

The seven officers in the Education Department were re-employed on attaining age 55 up to the end of the 1993-94 school year for continuity reasons. The remaining officers were re-employed because of service need.

### **Enrolment and Wastage of Student Nurses**

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

- (a) *what are the enrolment and wastage figures in nursing schools under the management of the Hospital Authority between May and August of this year; and, comparing this year's wastage figure with that of the same period last year, which year has the higher wastage;*
- (b) *regarding the wastage of Student Nurses, what are the explanations given by the Hospital Authority and what measures have been taken to improve the situation;*
- (c) *whether the wastage of Student Nurses will result in a worsening of the shortage of nursing staff in hospitals?*

SECRETARY FOR HEALTH AND WELFARE: Mr President, the enrolment and wastage figures in nursing schools under the management of the Hospital Authority between May and August 1994 compared with those of the previous year are summarized below:

<i>Year</i>	<i>Enrolment</i>	<i>Wastage (%)</i>	<i>Net intake</i>
1993	319	142 (44.5%)	177
1994	400	190 (47.5%)	210

The reasons for a relatively high wastage among Student Nurses are many and varied. Although this is a common phenomenon for almost any training grades, some key factors include the growing community aspirations for tertiary education, the increasing volume and complexity of duties borne by frontline nursing staff, the present apprenticeship mode of training, and the general competitiveness of our labour market.

To tackle the above problems, the Government has allocated additional resources through the Hospital Authority and the Department of Health to improve the teacher to student ratio in nursing schools, to enhance the learning component of Student Nurses, to expand the scope of post-basic education opportunities for serving staff, and to recruit supporting personnel such as Health Care Assistants to relieve frontline nurses from non-professional duties. Furthermore, the Authority is examining other measures to rectify the seasonal pattern of wastage. We are also pursuing separately with the Secretary for Education and Manpower the provision of more first year first degree places for matriculants aspiring to join the nursing profession as a long-term career.

Finally, Members of this Council may wish to be assured that the prevailing wastage rate has not caused any negative impact on service delivery, as demonstrated by the net increase of 3.8% in the total number of nurses working in the Hospital Authority from 16 637 as at 31 December 1993 to 17 262 as at 31 July 1994.

### **Police 'School Support Teams'**

16. DR TANG SIU-TONG asked (in Chinese): *Since the police have set up "school support teams" in certain Police districts to tackle the problem of triad activities in schools, will the Government inform this Council:*

- (a) *in which police districts have the police set up "school support teams", what types of work have been carried out by such teams, and whether the practical results of their work are considered satisfactory;*

- (b) *whether the reason for the police not setting up "school support teams" in all police districts is because it is considered unnecessary to do so or whether it is because of insufficient manpower resources; and*
- (c) *whether the Government has launched other programmes in conjunction with the setting up of "school support teams" to suppress triad activities in school?*

SECRETARY FOR SECURITY: Mr President,

- (a) The police have set up school support teams in all police districts, except Western, Marine Islands, Airport and MTR. A list of the police districts with school support teams is at the Appendix.

The school support teams conduct regular visits to schools to disseminate the anti-triad message and to places frequented by students to identify triad students and other undesirable elements; investigate reports relating to triad activities in schools; identify and arrest triad recruiters; interview arrested persons, victims and witnesses; and assist in the formulation of strategies to combat violent and triad-related crime involving students.

The police assess that school support teams are effective in tackling triad activities in school.

- (b) The police are in the process of setting up a school support team in Western District; the team will come into operation soon.

As regards the Marine Islands District, the police assess that, at present, triad activities in schools in this district are not a major cause of concern, existing liaison between the Police School Liaison Officer and school headmasters and teachers has been effective, and it is not necessary to set up such a team at this stage. Nevertheless, the police will monitor the situation.

There are no schools in the Airport and the MTR police districts, it is therefore not necessary to set up school support teams in these two districts.

- (c) The police have in addition deployed more officers to the vicinity of schools and to places frequented by students, and have sought to encourage students and teachers to report crimes and triad activities. They are also liaising closely with the Education Department, parent-teacher associations and youth organizations to tackle triad activities in schools.

The Education Department has issued a guidance circular to schools, and provided in-service training courses and teaching kits on anti-triad activities to school discipline teachers, to help them deal with delinquent students and students suspected of involvement in triad activities in schools. The Department will continue to encourage students to participate in meaningful activities after school hours; to encourage student guidance teachers and school social workers to talk to parents on the role parents can play in preventing their children from becoming associated with triads; and to assist students with adjustment problems to overcome their difficulties.

The Social Welfare Department, in conjunction with non-governmental organizations, provides services for children and youth at risk. In 1994-95, the Department provided 39 additional school social workers to secondary schools to help them deal with students who have behavioural problems and who are suspected of involvement in triad activities in schools.

## Appendix

### Police Districts with School Support Teams

Central  
Wan Chai  
Eastern  
Wong Tai Sin  
Sau Mau Ping  
Kwun Tong  
Yau Tsim  
Mong Kok  
Sham Shui Po  
Kowloon City  
Tai Po  
Frontier/Border  
Yuen Long  
Tsuen Wan  
Sha Tin  
Kwai Tsing  
Tuen Mun

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Total: 17

### Slippage in Road Works

17. MR WONG WAI-YIN asked (in Chinese): *As the Government has implemented a series of measures to improve the overall situation of road excavation works for some time, will the Government inform this Council of the following:*

- (a) *how the slippage in road works has been improved since the implementation of such measures; and*
- (b) *whether it will consider imposing fines on contractors responsible for the slippage; if so, when such measure will be introduced; if not, what the reasons are?*

SECRETARY FOR WORKS: Mr President,

- (a) It is very difficult to measure in exact terms the improvement in slippage on all the road works, because there is no simple method to determine how long individual jobs should take had there been no slippage due to the fault of the contractors, bearing in mind the varying nature of various factors affecting the progress of works.

However, it should be noted that one of the major causes for slippage in road works is the lack of sufficient resources on site. In fact, in the past, very often a number of the sites were found unattended after the road surface was opened.

This situation has improved since Highways Department has tightened up the control on road openings by carrying out more frequent inspections. The overall unattended sites for utility openings has now been reduced from over 30% in March 92 down to around 10% in July 94. More than 90% of these sites have resumed activity when warnings were issued by the Government.

Utility companies are now reinstating road pavements to original specification on completion of their work. This is bringing about reductions in the number of cases of re-entry and the need for re-excavation for pavement reinstatement, a significant cause of a complaint in the past.

Other means of improvement by way of reducing the impact of road openings on traffic flow have been identified, with the active involvement of the major utility companies. A detailed paper on these proposed measures will be submitted to Legislative Council Members in November.

The slippage situation will be further reviewed after the adopted proposals have been implemented.

- (b) Charging for delay had been examined under a Lane Rental Trial, but indications are that a charging scheme is not appropriate for the following reasons:
- (i) as mentioned above, it is difficult to have a simple and unique method or formula, which can suit all different types of works and site conditions, to determine the working period required for each job;
  - (ii) there is high administration cost associated with charging schemes;
  - (iii) the transfer of rental charges and other additional costs to utilities consumers is unavoidable, thus negating the usefulness of such a scheme.

Members can be assured however that it is a continuing commitment of the Administration to reduce the number and duration of road openings. A Road Opening Working Party, chaired by the Secretary for Works and with the personal involvement of the Secretary for Transport, has been set up. The Working Party has already identified the means and is now implementing the relevant options. Besides co-ordinating investigations, with the support of various government departments, the Working Party also works closely with senior management of major utilities, to consult their views and to seek their co-operation on issues relating to road opening works.

### **Hygienic Situation at Tseung Kwan O**

18. REV FUNG CHI-WOOD asked (in Chinese): *In view of the complaints by residents of Tseung Kwan O about the renewed proliferation of flies in that district since the end of September this year, will the Government inform this Council:*

- (a) *what measures have been taken by the relevant departments to monitor the management of the landfill at Tseung Kwan O so as to ensure that environmental hygienic standards are complied with and that the daily life of local residents is not in any way affected; and*
- (b) *whether efforts have been made to clear the refuse dumped illegally along Wan Po Road?*

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS: Mr President,

- (a) At present, the Tseung Kwan O Landfill is being used mainly to receive construction waste which is unlikely to give rise to any noticeable fly problem. The Environmental Protection Department has not received any complaints about flies at the Tseung Kwan O Landfill since August 1994. Since September 1994, putrescible waste has been diverted from this landfill to the West New Territories Landfill and the Southeast New Territories Landfill.

Nevertheless, government departments will continue to take the following monitoring and preventive measures:

- (i) daily inspection of the landfill tipping face to identify any environmental problems;
  - (ii) daily spraying of insecticides in the tipping area; and
  - (iii) prompt response to fly-tipping.
- (b) The Regional Services Department has stepped up efforts to clear refuse dumped illegally along Wan Po Road. Since September 1994, 15 clean-up operations have been mounted and 246 tonnes of refuse have been cleared. Midnight operations against fly-tipping have also been mounted and the owners of five lorries have been summonsed. To further discourage fly-tipping, we will erect bollards to prevent vehicular access to fly-tipping blackspots on Wan Po Road.

## **PRIVATE 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 rise to move the motion that this Council thanks the Governor for his policy address.

Anyone who imagined that the policy address would bring hope of a smooth transition through mutual co-operation between Britain and China by 1997 must have looked in vain for any sign that that is likely to happen. In one section of his speech the Governor used the word co-operation more than a dozen times, and in his conclusion he said quite rightly, "Co-operation is not a

one-way street." No one could contradict that statement of fact. But if the Governor truly meant what he said, one must then ask him what intention of co-operation was there in his policy address in October 1992, when he set out himself on the one-way street that has bogged down co-operation for the past two years? Co-operation between the two countries was never going to be easy as we all know. But that step into the one-way street by Britain, no matter how good it was and would have been two or three decades ago, has made co-operation infinitely more difficult, if not totally impossible.

To keep on repeating, as the Governor does, that the electoral reforms were a Legislative Council decision does not help in the least. In fact it only rubs salt into the wound, not only of China, but, I venture to say, of most Members of this Council. Britain has accepted all along — and maybe wrongly but nevertheless as a fact — that introducing the three-legged stool would damage co-operation. But when it suited Britain's purpose, we were brought into the fight, and we are all well aware of the manoeuvring that went on behind the scenes before and during the debate on 29 June this year to bring about the result Britain was determined to achieve regardless of the cost to Hong Kong. The whole episode since 1992 has had nothing to do with co-operation between China and Britain. But it has had a great deal to do with turning what were called "proposals" in 1992, into what I can only call colonial decisions in 1994, under the guise of local support. It has been an exercise in turning virtual agreements, some of them proposed in 1990 by the British Foreign Secretary himself, into something totally different. All the clever oratory in the world will never hide the fact that it was the British side which, for reasons of its own, made the first move which rendered co-operation impossible.

But I am not pessimistic. I believe all is not lost, and my hope for a smooth transition in spite of these drawbacks is still high. My faith is in the Hong Kong people themselves, people from all sectors, and especially from the Civil Service. I believe they have the will and the ability to overcome all difficulties. We should not spread the doctrine of gloom and doom, but we should co-operate among ourselves and with China, and with those whom the present Governor has denigrated but who were appointed to this Council by former Governors for their expertise. If the Governor really wishes to co-operate he can do so by encouraging, instead of throwing cold water, on those who are trying to pick up the pieces and put them together. There was a time not long ago when civil servants were not allowed to visit China without permission. I thought those days had gone, but apparently, though the rules have been relaxed a little, the same colonial principle remains. Our Civil Service could make a tremendous contribution towards co-operation and a smooth transition, but I have talked to some civil servants who are afraid to speak up or to act, afraid to say that they disagree with the policy of the present Government of Hong Kong. Their morale has been undermined, and they, like us on this Council, feel that the pressures put upon them are hindering their efforts to assist Hong Kong in the transition period. I find this deplorable, and call upon the Governor to allow us to prepare for our own future since he has derailed the through-train. To allow co-operation only with the Preparatory

Committee in 1996 is far too late for 1997. I call on the British Government not to make difficult work even more difficult, but to assist in every possible way by allowing the Civil Service to co-operate with those who are doing the preparatory work, whether as advisers, as Preliminary Working Committee members, or in whatever capacity they work for our future, because every reasonably balanced person in Hong Kong is hoping for a smooth transition in 1997.

I would now like to turn to the social issues mentioned in the policy address. The Governor made a lot of vague promises and congratulated himself on his achievements. Since we speak the same English language, I can remind him that self praise is no recommendation. Words are empty unless they are matched by deeds.

In spite of former promises, we still have homeless people living under flyovers. We still have people, mainly elderly people, living in cages. We still have a very long Waiting List of families eligible income-wise for public rental housing but for whom there are no flats available. We now have an even longer list of families who have fallen between the income limits for rental housing and the income level at which they can afford home ownership.

The elderly have been led to believe that they will be better cared for, but that has not materialized, and they are now being told to wait until 1997 for a pension, thus raising their suspicions that Britain is leaving the responsibility in China's court. I will not dwell on this point now because we shall soon be debating the matter in this Council. All I would say at this point is that there should be an IMMEDIATE increase in provision for the elderly in need, both in housing and in their daily livelihood.

Still on social issues, I would like to point out that many single-parent families could be better helped in other ways than in meagre handouts. Many of these families could become self-dependent if sensible policies were used to solve their problems. Let me quote just one example to show what I mean. A divorced woman with two children had lived all her life in Tsuen Wan. After her divorce she was given public housing in an isolated block in Chai Wan. She asked for housing near friends and relatives in the Tsuen Wan area, but she was told just to try to settle down in Chai Wan. Consequently she is now suffering from mental stress and is too distraught to look after her children, who will no doubt also suffer. Some case workers might have been more thoughtful, but for any who are not, there should be policies to help single, traumatized parents to rehabilitate. Leaving the children with relatives nearby and getting a job not only creates independence and helps to overcome trauma, but it also saves taxpayers' money.

Another issue I shall mention only briefly, but which I shall continue to follow up, is the policy of the Immigration Department to tear young babes from the bosom of their families and deport them as illegal immigrants. If their mothers are deported at the same time, I would not strongly object because too

many women are taking advantage of the ridiculous immigration policy which allows them to come here to give birth to children and to leave them here motherless, often to become the responsibility of the Hong Kong taxpayer. If both parents are residents here, this problem is not likely to arise and small children should be allowed to stay. The policy is totally mindless because it punishes the child either by sending him back to China alone, or by allowing the child to stay while the mother is deported. In either case it is the child who suffers. We are creating social problems for the future. The Government is fully aware of these social problems but does nothing to change its mindless policies. Meanwhile, it is always small children who suffer.

I also want to point out the inhuman practice of imprisoning young teenagers caught illegally working here in Hong Kong. The sentence on these teenagers is almost invariably 15 months. Other illegal immigrants when caught are merely deported. This is another mindless policy that achieves nothing either for the youngster or for Hong Kong! Even worse is the imprisonment of teenage witnesses, or indeed any other witnesses, in order to ensure that they will testify against criminals. While the witnesses suffer in prison, the criminals are free on bail. The length of the witness imprisonment is often longer than that of their tormentors if found guilty — and there have been cases where the criminals were acquitted and only the witnesses suffered imprisonment.

How can we shout about human rights in other places in the world before we have set our own house in order?

I intend to follow up on all these issues and others during the current Session. I am sure that my colleagues will want to follow up these and other issues in the policy panels during the current Session.

Mr President, with these words, I beg to move.

*Question on the motion proposed.*

MR ALLEN LEE (in Cantonese): Mr President, to master "a thousand days and beyond" is the administrative policy of Britain on ruling the colony of Hong Kong. To hold and exercise the last thousand days of governance is a proclamation of Britain's political stand, and to go beyond 1997 is the wishful thinking still cherished by Britain after the deterioration of Sino-British relations over the past couple of years.

"To count down to the end of a thousand days in anticipation of 1997" is China's view on the takeover of the sovereignty over Hong Kong. Governance is a matter in the future. Therefore, the Chinese Government is counting down to the end of the days in preparation for their future governance. To show that China can also make Hong Kong prosperous and stable has been the objective of the Chinese Government for the past decade.

"Having to worry for a thousand days as to how to weather through 1997" are the words from the bottom of the hearts of Hong Kong people. What they are worried about is that the Hong Kong Government is administering Hong Kong with the myopic mentality of taking the thousand days as the time limit. All the policies it adopts are piecemeal without regard to substance. Progress results are only measured by the magnitude of figures and there are no substantive reviews on policies at all. Sino-British relations deteriorate and co-operation is but idle talk.

When Governor PATTEN assumed office on his arrival in Hong Kong on 9 July 1992, he made the promise to all the people of Hong Kong that he would try his best to clear up all the misunderstanding between the British and the Chinese sides and to establish mutual trust. Governor PATTEN further stated in clear and unequivocal terms that day that it was his sincere aim and profound wish that there would be good co-operation with China. The fact now is that this hope was totally ruined over the past couple of years. The very best he has tried is the introduction of a political package which cannot converge in 1997. The so-called establishment of mutual trust is but idle talk. I will not forget the fact that during the Governor's visit to Beijing he told reporters after meeting Mr LU Ping, Director of the Hong Kong and Macau Affairs Office, that "he had just had a civilized meeting". If it was his aim to establish mutual trust, how could he have described his meeting with Chinese officials in such terms during his first visit to Beijing in the capacity as the Governor of Hong Kong? How could this be acceptable to the Chinese officials? Since then, the Governor has never visited Beijing again. Neither did Mr LU Ping, Director of the Hong Kong and Macau Affairs Office, meet the Governor when he visited Hong Kong. It should not have escaped our attention that, as head of the Government, the Governor used to exchange verbal attacks with the Chinese side repeatedly in a high profile. How then can the already strained Sino-British relations be reinstated? The people of Hong Kong can only watch helplessly as the Governor blocks the channel of communication with China, not knowing what to do to help secure a smooth transition for Hong Kong. Their annoyance and feeling of helplessness is readily imaginable.

Mr President, in the policy address entitled *A Thousand Days and Beyond*, no mention was made of effective measures to improve Sino-British relations which have been deadlocked for a long time. The part of the policy address on livelihood and welfare is just playing with figures, without reviewing the need to make adjustments in the various policies in the interest of society as a whole. In face of their annoyance over the past couple of years and the uncertainties of the future, Hong Kong people can do nothing but resign themselves to their bitter fate without so much as a word of complaint.

Of course, in the face of the adversity ahead, the Liberal Party will absolutely not back down and sit back to watch the chance of Hong Kong having a smooth transition being whittled away. Therefore, we call on people from all sectors of the community to take the positive attitude of "doing a good turn", to speak up more readily, to indicate their stances more readily, to convey their

expectations of the future Special Administrative Region (SAR) directly to the Chinese Government and to put forward their proposals on the various issues relating to the transition. We have stressed time and again that we will not subject Hong Kong to the time limit of 1997 because there are still 6 million-plus Hong Kong people who will have to stay in Hong Kong beyond 1997. Therefore, there must be a long-term strategy and a stable social environment for Hong Kong before its economy can continue to prosper and the people of Hong Kong can continue to improve their standard of living, and live and work in peace.

The Liberal Party is not the Government. But since we participate in public service to serve the public, we have to perform our duties by pointing out the policy errors of the Government during the transition period. We have to put forward strategy which the Government should implement realistically, and identify the right path so as to pass 1997 with the people of Hong Kong. Therefore, the Liberal Party will speak in this debate with government policies in the transition period as the theme and put forward some proposals to the Hong Kong Government. The Liberal Party will also use various channels to make the Hong Kong and the Chinese Governments realize the approaches and policies which must be adopted and implemented for Hong Kong before it can maintain the fruit of success brought about by stability and prosperity. The Liberal Party is not a political party which reports only the good news but not the bad. Nor are we people who seek instant success and quick profit. Nor are we opportunists who curry favour with the public and seek only to muddle through these thousand days with a perfunctory discharge of duties. Let time and our performance prove our sincerity in being determined to strive for the long-term interests of Hong Kong people.

Now I would like to comment on the part on Sino-British relations in the policy address. We consider that it is an unrealistic and irresponsible act of the Governor to adopt a dubious attitude towards matters relating to the contact between civil servants and the Preliminary Working Committee (PWC). Although he has pointed out that the Hong Kong Government would render the necessary immediate and practical assistance to the Preparatory Committee in the agreed way after the establishment of the Committee, he has evaded the question of how the Hong Kong Government would co-operate with the Chinese side during the 15 months from now to 1996 and render effective assistance in providing and explaining the information required for the preparatory work of the future SAR. Fifteen months amount to nearly half of the days of the remaining transition period. If the Hong Kong Government still handles the transitional arrangements for the transfer of sovereignty in a reserved manner, and hints at the same time that Britain will not be responsible for any problems relating to the transition after 1997, such verbal promise of co-operation without actual action cannot be said to be in the interest of Hong Kong.

We consider that it is now high time to deal with the transitional arrangements. The co-operation between the British and the Chinese sides should be comprehensive. There should not be any time limit. Nor should

people interested in rendering assistance to secure a smooth transition be subjected to any unnecessary restrictions. Under the directives given to government officials in the policy address and those given to them by the Chief Secretary, civil servants can hardly feel free to have any communication or contacts with the Chinese side or the PWC, which has Hong Kong people as its members. They have difficulties in finding past examples of Sino-British co-operation to follow and work on, partly because the Government is inactive to encourage such contacts and also because the Governor, as head of the Government, has been adopting a hardline unco-operative and confrontational posture towards the Chinese side over the past couple of years since his assumption of office. In such a political atmosphere, it is inevitable that civil servants find it difficult to help or air their views though they would like to. Under such circumstances, for the sake of the transition of Hong Kong to 1997, it is necessary for all sectors of the community to exert pressure on the Government to press for removal of the various obstacles.

The civil servants of Hong Kong, especially the middle ranking and senior civil servants, are most conversant with the needs of Hong Kong and the operation of the government structure and the implementation of government policies. It would have crucial and positive effects on the future of Hong Kong if they should be allowed to put forward clear-cut suggestions and explanations on the preparatory work of the future SAR and policies which straddle 1997. The Liberal Party firmly believes that there is nothing more important than the interests of Hong Kong people. Therefore, we urge the Government to reconsider the specific measures which should be adopted in the coming 15 months to build up a communication channel between the civil servants and the PWC as well as the future Preparatory Committee. In the meantime, it should negotiate with the Chinese side during this period to prepare as soon as possible a comprehensive and detailed information checklist to assist the Chinese side in making arrangements for the future SAR.

Mr President, the proposal to set up a provisional legislature arose from the Governor's introduction of the political package which strained Sino-British relations. Since the public has little understanding of this proposal, the Liberal Party met the Hong Kong members of the PWC yesterday, and will be visiting Beijing to meet officials of the Hong Kong and Macau Affairs Office so as to get an understanding of the details of the provisional legislature and its election system. We deeply regret to have to face the unfortunate scenario that there will be no convergence in our political system today. However, we still have to adhere to the objective of "securing a smooth transition for Hong Kong as far as possible", and strive hard to make it possible for Hong Kong to play actively and fully its important role in finance, commerce, service industry and shipping and so on. The Governor has pointed out in the policy address that Hong Kong is the biggest trading partner of China and hence emphasized the importance of promoting the economic co-operation between China and Hong Kong. The Liberal Party had proposed to set up a China-Hong Kong Economic Co-operation Committee in the past. However, the Governor made no mention of this constructive proposal in the present policy address. The Liberal Party urges

the Government here to give recognition to this proposal as soon as possible and promote the economic co-operation between China and Hong Kong.

Just then I have mentioned that Members from the Liberal Party will speak one after another in today and tomorrow's debate on the transition of Hong Kong. They will put forth their views and proposals relating to the various policy areas of Hong Kong, including security, economic development, transport, infrastructure, public works, housing, education, medical services, administration of justice, welfare, labour, industrial development and New Territories affairs. It is hoped that this will be conducive to securing a more stable environment for Hong Kong in the latter half of the transition period and a longer term policy planning so that a solid social and economic foundation can be established for the future SAR.

Mr President, I have never failed to support any motions to thank the Governor over the past 16 years. However, I see no reason to thank the Governor this time. Given the uncertain future of Hong Kong and the strained Sino-British relations, I cannot pretend to thank the Governor. As I will be away from Hong Kong on 26 October, I have to say here that I cannot support this motion. One day in future, Members who support the Governor's political package will find that we owe him too much for his "good deeds".

With these remarks, I oppose the motion.

MR HUI YIN-FAT (in Cantonese): Mr President, the Governor has published his third policy address since he took office. The title of this policy address is *A Thousand Days and Beyond*. It should have been another pleasant surprise and an occasion for expectation. Given his courage and dynamism shown on the political reform issue at the cost of the pre-existing basis of Sino-British co-operation, if the Governor had wanted to show his expertise in matters concerning the people's livelihood to demonstrate to all the people in Hong Kong that he was not just a "political reform governor", it should not have been a difficult job for him.

However, accompanied by copious material and data to show that it is a grand production, the policy address is nothing of a pleasant surprise. On the contrary, for most of its contents, if they are not new-looking old things, then they are something that gives people the impression of much said but little done. The boldness of "A Thousand Days and Beyond" has fallen flat and turned out to be an empty slogan for lack of support in the form of large-scale planning. No wonder that members of the public are showing a much poorer response than before.

There are many areas that members of the public are not happy with. But the most important thing is, in my view, that the Governor has failed in his policy address to address issues that have long been the concerns of the public, still less to work out solutions.

On the question of housing, for example, as land in the New Territories that can be developed is getting more and more scarce, urban renewal is bound to become the main source of land supply. The Administration should work out a comprehensive and equitable package in time. This should cover the repossession of land by developers, reasonable protection for owners and tenants of old buildings, removal arrangement and compensation as well as the safety of clearance or demolition. There should be strict requirements for all of the above. On the one hand, this will minimize conflicts of interests; on the other hand, this will also minimize the nuisance to residents, thus speeding up the redevelopment programmes. Unfortunately, the Administration is not only slow to react, but is also turning a blind eye and a deaf ear to the complaints by affected residents. Moreover, the Social Welfare Department even deters the social work team of the Neighbourhood-Level Community Development Project from helping residents of old areas to deal with urban renewal problems. This is really an instance of putting the cart before the horse.

Another example relates to social welfare. The Administration published the *Green Paper by the Working Party on Rehabilitation Policies and Services on Equal Opportunities and Full Participation* in March 1992 and began the consultation exercise in June 1992. But it is surprising to learn that the final official White Paper has not been published so far. Despite the Administration's repeated claim that work will be carried out according to the set targets and planning outlined in the Green Paper, White Paper is after all the policy document pursuant to which the Administration is to fulfill its commitments; it also constitutes a potent basis on which the implementation progress is to be monitored by this Council and the public. We cannot rest assured as long as the White Paper has not been published.

I think that whilst the Governor is promoting an open administration that is more willing to be accountable to the public, judging from the present situation, the Administration is actually just defending policies that come under the most heavy fire. When it is cornered to make improvement commitment, it picks the one or two items whose improvement will involve minimal resources in order to mitigate public discontent. It even juggles with figures to throw dust in the public's eyes. With such a style of governance, how can members of the public be convinced that the Governor will be leading the Administration, in the remaining period of less than one thousand days, to improve their livelihood and to prepare properly for the transfer of sovereignty?

The economic development of Hong Kong in recent years is a cause for envy to many neighbouring countries. Even Britain is lagging behind us in terms of GNP. However, as regards people who are most unfortunate and most unable to help themselves, we are embarrassed to learn that the financial assistance they receive from the Administration is so meagre. Long before Dr MacPHERSON completed his report based on a most scientific study of the Public Assistance Index of Prices, the people of Hong Kong were of the view that the current public assistance standard rates were so low that it would not be able to help the recipients live a life with a basic modicum of human dignity.

When the report proposed that the standard rates be adjusted to a modest \$2,300, people in our community including the salaried class, the capitalists as well the academics found it acceptable. But the government official concerned threatened members of the public with exaggerated and inaccurate figures as well as the absurd claim of "nurturing lazy people". His attitude was disgusting. Even the Governor himself has broken his promise to me and my colleague in this Council, the Honourable WONG Wai-yin, by supporting the Administration's decision without having thoroughly studied the report's proposals, and in so doing he has done away with any room or grounds for further discussion. We are both saddened and disappointed by the Administration which professes to be an open government accountable to the public. Is it really the case that the Administration says one thing but does another?

In order to mitigate public disaffection against the Administration, the Governor has announced in his policy address that increases are to be made in the subsidy rates for single-parent families and children of public assistance receiving families. But the increases are merely \$200 and \$205 respectively. To the assisted families, they are utterly inadequate, yet they are better than nothing. However, I still think that it is really unfair to single-parent families. Let us not forget that in March this year, the Financial Secretary announced in his Budget generous adjustments to salaries tax allowances for both single persons and married persons, which are both 28.6%; but the extra tax allowance given to single-parent families is only 18.5%. For this reason, the mere increase of \$200 will still be incapable of making single-parent families feel that the extra expenditure they have to bear over and above that borne by ordinary families has been attached due importance to by the Administration.

On the services for elderly people, I myself and the Hong Kong Council of Social Service that I belong to will undoubtedly welcome the Governor's proposal to give top priority to care for the elderly people. But we regard the Administration's sincerity, determination and way of going about it with reservations. This is because our goal of caring for the elderly people is to encourage and assist retired senior citizens to face up to their old age positively and continue to participate in society such as taking up employment, doing voluntary work and establishing social intercourse and so on. This goal may even serve to reduce the Administration's financial burden. This can never be achieved solely through providing residential home care. The foremost task is to provide reasonable financial assistance to enable them to live a life with basic dignity and to face up to their life positively. Unfortunately, the Administration is unyielding when it comes to increasing the comprehensive assistance standard rates, and the Administration has again turned down the proposal to establish a contributory central provident fund without any convincing reasons. This will no doubt ignore the most pressing service need of the elderly. It should be realized that over 65% of comprehensive social security assistance cases are elderly people of 60 years of age or above. Whilst the number is as many as 60 000, given our present and future economic situation, we should be able to look after their most basic needs.

On the other hand, as to the Governor's acceptance of the main proposals by the Working Group on Care for the Elderly, I, as a member of this already disbanded working group, naturally welcome it. But may I say I am not totally happy with it. I say so because the Elderly Service Group to be set up will only be headed by an Administrative Officer, Staff Grade C who will be responsible for co-ordinating and monitoring the overall policy on elderly care. I am afraid he might not be quite up to the task and he would not be able to play his role properly. We, the working group, have in fact asked for a committee with real power and of a higher level to be set up to co-ordinate and monitor all matters relating to elderly services, whose functions would be similar in nature to that of the Rehabilitation Development Co-ordinating Committee. Comparing the recurrent expenditure on elderly services with that of rehabilitation services, I really cannot understand why the Administration did not set up a central elderly services co-ordinating committee as, according to the Budget this year, the funds earmarked for the former services are \$130 million more than that for the latter, and the types of services and number of departments involved are comparable. Therefore, I hope that the Secretary for Health and Welfare will reconsider the request made by me and the working group. Otherwise, it would only cause people to believe that the authorities concerned are reluctant to be subject to monitoring and reluctant to implement all the proposals.

As a matter of fact, the Governor has promised to build seven care-and-attention homes before 1997. But on various excuses, construction work for the first one is not expected to commence until the middle of next year, and I am afraid only one or two at the most can be completed before 1997 as a sop to the public or whomever. In addition, it is the Administration's intention to make use of non-profit-making private and voluntary organizations in providing quality care-and-attention services for the elderly with a view to reducing the reliance of elderly people on the Government. It should be a measure to be supported. However, it is only right that the Administration should provide the organizations with the necessary support and it is not right that organizations should make up for the shortfall in services provided by the Administration. Examples like this are just too many, and they all point to the fact that the Administration knows only how to cite pleasant-sounding figures, but the sincerity for the actual implementation of the programmes is not there.

As regards rehabilitation service, it is well known that misassessment of required standards and planning has resulted in a serious shortage of hostels for the mentally handicapped. According to information available in June this year, moderately and severely mentally handicapped persons have to wait six and seven years respectively before they can be admitted to such hostels. This not only creates considerable pressure on parents who have to look after them, but also hinders the growth of those severely mentally handicapped persons and deprives them of the opportunity to strike out on their own to integrate in the community. As a result, the Administration will have to bear a heavier burden. Unfortunately, the Governor has not only failed to propose any specific solution for the serious shortage of hostel places, he has even deliberately underestimated

the number of mentally handicapped persons by saying that it is far lower than the general estimated level in European countries and in the United States. In so doing, he tries to achieve the objective of reducing demand. I find such downright ostrich policy most regrettable.

Mr President, the Governor has manifested a fair measure of imprudence in dealing with the question of housing. It is true that the Governor has issued a postdated cheque for those in our community who are living in the worst conditions, including people living in temporary housing areas and squatter areas. The cheque may not be honoured in full by 1997, but it is a start after all. However, even senior officials of the Housing Department appealed to the Administration for more allocation of land to the Housing Authority right after the policy address was published. We can see from this that the Governor really has not touched upon the crux of housing matters.

As is well known, shortage of land has in fact impeded the construction programmes of the Housing Authority. Even if a certain number of new housing units could be built every year, as is claimed by the Governor, how would the ratio between public housing units and Home Ownership Scheme units be determined? Besides, in allocating resources for public housing, would priority be given to potential residents who have been on the Waiting List for many years and who are over 100 000 in number? Or would priority be given to those affected by urban renewal? Thus, we can see that bragging about the number of housing units to be built is not a responsible way to solve problems. As a member of the Housing Authority, I made my point long time ago that priority should be given to those who are living in the worst conditions. But as head of the Administration, can the Governor just dodge giving directions on the issue concerned and can he ensure that real support is given to the Housing Authority by the Administration?

With regard to the Administration encouraging members of the public to buy real property in recent years, such a policy is questionable in view of the fact that the Administration has no intention to change its policy of high land prices and high property prices for fear of affecting its revenue. For in so doing, the Administration is virtually using members of the public as indirect boosters on the private property market. In fact, according to what I have gathered from my personal contacts, so long as the conditions of environmental hygiene, law and order, living space and external transport of public housing estates are improved, it does not really matter to members of the public whether they are permanent owners of the units they are living in. Therefore, let me ask the Administration once again to devolve the central power over housing estate management on to all the districts throughout the territory, so that district estate management committees can be formed with resident representatives, relevant professions as well as Housing Department officials to work together in the decision-making process. I believe this would have a reforming impact on the housing question.

Mr President, since I was elected and joined this Council in 1985, this is the tenth time I participated in the motion debate on the policy address of the Governor. I remember the first time I spoke on the policy address, I did so gingerly, and the theme of my speech was to fight for better welfare and provision of resources from the Administration to benefit those lower class people who were most unfortunate and most unable to help themselves. Today's speech is my tenth speech, and I am still fighting for justice to be done to these people. I am experiencing a variety of emotions. With the fast growth of our economy over the past few years and our community making progress, are these people not getting anything from it? Are they, on the contrary, becoming even more disaffected and disappointed? As a member of the social work sector, I feel most helpless and find it most deplorable. As an ordinary citizen, I am at a loss. Therefore, let me seriously urge the Governor and the Administration he heads to have the sincerity to address the issues relating to the people's livelihood where members of the public have long been yearning for improvement. Only in so doing can the public be convinced that "A Thousand Days and Beyond" is not just a slogan but a mark left by the colonial government in its honourable retreat.

Mr President, I so submit.

MR MARTIN LEE (in Cantonese): Mr President, it is now 10 years and 23 days since the signing of the Joint Declaration and 984 days to go before 1 July 1997. Worry and helplessness are the two words that aptly describe the prevailing state of mind of Hong Kong people today. We are worried that the freedom we are enjoying at the moment may be stripped or eroded. We feel helpless because there is nothing we can do to change the situation. As a result of their worry and helplessness, most of those eligible for emigration have already applied to emigrate overseas. I hope that the Chinese leaders will make earnest self-examination to see what they have done over these past 10-odd years which causes so much worry and helplessness among the people.

The Joint Declaration has become a bookful of beautiful lies over the past 10 years. I pointed out explicitly in a motion moved by me in this Council on 4 May this year that neither the Chinese nor the British Governments complied with the Joint Declaration, resulting in its being distorted and sabotaged time and again. This made Hong Kong people extremely worried. Not a single Member voted against the motion at the time.

What further worries the people is the strange creature called the Preliminary Working Committee (PWC). The setting up of the PWC is obviously a move to sabotage the Joint Declaration. It is clearly specified under clause 4 of the Joint Declaration that between the date of the entry into force of the Joint Declaration and 30 June 1997, the Government of the United Kingdom will be responsible for the administration of Hong Kong with the object of maintaining and preserving its economic prosperity and social stability; and that the Government of the People's Republic of China will give its co-operation in

this connection. As a matter of fact, the setting up of the PWC by the Chinese Government serves the purpose of countering the British Hong Kong Government. Does it mean that "to run counter to" or "tit for tat" is a Chinese style of "co-operation"? It is most ridiculous that both the Chinese and the British Hong Kong Governments should say with one accord that they have all along been observing and implementing the Joint Declaration. Do the people of Hong Kong believe that?

When I delivered my first speech in this Council in October 1985, I already made it clear that even if the Chinese leaders stood on the roof and shouted that they would fully implement the Joint Declaration everyday, it would serve no purpose at all. Actions speak louder than words. Only actions can build up Hong Kong people's confidence in the Chinese Government. Whenever I hear the Chinese Government or the British Hong Kong Government shout loudly that they are implementing the Joint Declaration, I find myself in the position of the little boy in the fairy tale "The Emperor's New Coat" who heard the adults praising the beauty of the emperor's coat whereas the emperor actually had nothing on him!

Although there are still 984 days to go, the propaganda machines commonly employed by the Chinese Government are already working in Hong Kong. The Chinese Government says day after day that they are observing the Joint Declaration. Does it imply that having these words repeated 1 000 more days will make people believe that it is true?

Recently, it was resolved by the PWC that a provisional legislature be set up. Such a decision is, basically speaking, contrary to the Joint Declaration and the Basic Law. It has caused much discontent and uproar in the community. Let us take a look. Suppose the provisional legislature is going to do one job only, that is, to amend the electoral ordinance, what will be the outcome then? The outcome will be a legislature completely under Beijing's control to be formed under the electoral ordinance amended by the provisional legislature. The newly established legislature will promulgate laws which please the Beijing Government, such as, the repeal of the Bill of Rights, the imposition of laws to restrict the freedom of the press and the enactment of security laws similar to those enacted by Singapore to empower the Administration to detain dissidents indefinitely without instituting any prosecution. One may imagine what a horrible situation Hong Kong will be in.

Mr President, frankly speaking, not only the people of Hong Kong are at a loss, even the Chinese leaders themselves cannot foresee whether their status will change following DENG Xiaoping's death. With the approaching of the end of an era, China's policy is "better left, never right". Under such circumstances, how can we expect that the Chinese Government will reach sensible agreements with the British Government which are acceptable to the people of Hong Kong? In view of this, what sort of attitude should the British Hong Kong Government adopt to deal with the situation? To keep on waiting is not a good approach after all. It is because nobody knows for sure how long we

have to wait. I, therefore, totally disapprove of the approach adopted by the British Hong Kong Government. On the one hand, they say that time is not on our side but they keep waiting and waiting on the other. Much time has been wasted but a lot of things have yet to be resolved, such as the localization of laws and how to make local laws compatible with the Basic Law. The Chinese Government certainly welcomes such an approach because if things remain uncertain, there will be room for the Chinese Government to do whatever it likes in 1997. As a matter of fact, Article 160 of the Basic Law clearly stipulates that by 1997 the laws previously in force in Hong Kong shall be adopted as law of the Special Administration Region (SAR) except for those which the Standing Committee of the National People's Congress declares to be in contravention of the Basic Law. In other words, so long as the Legislative Council takes care in handling the situation to ensure that these laws comply with the Basic Law, it may feel free to make amendments even though approval from the Chinese Government is lacking.

It is natural that Hong Kong people hope to see an agreement or agreements in terms of Sino-British co-operation. However, it should be borne in mind that with or without an agreement, the Chinese Government may not necessarily observe it. Take for an example the Memorandum of Understanding Concerning the Construction of the New Airport. According to the Memorandum, many of the items now under dispute are already listed under the Airport Core Programme in 1991 and it is utterly unnecessary to seek the Chinese Government's consent again. It is regrettable that the Chinese Government still adopts an unco-operative attitude which serves to prove that, even with an agreement, problems still exist because the Chinese Government may not keep its promise. Of course, the Chinese Government will not admit that they are sabotaging the Joint Declaration. They are apt to exercise the interpretation discretion to turn facts upside down, to pass off black as white and to interpret white as black. The only alternative available to the British Hong Kong Government at the moment is to do what it should do with the support of the community. No one can tell what the Chinese Government will do in the future. However, the British Hong Kong Government should never drag its feet or halt its steps or do nothing simply because it fails to get the co-operation of the Chinese Government. If the Chinese and the British Governments can dispel their prejudices and establish mutual co-operation, it means that we can proceed on a double-track railway. Should the Chinese and the British Governments be unable to achieve co-operation, the British Hong Kong Government can run on its single-track railway just as well. The Governor should make it clear to the people of Hong Kong that the British Hong Kong Government is not going to do anything to sabotage the Joint Declaration. Should the need arise, the Hong Kong Government will implement the Joint Declaration unilaterally.

On the issue of human rights protection, it is clearly stated by the Chinese Government in the Joint Declaration that the Government of the United Kingdom will restore Hong Kong to the People's Republic of China in 1997 on

the basis that human rights shall be protected. This is what the Joint Declaration promises the people of Hong Kong.

But empty slogans are not good enough to protect human rights. It is, therefore, provided under section XIII of Annex I to the Joint Declaration that "the provisions of the International Covenant on Civil and Political Rights and the International Covenant on Economic, Social and Cultural Rights as applied to Hong Kong shall remain in force". However, we should bear in mind that at the moment a very important step for the international community to ensure that human rights provisions are fully implemented is the regular reporting system. In other words, the parties to the Covenants are required to submit reports to the United Nations Human Rights Committee on the implementation of the Covenants so that the international community may monitor the situation in an open and collective way. Without such a monitoring mechanism, we cannot do anything at all in terms of human rights protection. Some dictatorial states may evade monitoring even though they become the signatory states and keep on violating human rights in a "closed-door way".

At present, the United Kingdom Government is still the signatory to these two Covenants and submits reports to the Human Right Committee at regular intervals. By the time Hong Kong reverts to China in 1997, it Committee is questionable whether the same arrangement will be made or not. Both the Hong Kong Government and the British Government keep on stressing that, according to their understanding of the Joint Declaration, the Chinese Government shall report to the Commission then, and they are very confident of it.

It is most ironic that China is not yet a signatory up to the present and that Director LU Ping has more than once stated that China has no responsibility whatsoever to submit reports. At the present, we really do not know to which side the ball will be tossed! I have to reiterate that both the Chinese and the British sides are responsible for maintaining the mechanism and arrangement of submitting reports to the United Nations on the practice of human rights in Hong Kong. It is necessary for the Governor to give some definite assurance on this issue within the next three years rather than merely making a gesture of the hand and saying that the British Government does not think that it will constitute any problem.

Miss Gladys LI, Q.C., Vice-Chairman of the Hong Kong Bar Association, pointed out recently that we cannot let the issue fizzle out with no definite conclusion. Instead, we should seek a decision through the International Court of Justice in Hague. Frankly speaking, the most ideal solution is that China takes the initiative to join as a signatory to the Covenants. The second best alternative is for the Chinese Government to make concrete undertakings to the effect that the submission of reports will continue beyond 1997. Should these two scenarios fail to actualize, Miss Gladys LI's suggestion will be the most practical approach. We strongly hold that the British side has the full responsibility to resolve this issue. It should not drag its feet in the hope that "the shop will be closed down once 1997 passes". We earnestly urge the Government to make a

closed down once 1997 passes". We earnestly urge the Government to make a clear and unequivocal reply on how to tackle the problem in the sitting to be held next week.

Mr President, the Democratic Party was formally formed on 2 October. The other 15 Members from the Party will be commenting on the policy address according to their respective policy portfolios later this afternoon or tomorrow.

- Mr SZETO Wah will be concentrating his comments on the "provisional legislature" proposed by the PWC. He will also analyse its impact on Hong Kong.
- Dr YEUNG Sum is going to urge the Executive Council and the Government to realize through concrete action the Executive Council's accountability to the Legislative Council. He will speak on his specialized topic of community care for the elderly as well.
- Dr Conrad LAM will be speaking on the issue of "the separation of prescribing and dispensing". He will also urge the Government to step up educational publicity on AIDS and to enhance community care and services to those stricken with diseases.
- Mr Fred LI will be stressing the inadequacy of the comprehensive social security assistance payment and lay bare the fact that the rejection of the central provident fund scheme is going to make the elderly incapable of leading a secure and decent life.
- Dr HUANG Chen-ya is going to comment on the problems arising out of the slow progress in the formulation of policies to encourage competition and the lack of a comprehensive human resources policy. He will also urge the Government to safeguard the interests of local manufacturers making investments in the Mainland.
- Mr Michael HO will be analysing the fact that the expenditure on the employees' retraining scheme is tantamount to temporary unemployment allowance. He will also talk about his Health Care Functional Constituency.
- Mr LAU Chin-shek will focus on the labour issue and point out that the "full employment" statement made by the Governor is simply a myth.
- Mr Albert CHAN is going to criticize the Government for failing to give a definite completion date in respect of certain infrastructural facilities, the failure of which has given people the impression that such projects are not comprehensively planned.

- Mr MAN Sai-cheong will comment on the failure to democratize the policy-making process in respect of recreation and culture. Apart from that, he will also point out the Government's lack of a comprehensive waste disposal strategy and its negligence with regard to environmental conservation, which has caused damage to our green planet.
- Mr LEE Wing-tat will lay stress on Waiting List for public housing and the inadequate supply of land.
- The Rev FUNG Chi-wood will be expressing his views on how to apply the "polluter pays" principle correctly rather than applying it in a distorted way. He will also make reference to the sewerage service charges and the landfill areas.
- Mr James TO is going to press the Government for an early completion of the review on urban redevelopment and to urge it to face squarely the hardship of the affected residents. He will address the issue of Sino-Hong Kong co-operation in combating the triads and other law and order related issues.
- Mr WONG Wai-yin will focus on the long-standing problem of traffic congestion and put forward a few suggestions.
- Mr TIK Chi-yuen will be commenting on the Government's inadequate subsidy for pre-school education and its lack of a long-term policy commitment. He will also be speaking on other fundamental aspects of education such as district school places and parent's right to know.
- Mr CHEUNG Man-kwong will speak on the PWC's intervention in the development of local education policy and the stabilization of the Civil Service. He hopes to draw the Government's earnest attention to the issues.

Mr President, these are my remarks.

PRESIDENT: I believe some Members have to leave early. Dr David LI.

DR DAVID LI: Mr President, the policy address at the centre of today's debate is the tenth I have heard as a Legislative Councillor. It is, sad to say, too much for a case of "deja vu".

In 1988, for example, the Governor, Sir David, reported that the inflation rate had increased to 7%. Six years later, Governor PATTEN reported that the inflation rate had risen to 7.5% in the first half of this year.

In 1986 and 1987, Sir David vowed to enhance Hong Kong's productivity by increasing research, introducing new technology, and assisting high-tech industry with support services. Seven years later Governor PATTEN talked about expanding Hong Kong's capacity for advanced research, creating incentives to upgrade technological standards in manufacturing, as well as providing land for high-tech businesses.

Granted, there are some themes that are staples of any policy address — just as there are some priorities that rarely get mentioned.

In 1988, for example, Sir David said virtually nothing about industry. Six years later, Governor PATTEN followed Sir David's example. In 1989, Sir David said nothing constructive about combatting inflation. Five years later, Governor PATTEN again offered no real solutions to Hong Kong's chronic inflation.

But there is a change in recent policy addresses. We are hearing more promises. This address pledges an improved lot for the elderly, the disadvantaged, the sick, and for those who wish to own homes. But what does it deliver?

Consider the extra HK\$325 million intended to benefit 6 000 students at universities, polytechnics and colleges over the next four years. This money will amount to just HK\$37 per day per student. After breakfast and lunch at McDonald's, that is enough for a student to take a return trip, by mini-bus, from Central to the University of Hong Kong. Too bad for the undergraduate who has to make the trek out to the Hong Kong University of Science and Technology.

One of the greatest mistakes any government can make is to create false expectations it cannot fulfil. But if empty promises are ill conceived, open-ended commitments are even more dangerous. It is short-sighted to believe that Hong Kong has such deep pockets, that we can afford anything. The policy address declared Hong Kong a winner. We are. But the race we run starts every business day. And lately we have not been doing as well as we have been told.

Over the past 10 years, the real growth rate for our Gross Domestic Product fell behind that of the other dragons, Singapore and Taiwan. From 1990 to 1993, Hong Kong's real growth rate was almost less than half that of Taiwan, and three and a half times less than that of Singapore. Inflation whittled away our economic competitiveness.

Over the past 10 years, Hong Kong's average inflation rate was four and a half times higher than Singapore's, and more than three times higher than Taiwan's. Yet inflation was one area on which the policy address remained silent.

The trouble is, this address, along with the Administration's Policy Commitments, do not address our fading international competitiveness. Already, we are losing investment, business and jobs to regional competitors.

To be sure, the policy address does not intend to neglect Hong Kong's competitiveness entirely. The Administration clearly hopes that the Consumer Council will be a tool that will sharpen competitiveness, hence the commitment of additional resources to the Council. But competitiveness at the corner store is not the same as competitiveness in the international arena. The two are not necessarily related.

What is good about this address are the Policy Commitments. Although we may not all agree with their methods or intentions, they are a welcome innovation. The principle is one that we should all commend, and one for which the Administration deserves much credit.

As the policy address said, no one seriously questions the value of British rule to Hong Kong's development. No one denies that Hong Kong has been one of the best administered cities in the world. But that is not the issue.

The question is not Britain's performance over the past 55 845 days. That is a historian's job. The question, as the policy address acknowledged, is what happens over the next 986 days. The answer will be apparent in the smoothness of the transition and the durability of the institutions which have been created over the past 153 years, as well as the prosperity which is the foundation of these institutions.

The Administration has said that trade, investment and the vitality of the business community remain at the top of the Government's agenda. But is it not painfully evident that our economic interests would best be served by better relation with China?

The legislative term marks as crucial a time as any in our past. It is a critical moment. It should demonstrate positive progress in our integration with China.

Instead we heard the Administration's familiar, well-worn litany of "want to be", "ready to provide", "offer whatever assistance", "offer its full co-operation" and "begin discussion". Is this a firm commitment? Is this a practical approach? Sadly, this amounts to practically nothing.

Hong Kong should be positioning itself as the economic heart of a booming Pearl River Delta. We do not yet have an agreement on the airport funding. We do not have an agreement on Container Terminal 9. And we have not moved ahead with Container Terminal 10.

A vibrant economy must be supported by a sound and respected legal system, and an open and accountable administration. We do not yet have an agreement on the Court of Final Appeal. And we do not have a "through train" for this Council.

The time has come to move forward, beyond the next 986 days, and into the future — our future. But we must take positive steps today. We should continue to upgrade our Civil Service and legal system with more training and technologically advanced support systems. We should work to intensify our social, economic and infrastructural links with China. And we should take aggressive action against inflation. There is no time to waste.

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

DR PHILIP WONG (in Cantonese): Mr President, in this year's policy address, the Governor referred to the Sino-British co-operation as follows: "We will do everything that is honourable and sensible to co-operate with China for the remaining thousand days of British rule. Co-operation, however, is not a one-way street; nor is sincerity to be judged by whether one party always agrees with the other." I just wonder why such crucial remarks are missing in both the summary version of the address and the Policy Commitments. I have no wish of speculating on the motive of the Governor, but I do hope that the "co-operation" he referred to is not a smoke bomb. "Co-operation" is conducive to the smooth transition of Hong Kong and is the general wish of the people. What is difficult to understand is that the Governor kept stressing the need for full co-operation with China. But on the other hand, he dealt with many important issues concerning Chinese sovereignty regardless of China's views and refused to discuss them with China. Moreover, he demanded China to be at his command and disposal and emphasized that everything he proposed and implemented unilaterally was the "best" and the "most accurate". On the one hand, he emphasized the need to strengthen communication with China. On the other hand, he issued guidelines prohibiting civil servants from making formal contact with the statutory organ authorized by the Standing Committee of the National People's Congress. May I ask what the "honourable and sensible" attitude really means? Is this not in apparent contradiction with what he said, and I quote, "Co-operation, however, is not a one-way street....."? Actually, by going through the history of the "Sunset Empire", one can find that before withdrawing from her former colonies, Britain invariably resorted to the policy of polarization so as to create confrontations and opposition as a tactic to facilitate the expansion and continuation of her political influence and economic gains there in the hope of putting the new regime into the hands of those who sided with Britain. The people of Hong Kong should have known clearly the role played by the Governor in the run-up to the ultimate withdrawal of Britain. While the Governor shouts loudly for co-operation, the people should not only listen to what he says, but also look at what he has done. I remember that two years ago, the Governor indicated in his inaugural speech that the building of a good relationship with China would be the major element in steering our policy.

But to our utter amazement, what he did was totally contrary to what he said. If he still thinks that he can convince people by what he did, he is in fact under-estimating the wisdom of China and the Hong Kong people.

Let me quote another example to illustrate whether the Governor has the "sincerity" to co-operate. Recently, China requested Britain to provide her information concerning the transfer of sovereignty. I think this is a perfectly justified request made on behalf of the people of Hong Kong as well as the future Special Administrative Region (SAR) Government. Any responsible government should have taken the initiative to furnish the necessary information pertaining to the smooth transition of its powers without being asked. Now the request was made, yet the Governor has tried to pose obstacles instead of acting accordingly. You can ask anybody for his or her opinion and I am sure no one will come to the conclusion that the Governor has the sincerity to co-operate. If the Governor really has the sincerity, he should encourage the civil servants to brief the Preliminary Working Committee and the Chinese officials with relevant information, and to build up good connections. Only then can we say the policy is in the interest of Hong Kong and merits the support of the public.

I am afraid this policy address will attract more "criticisms" than "compliments" from Members of this Council. What we are asking for is an address which truly reflects the reality of the society and genuinely caters for the future of Hong Kong. However, since assuming his post two years ago, the Governor has been concentrating his efforts in pushing through his "reform package", and virtually doing nothing insofar as the economy and the people's livelihood are concerned. This is really disappointing. May I ask the Governor whether he has ever seriously listened to the public's views during his two years' stay in Hong Kong? Who can cite one or two examples to prove that the Governor did listen to the public's views and act according to the good advice? No wonder the public find it increasingly hard to identify with him. And among his predecessors in Hong Kong, he is the one who maintains the worst relations with China. In the policy address, he devoted a relatively large section to welfare matters and talked about services for the elderly as well as the disabled children. This indicates that he has really reached the point where he must try his best to redeem his reputation and to extricate himself from his own plight. In order to portray an image of being a "Governor for the People" and a "Welfare Governor", he has spared no efforts to regain his popularity by handing out money to the people. Now we have only 1 000 days left before Hong Kong is to be reverted to China. For those people who have lived in Hong Kong for generations and have their career and home well established here, what they would definitely like to see are concrete measures that can ensure a smooth transition of Hong Kong on top of the commitments made in respect of welfare benefits, environmental protection and so on. Unfortunately, so far as these crucial issues are concerned, the Governor has done nothing.

A lot of people worry that before 1997, Britain will do anything it can to drain the wealth originally acquired by the Hong Kong people, leaving behind heavy a financial burden so that the promise of the so-called a hundred billion

dollars of reserves will become a dishonoured cheque to the future SAR Government. Judging from what Britain has done, the people's worries are not entirely groundless. It is, therefore, an important task for us and the community at large to step up monitoring measures to prevent such things from happening. Take this year's policy address as an example, the Government has in the past, never attached much importance to social welfare. But all of a sudden, the fund to be allocated to social welfare expenditure is drastically increased this year. Britain is apparently rushing to do the things which she has been unwilling to do or did not dare to do over the past 100 years. The Governor may probably think that by spending generously on some irresponsible projects, he can effectively undermine the financial foundation of the future SAR Government. However, though it is possible for him to drain the wealth built up by our people, it is difficult to say whether he has the ability to undermine our diligence, wisdom, and ability to cope with changes. As Hong Kong develops, we have experienced many ups and downs. But with our diligence, wisdom and ability to cope with changes, we have always managed to turn danger into safety. Being such a small place with inadequate resources, Hong Kong relies very much on these precious assets to score its success today. The miracle accomplished by the "Pearl of the Orient" is entirely attributed to the joint efforts of the whole community. Of course, we have China as our powerful backing. The reform and open policy adopted by China has brought about prosperous and thriving opportunities essential for the economic development of Hong Kong and the Asia-Pacific region. It has become the consensus of the public at large that "If the Mainland is doing fine, Hong Kong will be fine too." In his policy address, the Governor took pride in the economic development of Hong Kong. But I guess we will all agree that if the Governor can conform to the inevitable trend of historical development and give more concern to the long-term economic development of Hong Kong, we could have performed even better.

Incidentally, I would like to make a point that in the section "Resources for the Future" before the conclusion of his policy address, the Governor seems to emphasize that a better future for Hong Kong will entirely depend on the amount of reserves we have. But I believe that Hong Kong people understand very clearly that our future still hinges on whether we can make full use of our diligence, wisdom and ability to cope with changes. If these assets that we cherish most are taken away, we cannot guarantee that Hong Kong will remain prosperous and stable even though we are left with reserves that is several times larger than the existing one.

I would like to make another point and that is, the Governor probably thinks he can win the favour of the elderly by what he did. As a matter of fact, he quite fails to understand the mentality of a substantial number of our old people here. After all, he is a politician from a western country and knows very little about Chinese culture and traditions. The prosperity of Hong Kong is the fruit of strenuous efforts and hard work on the part of Hong Kong people both in the past and at present. Many of these people are elderly who have made contributions to the society through their strenuous efforts and devotion.

According to Chinese cultural tradition, respect for the elderly and the capable is our shared ideal. A great majority of the old people here have a strong sense of self-respect. What they want from the Government are genuine care and respect rather than being treated as "impotent" or a special group of infirm people who need "extra care". For example, we are often politely refused when we try to offer help to the old people who are preparing to cross the road or climb the stairs. They invariably reply, "No, thank you, but I can manage." Some elderly people are not happy at being addressed as "old", not to mention asking for help. In his policy address, the Governor seems to have put the elderly people into a special category. Has he any idea that in doing so, he will hurt the pride of the elderly people? To date, Hong Kong has developed to such a stage that the Government and the community should take up the responsibility to care for the elderly, the sick, the infirm and the handicapped. The Government must seriously seek the opinions of all strata of the society, and, basing on the actual needs and affordability of the people, formulate practical and feasible measures to safeguard the livelihood of the people after their retirement. Welfare for the elderly should not be used as a political chip.

I think that is enough. I hope we can stop criticizing the Governor for what he did because he has become insensitive to what people say. So what is the point of "criticizing" him any further?

Mr President, I so submit.

MR PANG CHUN-HOI (in Cantonese): Mr President, since the political package proposed to this Council by the Governor, Mr PATTEN, two years ago was considered by the Chinese side as "three violations", there have been incessant rows between the British and the Chinese sides. Recently, the Chinese side even threatened that a provisional legislature would be formed after 1997 to replace the three-tier representative government during the vacuum period following the abolition of the through-train mode. Such blatant words and deeds in violation of the Sino-British Joint Declaration and the Basic Law have caused great worries to the people of Hong Kong.

In fact, the political package passed by this Council in June this year seeks only to expand the electorate of the nine newly-added functional constituencies. This accords with the wishes of the majority of people for democratic elections. If the Chinese side takes an excessive measure to destroy the "stove", the prosperity and stability of Hong Kong will certainly be jeopardized.

This year, Mr PATTEN has delivered his third policy address since his assumption of office. Although he has devoted a lot of space in the booklet entitled *Hong Kong: A Thousand Days and Beyond* to promising to co-operate with the Chinese side, from the recent reaction of the Chinese side, it seems that there are still a lot of obstacles to changing the existing confrontation state of Sino-British relations.

The labour sector has all along been opposed to the importation of foreign workers and has reflected their views on importation of foreign workers to the Government through the various channels. Regrettably, the Government has turned a deaf ear to their views, and the Governor is still unwilling to abolish the General Labour Importation Policy, making it difficult for local workers, especially non-technical workers and workers affected by restructuring of industry, to find a job. Even if local workers are willing to receive retraining, it is an indisputable fact that some employers who rely on the option of importation of foreign workers have imposed harsh recruitment conditions on them and particularly discriminated against them in terms of age and academic qualifications. Moreover, employers in many trades have been importing foreign workers under the camouflage of training but the departments concerned are just turning a blind eye to the situation, making the situation deteriorate. I would like to urge the Government here to put an end to this anomaly as soon as possible and review the effectiveness of the retraining scheme to safeguard the rights of local workers in seeking employment.

Many years ago, the labour sector had requested the Government to introduce the Central Provident Fund (CPF) as soon as possible. Regrettably, the Government succumbed repeatedly to the pressure of the commercial and industrial sectors and rejected time and again the request for introduction of a retirement protection scheme for all employees in the territory. As a result it has to withstand the great pressure arising from the present increasing outlay for social security. Had the Government taken the good advice readily and accommodated the wishes of the public at that time, it would not have to worry about the ageing of the Hong Kong population before 1997.

In late 1991 when the Government published the consultation paper on the mandatory retirement protection system, the commercial and industrial sectors changed their usual stand by switching to support the CPF which they had opposed over the past few decades. At that time, they argued eloquently in the Council, emphasizing the many advantages of the CPF. I hope they will refer to the misgivings which they previously put forward in their speeches in this Council. When they opposed the CPF, they criticized it as good for nothing, something which would only do harm but no good, such as the drawback that the implementation of the CPF Scheme would result in a huge sum of money being locked up, causing great obstacles to the economic development of Hong Kong. I hope that they will argue with the same eloquence and good reasons when they put forward their views.

Now the Government is seeking to introduce the Old Age Pension Scheme (OPS) with the consultation period ending in late October. According to a survey conducted by the Government in the local community, 70% of the public are supportive of this scheme. Although some scholars and associations of senior civil servants have reservations or even objections to this scheme, it is obvious that we have reached a consensus, this is that those elderly people who have contributed to the economic success of Hong Kong and the prosperity of society should be taken care of by the community. The OPS would not only

dispel the worries of these elderly people about their livelihood at old age but, more importantly, would also enable them to live in dignity. Moreover, I have to stress one point here that society's requittal to the elderly people should be a matter of course rather than a kind of alms.

Since there is still a period of time before the implementation of the OPS, it is important to seek the consent of the Chinese side. But the Government should, above all, attach great importance to the views of the public by securing a concrete or perfect implementation of the scheme, and more importantly, a comprehensive review should be conducted on the present social welfare policy before the implementation in order to raise the level of public assistance so that the elderly can have a secure old age.

Hong Kong is entering the latter half of the transition period. In the remaining period of less than one thousand days, I think the Government can hardly move an inch if there is no improvement to Sino-British relations because all policies relating to the economy, livelihood, welfare, medical services, housing and so on will certainly straddle 1997, and will have to be discussed with the future sovereign state. Lots of difficulties are being experienced in a host of current problems such as the Court of Final Appeal, the container terminals and the new airport. For the future prosperity and stability of Hong Kong, it is incumbent on the Chinese and British sides to put aside as soon as possible all their prejudices and co-operate with each other to tackle these problems. This is what Hong Kong people would like to see.

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

MRS SELINA CHOW (in Cantonese): Mr President, while we are having no end of a discussion on Sino-British relations and the changes in the political arena, I would like to divert the focus of attention to the problem of law and order, which has a direct bearing on the people of Hong Kong. I earnestly believe that a good law and order situation in Hong Kong is the pre-requisite for the six million population to live and work happily and in peace. As the saying goes, "where there is peace, there is prosperity".

Of course, I am very happy to learn from the Governor's policy address that the Administration will step up effort to safeguard the security of the territory and that the maintenance of law and order is given top priority. But having looked at the so-called new measures, I am indeed very disappointed to find that apart from the setting up of the Central Witness Protection Unit, the only other thing being mentioned is to strengthen the manpower. Besides, there is no sign of any policy formulated for crime prevention and no attention is directed at the crux of the problem. Moreover, just talking about an increase of a few hundred officers without specifying how many people are actually needed is only a cursory response or a sop to members of the public in order to alleviate their concern.

Judging from the crime rate and the number of reports lodged with the police, the law and order situation in Hong Kong is not too bad at present. But in fact, what we hear, see and feel is that the influence of the triads has already permeated every nook and cranny, such as housing estates, markets, schools and so on. It can be said that the triads have already been exerting an across-the-board influence. Residents of housing estates, men and women, old and young, are living in fear of either robbery or burglary. Criminals in Hong Kong and those in China have been conspiring with each other and, besides, sex offences are an everyday occurrence. What is more, driven by the inducement and intimidation from unscrupulous gangsters, our future generation is going astray. These underlying social crises are a threat to us all the time.

Over the years I have stressed time and again in this Council that the efforts made to maintain law and order should be centred on prevention. Sufficient police manpower is vital for the prevention of crime as well as the fight against crime. Regrettably, not a word is mentioned in the policy address about a study on the manpower requirement of the Royal Hong Kong Police Force which was conducted jointly by the higher echelons of the police and a consultant company at a cost of several million dollars.

From what we have learned, the report of this study recommended that the police should recruit 2 200 additional police officers, of which 70% are to take up front-line duties and the remaining 30% are to take up logistical duties. It is stated in the Policy Commitments that an extra 800 police officers have been recruited this year, 400 of them for front-line duties and the other 400 for logistical duties. In that case, there is a shortfall of 1 400 police officers. But, in fact, what is the situation regarding the manpower establishment of the Police Force? On 1 January 1991 there were a total of 27 578 people serving in the Police Force. On 1 January this year, however, the establishment of the Police Force was surprisingly reduced to 27 263 which is 300 less when compared to three years ago. Why is it so? Can the work of the police nowadays be easier than that three years ago? Or has public demand for police services diminished? And in what way is the recommendation made in the report mentioned earlier being reflected in such an establishment?

Mr President, the Secretary for Security, Mr ASPREY, denied the existence of any manpower problem within the Police Force last Saturday during the briefing that he gave on the Policy Commitments. He said the vacancy rate of the Police Force at present was 0.15%. If the Secretary for Security positively recognized the manpower requirement of the Police Force as that stated in the report and be committed to a long-term evaluation of the law and order problem in Hong Kong, he should not have given an illusory account to the Legislative Council or the members of the public.

I believe that the members of the public are very happy to see more resources being invested for the establishment of an effective Police Force. It is not my wish that the Government should stall the implementation of the professional recommendation to beef up the Force as made in the consultant's

report on the pretext of administrative considerations or for financial reasons, or through the application of bureaucratic means, or by employing the same method as in the handling of the MacPherson report in a bid to repudiate the views advanced in the report.

If the Government refused to invest for the purpose of recruiting additional police officers, the shortage of manpower would anyhow persist even with the enactment of a few more pieces of legislation similar to the one concerning organized and serious crimes. In that case, the desired effect in fighting crimes would by no means be attained. As the saying goes, "seven lids cannot cover 10 buckets". For instance, the police have recently set up school support teams to contain the spread of triad influence to schools in 16 districts. This measure absolutely warrants our support. But on second thought, would it mean transferring away police officers originally deployed to patrol the streets and thus weakening police presence in this aspect?

I would like to emphasize that public confidence in the Police Force depends on whether or not the citizens feel secure. Undeniably, such subjective feeling is, to a large extent, determined by whether the citizens themselves can frequently see policemen patrolling and whether they can locate a policeman for assistance should an emergency arise. For this reason, the police should beef up its beat patrol manpower. The prevailing public opinion generally favours the deployment of more police officers for patrolling and even the reopening of Neighbourhood Police Units, the setting up of police posts, the placement of beat record books, and, the beefing up of high-rise patrol in public housing estates. My view is that, in considering the transfer and deployment of manpower within the Police Force, the Government should also take into account the question of public confidence and accommodate as best it can the opinions of members of the public.

Another crucial element in the combat against crime is to bolster mutual trust between the police and the community so as to set up an effective intelligence network, which is equally important for fighting and preventing crime. Although the police have been calling on the community to lodge reports, this is far from being enough. Besides, the reasons why members of the public are reluctant to or afraid of lodging reports with the police have not been addressed.

In making contacts with members of the public in districts, we learn that they still adhere to the traditional belief of "never step through a government office door in one's lifetime" and, apart from this, they generally consider lodging reports with the police very annoying and time-consuming. Some are worried lest the information they disclosed in lodging the report should be handled in an otherwise than confidential manner. They are even worried that the triads may obtain from the police their personal particulars and therefore they will be subject to retaliation by the gangsters. I also learn that reports lodged by district residents were not accepted by the police because no injury was involved.

The police have categorically stated their determination to improve relations between the police and the community. It certainly deserves our support and encouragement. But their performance does not show that they are earnestly determined to achieve this end. Besides, as some front-line police officers who are in direct contact with members of the public might not be working hard towards this end, the gap between the police and the community is incapable of being narrowed down.

If members of the public are reluctant to lodge reports with the police, the police will be unable to grasp the actual figures and trend of crimes. This is the immediate detrimental outcome. In fact, the data which show a decline in the crime rate as cited in the policy address do not constitute a reliable indication and, what is more, they give an illusion of security. It might actually be a false picture because, as we all know, there has been an upward trend in cases involving juvenile delinquency, drugs, and so on. Anyhow, the number of reports lodged is only a meagre reflection of the crime problem. If the police are complacent about these figures, they are only deceiving other people and their own selves as well.

In order to enable the police to have a clear idea about crime in Hong Kong, I suggest, in light of the practical circumstances, that the Security Branch should conduct a survey on the victims of crime as soon as possible, thereby finding out how many people have actually refrained from reporting to the police when they should do so, what sort of crime they face and the reasons which hold them back from lodging reports with the police. Through such survey the police can see more accurately where the problems lie so that specific deployment directed at respective areas can be arranged.

Another issue which gives cause for concern is the increase in the number of sex offences and cases in which women are abused or battered. There is no denying that as far as physical strength is concerned, women generally are at a disadvantage and they need to be properly protected. According to statistics from the Harmony Home, a voluntary organization set up exclusively to assist abused or battered women, in the year 1993-94, a total of 240 women asked for assistance, but the organization's hot-line service attended to 2 981 enquires.

It is more distressing to learn that as many as 91% of the women who moved into Harmony Home last year had been abused both physically and mentally. This percentage is somewhat higher than the one of the preceding year. The number of those who had been abused sexually has even increased almost twofold. It shows that the problem has worsened to a point where immediate solution is required.

Mr President, the Liberal Party has adopted a firm standpoint in another important issue which concerns people's livelihood. We support the Government in advocating the long-term policy which seeks to enable all home buyers to buy their own flats. It is because we are of the view that acquiring a flat of one's own is the most effective way to foster the sense of belonging and

commitment of members of the public. In the coming months, the Liberal Party will actively find ways and means to press the Housing Authority to consider putting on sale a considerable number of public housing units. Besides, there are over two million people living in public housing estates in Hong Kong and the quality of their life depends on those who are responsible for the management of the housing estates. The supply and maintenance of the basic facilities, the safety of residents and the maintenance of the environmental hygiene standard are all closely related to these two million people. The Liberal Party will continue to work with the Housing Authority and the Housing Department to strive for improvement of the services, to rectify the existing malpractices and to reverse the bureaucratic attitude of indifference.

With these remarks, I oppose the motion.

MR SZETO WAH (in Cantonese): Mr President, in his policy address, Governor Chris PATTEN said and I quote, "If I may paraphrase Thomas à KEMPIS, the administration proposes and the legislature disposes."

I lack the erudition to know who Thomas à KEMPIS was, nor am I knowledgeable enough to tell the source of this quotation. Fortunately, a columnist offered a timely explanation in the *South China Morning Post* on 6 October, which pointed out that Thomas à KEMPIS was a German priest in the fourteenth century whose original words were "Man proposes, but God disposes."

A comparison between the Governor's paraphrase and the original wording of the quotation shows that the so-called paraphrase is not only a linguistic sleight of hand, trying to take somebody's words out of context, but is also a substitution altering the very substance of the original quotation. He substitutes "God" with "legislature" and "Man" with "administration". As a Catholic, does he feel that it is somewhat blasphemous? Or does it mean that he is really attempting to put the existing Legislative Council onto the estrade reserved for divinities?

Let us disregard the original phraseology attributable to Thomas à KEMPIS, and examine the paraphrase in question. We will find that it is not a true account of facts but a total misrepresentation.

There have been many motions which are passed by the Legislative Council but are not accepted by the Administration, as the case with the Court of Final Appeal, The Housing Subsidy Policy (Double Rent for more well-off tenants), the Central Provident Fund, the Human Rights Commission, and so on. As regards the Bills introduced by the Administration, if the amendments proposed to the Bills by Members are likely to be passed, the Administration simply will not let the Bill go forward as an item in the Order Paper as is the case with the proposal to increase rates when the proposal looked set to be defeated by Members who wanted a reduction; or the Administration may even

withdraw the entire Bill, as is the case with the Bill relating to severance payment. More often than not, the Administration does not expressly object to the proposed amendments, but keeps stalling and then the whole thing is shelved.

Can we describe this situation as "the administration proposes, and the legislature disposes"? Maybe a minor alteration can more faithfully and vividly reflect the truth: "the legislature utters lots of words, but the administration has the final word."

The existing relationship between the legislature and the Administration reminds me of the provisional legislature proposed by the Preliminary Working Committee (PWC). The establishment of the PWC, in itself, is already a shock to the community. Since its establishment, every suggestion or view advanced by it brings shock: "the allegiance of the civil servants", "that the Special Administrative Region Government (SARG) Land Fund shall not be put into the SARG reserves", "that the Bill of Rights Ordinance shall be repealed", just to name a few. But the provisional legislature proposal brings the greatest shock of all. Has the PWC ever said anything that is gratifying or encouraging to Hong Kong people? There is a phrase "a dog's mouth grows no ivory".

If has been provisional legislature were to be set up, there would be two things that it would be bound to do: (1) to enact legislation against subversive activities; (2) to install now electoral rules. By enacting the former legislation, it could, *inter alia*, deprive some people of their rights to stand for elections. But the latter case reminds me of a story about what took place during the period when Japanese troops occupied Hong Kong for three years and eight months.

At that time, casinos were all over Hong Kong and all sorts of gambling games were available, such as Fan Tan, Pai Kau, Big or Small, Dice Games, and so on. One day, a Japanese plain-clothes detective walked into a casino and stopped at a Fan Tan counter. He placed a wad of military notes on the "One and Two" corner, which meant he bet that the number of chips that would be left on the table after dividing the chips four at a time would be either one or two. The banker at the counter shouted, "place your bets and hands off!" He then lifted the lid of the chip cup and were prepared to divide the chips four at a time when the detective drew a revolver from his pocket, pointed at the banker and yelled, "two at a time, two at a time only!" If the chips were divided up four at a time, in the end, there would be one, two, three or four chips left on the table, but if they were divided two at a time, the result would be either one or two. In other words, the detective, who had placed his bets on the "One and Two" corner would surely win the game. He might tell others, "you may either win or lose in a gambling game, but I manage to win the money!"

It has been reported that the provisional legislature will be appointed by the Preparatory Committee which is appointed by the National People's Congress. Such being the case, the provisional legislature will be appointed by another appointed body. There is a stroke in Chinese Kungfu which is called

"striking an ox from a distance". It is really eye-opening to witness the creation of another new stroke called "pulling the strings from a distance".

Earlier on, I referred to a quotation from Thomas à KEMPIS, in which God is mentioned. The provisional legislature also reminds me of God. In the Book of Genesis of the Bible, it is written that God made Adam and Eve in His own image, after His likeness. The provisional legislature may well be another God, hoping to guarantee that, with the installation of new electoral rules, a formal legislature can then be elected in its image and after its likeness, which is set to show how "strings were being pulled from a distance." With such a legislature, any law can be passed and law can be repealed and amended.

The setting up of the provisional legislature will be tantamount to announcing the demise of the spirit and the principles of "one country, two systems" and "a high degree of autonomy". Alas! How tragic! For the dear departed, come and enjoy the offerings!

Mr President, I so submit.

MR JIMMY MCGREGOR: Mr President, it is impossible in a relatively short speech, for any Member of this Council, to attempt to respond to the many major points of policy and procedure and intention contained in the Governor's address. All we can do individually is to take a broad view of the state of affairs claimed by the Governor in the main policy areas, say whether we agree or do not agree and include specific and, one hopes, important points which each Member feels should be taken into account.

This is a political assembly, Hong Kong's version of the House of Commons, a parliament where the people of Hong Kong are represented and which is dedicated to the advancement of the interests of the people of Hong Kong. That is what we have all sworn to do, to protect and promote the interests of the people of Hong Kong. Not the interests of the people of Britain nor the interests of the people of China, but those of Hong Kong. We must each take a view therefore of these interests, their parameters, the matters which impinge upon them, the best ways to look after them properly and successfully and how they can be nurtured and protected in the long term. The British Government, a democratically elected government, is committed to handing over this colonial territory of Hong Kong to its rightful owner and, in doing so, seeks to leave in place an economic system unique in the world, enormously successful by any standard, with great potential for further growth, administered by a Civil Service which is both dedicated and professional and which is largely apolitical. This territory has long since crossed the line between colonial dependency and independent administration. The colonial master has seen fit to allow Hong Kong, expertly led by its Government, to shape its own economic and social policies, to put in place the highly effective taxation and public expenditure systems which have allowed Hong Kong to achieve record economic growth, rapid expansion of social services and

consistently productive fiscal policies resulting in one of the strongest economies in the world today. Hong Kong is an international city of great renown because it has such a successful and open economy, because the policies put in place by the Government over many years have ensured a level playing field for all, local and foreigner alike. These policies have been consistent within an overall philosophy of free trade, open market, free enterprise and low taxation. It was the Hong Kong Government which put these policies in place, not the Legislative Council nor even the Executive Council, both of which have a supportive role of consideration and approval.

Within the development of government policy, the Civil Service is a paramount player. Policies are not generally thought up by the Executive Council or the Legislative Council or any of the myriad boards, councils and committees which support the work of the Government. These committees have a very important role but it is the Civil Service which constructs policy proposals and which gives them form and substance.

I have listened rather too often in this Council as severe criticisms have been directed at government branches, departments and against senior officials alleging incompetence and sometimes serious negligence where the officials have been unable to fight back in similar vein. Such criticisms have often been unreasonable, politically motivated and damaging to the integrity and authority of the Civil Service and therefore to the Government. The need for politicians, especially in an election year, to have a target for complaint and even ridicule has led some to attack the Civil Service and the institution of the Government without real cause and purely to attract public attention. Perhaps luckily for Hong Kong, such attempts to denigrate the Civil Service have become so frequent that the media and the general public are beginning to understand that some of them at least amount to political rhetoric.

Some of my former colleagues in the Government have spoken to me over recent years about this disheartening situation, about their dismay and sometimes anger, at comments and accusations levelled at them by Councillors who really should know better. They are usually unable to fire back. This is a situation which is certainly undesirable. The remedy may lie in the hands of the political leaders in this assembly. The leaders of political parties who ought to be able to encourage political maturity. The efficiency and loyalty of our Civil Service is quite clearly essential to the continuity of effective public policies and to the continued development and expansion of our public services. Civil servants are colleagues and not our adversaries.

The Governor's speech made this point very clear when he detailed the huge and expanding responsibilities devolving upon the Civil Service across the entire field of government work. The Policy Commitments and the record of progress already achieved attest to the efficiency and dedication of civil servants. I need not comment on specific targets and those which, despite all efforts, have not been reached.

I want to say a few words on law and order, however. It is in this area where our community faces the greatest threat of damage and where the Civil Service and the disciplined services by themselves may not be able to prevail. The extraordinary growth of Hong Kong with its concentration on material wealth and the now rapid progress towards change of sovereignty have combined to create a situation within which criminality can flourish. Cross-border crime is inevitable, considering the disparity between the Chinese and Hong Kong economies.

There is greater and greater opportunity for criminal liaison and the incentives are very large and growing. There is also a tendency, no doubt, for Hong Kong criminals to try to move their resources abroad and get out before 1997. In addition, we face determined efforts by many immigrants to come to Hong Kong from China by any means open to them. These pressures will continue and the forces of law and order will need all our help in their efforts to protect us from the criminals.

I would like to see the Organized and Serious Crimes Bill brought into law. I feel also that the powers given to the Independent Commission Against Corruption (ICAC) must not be seriously eroded or qualified. The ICAC has done a wonderful job for Hong Kong and it must be allowed to continue to do so. In this case, I have to declare an interest as a member of the ICAC Review Committee.

Mr PATTEN's political package is now in place and has begun to function. It was only narrowly approved however in this Council and his success must therefore be seen in that light. I was glad therefore to see that the China-oriented political groups and parties made strong efforts in the district board elections and had a good measure of success. I hope they will continue to offer Hong Kong people an alternative view of some aspects of the way we govern ourselves. The political party to which I belong, the Hong Kong Democratic Foundation, has worked closely over many months with the Democratic Alliance for the Betterment of Hong Kong and the Federation of Trade Unions in seeking an early and successful outcome to the Government's proposal on the Old Age Pension. Some people have said that we make strange allies. Not at all. People who agree on something important should not be dissuaded by political orientation.

In any event, our political system is now assured until June 1997 when it will be unstitched by China and replaced by another. That will be a pity in my view since China has absolutely nothing to fear from the system of the Government in Hong Kong to which we are now committed. China will appoint the Chief Executive (Designate) in 1996 and in 1997, the Chief Executive will appoint his Executive Council and approve his heads of government branches and other important government functions. The Executive will certainly command considerable support in the Legislative Council through the exercise of the system which is being put into place right now. I am at a loss to know why China should feel so threatened by these arrangements. China's supporters

in Hong Kong will certainly put up a strong fight next year to gain seats in this legislature. I am aware of the strength of this campaign already in my own constituency. So perhaps China can be persuaded to leave the system alone and work with it, not against it. A further point is that no Councillor in this Chamber now or in the future will ever be here because he is anti-China. All are here because we are pro-Hong Kong. That means that we may have to disagree with China from time to time. Nothing wrong with that. We also help China a great deal so there is a balance.

Which brings me to the vexed question of co-operation with the Preliminary Working Committee (PWC). I think Mr PATTEN should be more willing to help PWC members understand the background and motivation for government policies and procedures in order to allow PWC members to exercise their advisory role for China with greater knowledge and bearing. Whether we like it or not, whether the PWC is an unofficial body not mentioned within the Joint Declaration is neither here nor there. The PWC is a fact and is advising China on all aspects of Hong Kong policies and development. These are people with knowledge of Hong Kong but to a large degree without the hands on experience which civil servants possess. The PWC will provide many members to the Preparatory Committee in 1996. They are already making pronouncements which show clearly their lack of knowledge and maturity.

It makes sense to me to establish a better liaison with the PWC than the Governor has proposed. The PWC does not need to have the status given to it by China formally acknowledged by the British. But the Hong Kong Government can help to establish better working procedures which will allow the PWC to advise China with greater inside knowledge. The danger is that, if an effective liaison is not established, the PWC may give inexpert or misleading advice to China which will be reflected in unwise and perhaps damaging decision by China on Hong Kong affairs. This situation is already worrying.

I therefore urge the Governor to reconsider the question of support for the PWC. Let us proceed towards 1997 with as much goodwill as can now be developed. A sense of realism must prevail if we are to meet the many challenges ahead. Most of these cannot be overcome if China and Britain argue over the last years of British rule. Neither government will discharge its bounden duty towards Hong Kong and both will suffer consequences. Unfortunately Hong Kong will suffer most.

The organization I represent has already submitted its views on many of the issues touched upon in the Governor's address. I will not repeat them except to say that two issues in particular pose serious problems that must be resolved with good sense and determination. The first and one of the most intractable problems of all is continuing inflation at a level which presents danger to the economic well-being of Hong Kong. The Government must do all it can to bring inflation down to a manageable level consistent with steady growth and the protection of savings and our financial reserves. A level of inflation consistently above 8% poses obvious dangers to monetary and fiscal stability.

The Chamber, that is, the Hong Kong General Chamber of Commerce, has proposed, *inter alia*, that there should be tighter control on salary increases within the Government. The Government should provide guidance to the private sector and to employers by example. The business sector will certainly play its part.

I must mention another contributor to inflation. We have more than full employment and the upward pressure on wages is fuelling inflation. The Government has acknowledged that there must be selective immigration of categories of workers in very short supply. Over 100 000 domestic workers provide an essential contribution by releasing local workers for productive jobs. 25 000 contract workers and 1 000 professionals also contribute to our economy. That is still not enough and there is a strong case for further selective contract immigration against proven need. This is an adjustable system. If the economy cools down, contract immigration can be adjusted. Many other countries use the same system to their advantage.

I will finish, as I started, by expressing the view that it is the Government which must take responsibility for determining how best public policies should evolve and be put into place. It is the Government which must provide balance in the society and community. In a rich economy like ours it is the Government that must consider how best to look after those who cannot help themselves and who have no influence to bring to bear. Businessmen do not normally engage in philanthropy as part of their daily function. It must lie with the Government to protect the sick, the disadvantaged, the handicapped and the aged. This requires resolve born of duty and principle.

Thus the Government must not again falter in its duty to provide an honourable and just retirement system for our senior citizens. I feel sad to see the delaying contortions of those who oppose the Old Age Pension Scheme. I deeply hope that China will not listen to those who oppose the Scheme but rather consider what is right and best for Hong Kong's aged people.

I am afraid that I am again out of line with the thinking and views of the members of my constituency on this important issue.

In a survey of its members, attracting an 11% response, a large majority of those companies responding are opposed to the Government's Old Age Pension Scheme. A detailed representation has been made by the Chamber to the Government and no doubt will be copied to all Members of this Council. Despite the very low percentage response to the questionnaire by Chamber members, I do accept that its findings may be representative of the broad views of Chamber members. I am rather sad to say that I am in strong disagreement with the views expressed by the Chamber. It is of course the case that I have promoted the concept of an old age pension for many years.

I have said repeatedly to Chamber committees that there is a substantial difference between social security and social welfare. The latter, in my view, is a form of charity where people in situations of desperate need obtain financial and other support from the state on a severe means tested basis. Social security provides aged people with a pension payment by right and without the demeaning process of means testing. Old people have contributed their working lives to the community. Countries with any pretension to civic concern and with the means to do so almost invariably provide an old age pension to their senior citizens. The fact that some of these schemes have been criticized because of political mismanagement does not alter the truth that every one of the schemes now in operation provide an essential service to their recipients. The Hong Kong scheme has inbuilt safeguards against political manipulation. The low Chamber response may in fact mask serious concern and sympathy by businessmen for Hong Kong's aged people. I hope so and in any event I will continue to press the attractions of a state-run old age pension scheme, whilst examining all the alternatives now belatedly put forward by our business organizations.

Thank you, Mr President.

MR NGAI SHIU-KIT (in Cantonese): Mr President, with regard to the third policy address given by Governor Chris PATTEN, my comments on the parts on the economy and industrial development are "old wine in a new bottle" and "merely better than nothing". Concerning the part on strengthening the co-operation between the Chinese and British Governments, it is still empty talk. No concrete action to deal with the matter has been suggested. It is indeed doubtful how he can exercise control in the next 1 000 days and achieve the aim of extending British influence beyond 1997. Being a member of the Hong Kong public, I have been very concerned about how the economic prosperity and development of Hong Kong will continue in the next few years. I would like to make more comments on this aspect today.

Just like the formats of previous policy addresses, Governor PATTEN puts the theme of economic development in the first and foremost part of the address. The subheading is known as "The Economy Comes First". As many as several hundred words are used to introduce the way to achieve the policy objectives of "price stability", "promoting the economy" and "encouraging initiative and investment". However, when we look behind these rather attractive titles, it is found that the contents contain: "price stability is the responsibility of businessmen" while "promoting competition" is limited to the local economic scene; as to measures for "encouraging initiative and investment", there is no specific suggestion whatsoever. The measures are also obscure and devoid of merits.

Mr President, the Governor mentions rising inflation in this policy address, but he only puts the blame on the surge in food prices and urges the business community to search for lower costs and higher standards of

productivity. He completely ignores the fact that the cause of Hong Kong's inflation is structural. The limitation of land supply, high land price policy and escalation of rates are inflation-fuelling acts on the part of the Government. In his policy address, Governor PATTEN neither assumes any responsibility nor formulates any plan nor makes any commitments regarding future action to curb inflation.

Mr President, the undesirable effects of inflation are not only detrimental to people's livelihood, the most horrible thing is that they erode Hong Kong's economic impetus and its power to compete internationally. If no improvement is forthcoming, they may even wear down the prosperity and wealth here. Hong Kong's current inflation rate is about 8.5%, which is at least one percentage point higher than those of the other three countries among the Four Dragons of Asia. Nevertheless, Hong Kong's economic growth rate is far lower than those of the other three little dragons. Take Singapore as an example. Singapore's per capita gross national product is US\$18,025 and is nearly the same as Hong Kong's US\$18,500. However, Singapore's economic growth rate is as high as 10.5% and is 5% higher than that of Hong Kong while its inflation rate of 5.1% is far lower than that of Hong Kong. Will an investor choose to invest in a country where the inflation rate is low and will not push up the production cost or a place where the inflation rate is high and the cost spirals? And will a consumer choose to buy Hong Kong products, the costs of which are ever on the increase? The industrial and commercial community finds it twice as difficult to formulate long-term investment competition strategy. I am deeply worried about that.

Mr President, the economic success of Hong Kong is not a matter of course. In the past decade, the local economy had still managed to sustain growth which was closely related to the emerging Chinese economy. However, even Governor PATTEN is obliged to admit that "Nor is Hong Kong indispensable to China's economic development, despite the important part played by Hong Kong trade and investment in the modernization process." Although Governor PATTEN is aware of this situation, he does not seem to be worried at all. It looks as though he is still adopting the attitude of a bystander, without any intention to take action to enhance Hong Kong's macroeconomic competitiveness. The industrial and commercial sector expects Governor PATTEN to do more in this aspect so that Hong Kong can enjoy continued economic prosperity up to and beyond 1997 the way he wishes.

In his policy address, Governor PATTEN stresses the continual importation of foreign labour to relieve the pressure on the labour market. Hong Kong's labour shortage is an undisputable fact, but has the Government handled the applications more flexibly according to the actual needs? This is not mentioned in the policy address. It is regrettable that there is not even a single word about the importation of foreign labour policy in the policy commitments of the Secretary for Education and Manpower. Mr President, as this Council's industrial sector representative, I had received numerous complaints about dissatisfaction over the quota system of foreign labour from manufacturers in

the past. Take the latest importation of foreign labour scheme as an example. The Government ignored the actual needs of the manufacturing sector and did not adopt a reasonable allocation method. I am very dissatisfied with this. In recent years, the Government has kept publicizing that the local manufacturing industries are on the decline. Certain industries are described as sunset industries which are not worth promoting. Hence, the quota on foreign labour was allocated mainly to service industries. Nonetheless, if the indexes in respect of the number of qualified applicants and underemployment in each industry are carefully analyzed, it can be realized that the measure taken by the Government is unfair and that is what makes the industrial sector feel very displeased. In fact, the contribution of manufacturing industries to the Hong Kong economy is obvious to all and cannot be ignored. The Government stresses that the main consideration in allocating the quota on foreign labour is the underemployment situation of the industry in question. That being the case, why is the difference between the quotas allocated to the catering industry and the electrical and mechanical industry so great, bearing in mind that these two industries have similar underemployment indexes but the former was allocated a quota amounting to 15.8% of the number of eligible applicants while the latter was allocated a mere 3.2%, in other words, the first quota being five times as much as the second? If the Government's allocations were based on the needs of eligible companies of each industry applying under the scheme, the numbers of eligible applicants of the import and export industry and metal manufacturing industry being very close, why were the applications of the former granted 100% approval while only a little over 30% of the latter's applications were given quotas? Moreover, why were the banking and financial industries given quotas which exceeded demand? On the contrary, why were the shoe manufacturing industry and handbag manufacturing industry given quotas which fell short of demand? The favouritism practised by the Government can hardly convince people in the respective industries of a level playing field. The Governor is turning a blind eye to this unfair situation and has no intention of rectifying it. He even ignores the viability of local manufacturing industries and refuses to review the current importation of foreign labour policy. It has been indeed unwise of him to do so, and I find it most regrettable.

Furthermore, Governor PATTEN and policy branch officials ignore the fact that applications to the scheme of importing graduate professionals and managers from China were over-subscribed by nearly nine times. Consequently, the scheme cannot relieve the problem of shortage of professionals in various industries and the Employees Retraining Scheme is criticized for not meeting the needs of the market. Mr President, I am happy to learn that the department concerned is recently planning to double the quota for the retraining scheme. If the department concerned can attach importance to quality as well as quantity and monitor the employment situation of the trainees after they have completed the training, then such efforts can complement each other and the scheme can achieve the desired effects.

The establishment of the Applied Research Centre approved by Governor PATTEN is strongly supported by people in the respective industries. However, the start-up grant is only \$50 million. I hope that this is just a beginning and it will be helpful to industrial development if the Centre can continue to expand in the future.

As industrial development is still an important aspect of the local economy, all the above issues are of huge significance to local industries as well as our economic development as a whole. If Governor PATTEN does not attach importance to it and does not take a more active role in assisting industries to make progress, how can our economy continue to prosper right up to 1997?

Mr President, the Old Age Pension Scheme (OPS) proposed by the Government is in the pipeline and will be launched at any time. Many of my colleagues in this Council have already mentioned the setbacks of this scheme and I do not want to repeat them here. I only wish to point out categorically that the OPS mixes up the two totally different issues of welfare for the elderly and retirement protection. The Government's concept of this scheme is that old people will be maintained by people of the generation after next. I opine that welfare for the elderly and retirement protection should be clearly separated. The former is to provide the most basic living protection to unfortunate, destitute or helpless people. It is definitely a responsibility of the Government. The nature of the latter is to encourage self-help through the sharing of responsibility by employees and employers together. These two can complement each other in the implementation. The Government should, as soon as possible, formulate a long-term and comprehensive elderly welfare scheme and retirement protection scheme in order to really solve Hong Kong's old people problem once and for all.

Mr President, there are only 900-odd days before the handover of Hong Kong. This is a political reality. There is an urgent need for the Chinese, British and Hong Kong Governments to earnestly make appropriate arrangements for all levels of work regarding the handover. These are the actual needs. Being the Chief Executive of Hong Kong, Governor PATTEN has the responsibility of taking action to improve Sino-British relations and enhance mutual co-operation so that there will be a smooth transfer of sovereignty and a stable transition. I hereby sincerely urge the Governor to show sincerity and resolution in improving Sino-British relations for the benefit of the six million Hong Kong people. I also hope that the Governor will not totally ignore our painstaking remonstrations in the past 700-odd days. Our suggestions and requests have been reflected to Governor PATTEN time and again. It is hoped that Governor PATTEN can stand by his commitments, contribute to improving Sino-British relations and strive for the best interests of the Hong Kong community.

Mr President, I so submit.

DR SAMUEL WONG: Mr President, the Governor clearly regards the Civil Service as a marvellous efficient professional organization capable of enormous energy and speed, staffed by a lot of talented, dedicated people.

These words are not exactly those used in the Governor's policy address, though very like them. They are in fact a transcript of a television programme first broadcast by the BBC on 17 March 1980 entitled "Yes Minister", though that should in no way detract from the accuracy of the sentiment which I heartily support.

I suppose it is typical of an engineer that what struck me most about the Governor's policy address were the weaknesses in cost control — notably in health, engineering, learning and politics. Is it coincidence that the initials of these are "H", "E", "L", "P"? Let us examine them and see.

### *Health*

The achievements and progress in the health service are undeniable. At my age, I am particularly impressed by the care for the elderly.

Just a year ago, this Council debated Towards Better Health. At least two of us suggested cost saving by the greater use of traditional Chinese medicine, dramatically highlighted recently when a soldier's gangrenous hand was saved by a herbal potion apparently unknown to Western medicine. I also asked whether misdiagnosis added to costs. I happened to know a case where failure of the specialists in Queen Mary Hospital to diagnose systemic lupus erythematosus had resulted in a patient undergoing three unnecessary and damaging operations and an unnecessary five months' stay in hospital.

The Secretary for Health and Welfare replied to these points last July. The gist was that complementary medicine should be limited to primary health care and the private sector, despite the fact that at least two Government hospitals encourage it. On misdiagnosis, her exact words were "The number of cases of misdiagnosis is not exactly known but is thought to be small".

It is hardly surprising therefore that neither the Governor's address, nor the Policy Commitments, made any mention of either. Both could have considerable effects on costs.

Leading Western doctors all over the world advocate exploiting complementary medicine, partly because it is so cost effective. Furthermore, many feel Hong Kong should be the international centre of merging orthodox and traditional Chinese medicine and enjoy those cost benefits. Why is there no policy to be so?

Other Western doctors worldwide, in particular professors of schools of medicine at leading United States universities, stress the costs of misdiagnosis. They say misdiagnosis can be identified in as much as 50% of cases in some

areas. They emphasize the importance of creating feedback procedures to ensure that the extent of misdiagnosis is known and kept to a minimum. Yet Hong Kong is apparently satisfied not knowing the extent and with the subjective opinion that the number of cases is thought to be small.

In other walks of life, practitioners admit their fallibility and subject themselves to quality assurance. There is even an international standard on it, known as ISO 9000, to which organizations of all forms and varieties subject themselves to ensure public confidence in their output. The Government recognizes this standard and the Secretary for Works now requires contractors to comply with one of its derivatives to tender for certain projects.

It seems to me this is what we need in our health service — a test of all the overall procedures to see if they comply. If our health service were to be brought up to conform to ISO 9000, a procedural test having nothing whatever to do with the actual professional practice concerned, I believe we would experience massive savings in cost to the taxpayers. What a pity it was not included in the Governor's policy address, when engineering in the Government is already doing it.

### *Engineering*

Which brings me to engineering. First, let me stress the magnificent effort made by the Secretary for Works and his staff in continuing so successfully with our infrastructure development under the most exceptionally adverse conditions. At the other end of the scale, I am also pleased to note developments in the field of mobile telephones.

Next year the telephone monopoly ends. Yet this most far reaching and dramatic development in our infrastructure was not even mentioned in the address or the Policy Commitments — not even in the list of outstanding items for the Joint Liaison Group (JLG). It is almost as if the Government has no policy on the subject and is simply passively hoping that the introduction of competition will be a non-event which will take many of the regulatory worries off its hands.

It will not, as I am sure the Office of the Telecommunications Authority is aware. Everybody wants to start planning now for the new forms of communication likely to be available from next year onwards. But what is the policy on competition? In addition, corporations want to know if there is any policy to allow them to establish their own international network links, or to lease international circuits and re-sell voice services or any other device to mitigate the effects of the astounding long monopoly granted on international voice circuits. But no policy has been announced. Just more weaknesses in cost control.

There is another relatively trivial matter that is symptomatic of weaknesses in cost control. The Governor announced that, to protect the

environment, the Government would devise schemes to encourage a switch to unleaded petrol. This will cost money. Not much. But it is symptomatic.

There is no discernable difference in pollution between using leaded and unleaded petrol. Take it from me this is a scientific fact. That is not why unleaded petrol is provided. Pollution by petrol engines can be reduced by fitting a mechanical pollution reducer known as a catalytic convertor. If you use leaded petrol when a pollution reducer has been fitted, you can damage your engine. That is why unleaded petrol is provided. Just to complicate the issue, unleaded petrol can damage older engines, which is one of the reasons lead was added in the first place.

What is needed therefore is to devise schemes to encourage the fitting of pollution reducers to cars imported before 1992 — it has been compulsory since then. The use of unleaded petrol should follow if owners care for their vehicles and running costs. The encouragement of unleaded petrol generally, however, could be a waste of money and even render the Government liable to compensate those whose engines it damages. Promoting the wrong this is, at the bottomline, a weakness in cost control.

### *Learning*

I applaud the initiative to increase places for higher learning. But, I must caution against the bland and unsupported statement that standards are rising. Increasing places will inevitably lead to a lowering of intake standards unless there is a strong policy to compensate. None was indicated. This could lead in a few years' time to a surplus of failed or inadequate graduates. Clearly a potential waste of money.

### *Politics*

Finally, I applaud the Governor emphasizing the backlog of work of the JLG and hence the lack of purpose and resolve demonstrated by the Chairman and the two sides. I say again: two sides. Remember, it takes two to make a quarrel.

The Governor failed to quantify the effects of the Sino-British disagreement. I am not entirely surprised. It is frightening.

The costs to the Special Administrative Region (SAR) Government — let me stress that — the SAR Government, of the delays to CT9 have already been well-publicized as at HK\$20 billion.

I believe it is now generally accepted that Chek Lap Kok cannot be operational until well into 1998. It is not difficult to estimate the losses to the SAR Government of the congestion at Kai Tak in tourism, business and freight, the loss of land revenue of Kai Tak, the increases in the otherwise fixed prices

of contracts suffering such delays, retendering and so on. It could run into tens of billions.

Furthermore, the costs of tampering with air service agreements could be catastrophic to the income of the SAR Government.

So, while the Governor is proudly speaking of passing over to the SAR Government fiscal reserves of \$120 billion, 40% of that could already have been squandered in delays and meddling by the two sovereign powers, who are supposed to protect the financial interests of the SAR Government, and will appear in the form of additional bills or lack of revenue after 1997.

It is not difficult to extrapolate and see that if the Sino-British squabbling continues at its present rate, the fiscal reserves handed over to the SAR Government could be entirely absorbed by the quarrelling and fumbling, and that the SAR Government would be left, in that respect, penniless — the fiscal reserves having been totally spoken for.

I am afraid the Governor's fine phrases, such as "accountability and commitment", "strict expenditure guidelines", and "strict financial discipline" and so on, may prove to be empty words.

Nevertheless, I appreciate his approach. I just wish he has planned better cost control.

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

MR LAU WONG-FAT (in Cantonese): Mr President, regarding the Hong Kong issue, Britain and China have slipped from a co-operative and understanding relationship to a confrontational one with both sides refusing to budge. Someone attributes this situation to the excessive length of the transition period. Although this statement is rather ironic, it does not seem to be without reason. Looking back at the tremendous changes since the signing of the Sino-British Joint Declaration, one cannot help but feel that the process has been unduly long and that things have changed time and again in the past decade. Now there are only 900-odd days left before the sovereignty over Hong Kong reverts and it is a crucial time when Hong Kong badly needs the sincere co-operation of all sides in this later part of the transition period. Yet China and Britain are stuck in this tense situation of mutual distrust. It is indeed deeply regrettable and mind-unsettling.

When the Joint Declaration was promulgated 10 years ago, Hong Kong people generally felt relieved and regained confidence in the future of Hong Kong. I trust it was not only because the Joint Declaration guaranteed that our existing system and way of life would remain unchanged; the situation at that time also made people optimistic and believe that China and Britain would co-operate closely in the transition period to ensure a smooth transition as well as

continued stability and prosperity for Hong Kong. It is because only in this way can the common interests of the three sides be met. In fact, the successful formulation of the Joint Declaration and the establishment of the Sino-British Joint Liaison Group themselves reflect the promise by both sides to co-operate.

The consequences brought about by China's and Britain's lack of mutual trust and co-operation on the Hong Kong issue were keenly felt by Hong Kong people over the past few years. The arguments over the political system have already ruined the arrangements for the through train. Moreover, the worsening of Sino-British relations leads to the stagnation of the work of the Joint Liaison Group. Of course, there have been continuous, diverse and never-ending arguments which divide the community. The work relating to the transfer of sovereignty is heavy and the issues involved are numerous and inter-related. If the present predicament is to continue, it is certainly not to the benefit of Hong Kong. The Governor also clearly states in his policy address that, "We alone cannot ensure a smooth transition. This will require the full co-operation of the Chinese Government." I believe that these sentences uttered by the Governor are the consensus of people of various sectors in the community. However, the crux of the matter is how the relations between both sides can be improved when the basis of Sino-British co-operation has been damaged so as to prevent Hong Kong from suffering any further damage.

Recently, people from all walks of life in Hong Kong keep crying for Sino-British co-operation. The Governor also talks very extensively on co-operation with China in this year's policy address. The number of times that the word "co-operation" is used in the text is by far the greatest, I believe, among the three policy addresses that he has given so far. However, it is disappointing that the Governor has not suggested any practical way of co-operation to break the present deadlock.

The Governor's specific proposals in this respect are uncreative and cannot provide a speedy solution to this urgent problem. For example, he promises to provide the required assistance to the Preparatory Committee of the Special Administrative Region to be established in 1996, the Chief Executive designate, Executive Council members designate and principal officials and to assist in the smooth transfer of Hong Kong's defence duties in 1997. All these are promises that will only be honoured in the distant future, that is, two or three years later. Moreover, the proposed arrangements are things that a responsible government which is going to handover sovereignty should do. I feel that what needs to be done more urgently is to seek to break the ice of the existing unco-operative relations between both sides. There are so many important issues waiting to be solved during the transition period. Do Hong Kong people still have to wait for two to three years before they can expect to see co-operation?

Mr President, I am a Preliminary Working Committee (PWC) member. Although it may arouse suspicion, I would still like to discuss the Hong Kong Government's attitude towards the PWC. On the one hand, the Hong Kong

Government says government officials are not prohibited from contacting the PWC. However, on the other hand, the Government specifies that civil servants are not allowed to attend PWC meetings. Such paradox puts the civil servants under pressure and in fact makes it impossible for both sides to achieve effective communication. The Hong Kong Government's attitude can neither reflect civil servants' wishes nor help to allay civil servants' fear about the future.

The PWC's job is to make suggestions concerning Hong Kong's sovereignty reversion and smooth transition to the Preparatory Committee. We all agree that maintaining the stability of the Hong Kong Civil Service is essential to the stable transfer of Hong Kong's sovereignty. Therefore, the PWC longs to hear civil servants' views on a number of issues. Since the Hong Kong Government is willing to co-operate with the Preparatory Committee for the sake of a stable transfer of Hong Kong, why cannot facilities and assistance be provided to the preparatory working organ of the Preparatory Committee out of the same good wish? How can the reflection of views by civil servants to the PWC damage Hong Kong Government's prestige or shaken its rule? If the Administration can show more tolerance and flexibility in this respect, it is believed that it can have positive effects on bringing about improvements to the co-operative relations between China and Britain on the Hong Kong issue.

Hong Kong's political system is the bone of contention between China and Britain. With Britain unilaterally implementing her package and China deciding to set up a second stove, it is difficult to have any change on this issue. However, based on common interests, I feel that both sides can firstly join efforts in solving some less sensitive but otherwise urgent issues that concern the economy and people's livelihood in the two places.

An existing issue is how to co-ordinate large scale infrastructure projects in Hong Kong with those in the neighbouring Mainland areas. As we all know, the opening up and reform of China make economic exchanges between the two places closer and more frequent. The demand for both freight and passenger transport is growing rapidly. At present, relevant departments of the two places are preparing a number of large scale infrastructure projects to meet the needs. Very obviously, if these infrastructure projects are to achieve the greatest effects and economic benefits, we must co-ordinate with the other side. For example, there have to be co-ordination in the selection of the location of the routes, convergence, capacity as well as dates of completion and commissioning. These should be done for the mutual benefit of both sides and they are conducive to promoting economic and trade development as well as tourism and contacts between the people of the two places.

There is not only the need but also the urgency in co-ordinating the infrastructure projects between the two places. For example, how to co-ordinate the commissioning for the Beijing-Kowloon Railway is an issue which both sides need to solve speedily. It is regrettable that this issue was not given the importance it deserved in the past.

The Governor mentions in this policy address that in formulating the infrastructural facilities and development plans for Hong Kong, the situation of Guangdong Province and other areas of China has to be taken into account. He has also promised that he will respond to Chinese officials' proposals in this respect. The Hong Kong Government is beginning to take this matter seriously and such a move deserves to be welcomed. In order to speed up the work in this respect, I think that there is the need to set up an expert team comprising officials of the two places to be responsible for co-ordination.

Mr President, concerning the proposed Old Age Pension Scheme, my views are similar to those of the Liberal Party. Therefore, I do not intend to repeat them here. Instead, I would like to discuss environmental issues. Recently, the Government has launched some measures to clean up the environmental black spots in the New Territories. A department has been set up to handle the work concerned. I think that it is a rather good idea. The New Territories Heung Yee Kuk has all along been very concerned with the living environment of New Territories residents. In the past, we actively promoted the Rural Planning and Improvement Strategy formulated by the Government. We also supervised the actual implementation of this strategy to ensure that it was done in earnest. However, in recent years, the Government is obviously not enthusiastic about this kind of work. The progress of the projects is falling more and more behind the original schedule.

The creation of a beautiful environment is doubtless the consensus between the officials and the citizens. Nevertheless, the Administration cannot impose it as a blanket measure and disregard the rights and interests of the landowners and users. In particular, there are a lot of industrial activities in the environmental black spots which are closely related to the economy of Hong Kong and people's livelihood. The Government must strike a balance between environmental enhancement and people's livelihood. I recall that after the enactment of the Town Planning (Amendment) Ordinance, the Government has appointed the Special Committee on Compensation and Betterment to study the complementary measures that ought to be taken after the Ordinance has become effective, including compensating the affected landowners. The conclusions drawn by the Committee have long since been announced but the Government has been avoiding the question of compensation so far.

The New Territories Heung Yee Kuk thinks that the Committee's proposals in this respect are fair and reasonable and that the Government should implement these proposals as soon as possible rather than just implement those measures which are advantageous to the Government. That is what a government, which claims itself to be fair and responsible, should do.

Mr President, I so submit.

MRS PEGGY LAM (in Cantonese): Mr President, the Governor, Mr Chris PATTEN, formulated his third policy address since assumption of governorship in Hong Kong with the title *A Thousand Days and Beyond*. As the making of future policy is aimed at straddling 1997, I expected to find from the policy address brilliant tactics devised by the Governor after deep and farsighted contemplation with a view to achieving a breakthrough in Sino-British relations, thereby allaying public anxieties brought about by the row between China and Britain. Meanwhile, it was hoped that in respect of the major social issues which concern people's livelihood, the policy address would indicate the direction in which long-term and macro-level policies with greater commitments would be formulated. This would be the only way to make the people of Hong Kong feel at ease in the run-up to 1997 and free themselves from the agitation brought about by the intense war of words in recent years.

After all, a hope is a hope and it is because there is hope that there is disappointment. This policy address fails to show any imagination or courage that the Government should supposedly have so as to attain a breakthrough in Sino-British relations. What is more, in a bid to save his face, the Governor has been stubbornly refusing to recognize the Preliminary Working Committee. This has further strained Sino-British relations which are badly in need of patching up. At this very time when the row over the political structure has come to a halt, why did Mr Chris PATTEN, who has been active in the political arena for years, not grasp the opportunity? At this time when some 900 days are left before the transfer of sovereignty, no solution has yet been devised to deal with the impasse. I cannot help but ask: what is he waiting for?

I do believe that the realization of a smooth transition depends not only on the commitment and farsightedness of the government officials in their respective policy areas; another factor which counts would be the restoration of full Sino-British co-operation as soon as possible. The Governor does not understand this point and therefore there is only a cover which reads *A Thousand Days and Beyond* but no precise arrangement has been made for the days beyond. Can it be that the people of Hong Kong will be forced to play the role of "the blind jumping over hurdles" in the coming days and continue to stumble along a path leading to an uncertain future?

In any case, we, being practical and persevering people of Hong Kong, cannot give up the chance to create our future simply because of occasional obstacles. This is our right. This is also our responsibility to our next generation. Now, let me speak on a number of issues canvassed in the policy address.

#### *The elderly problem*

First of all, let me turn to the elderly problem. It is stated in the policy address that the services for the elderly will be put on the top of social priorities. But of the new and old measures as stated in the Policy Commitments, most are just administrative arrangements and short-term

measures to alleviate the problem. There is not any long-term elderly policy which seeks to provide a comprehensive range of care to the old people.

I do not support the Government's proposal to appropriate public funds by way of subvention to private homes for the elderly for them to improve their services. It is because turning public funds into the assets of a particular commercial institution constitutes a breach of the principle of public expenditure. Besides, it is unfair to those elderly homes which have already invested money to improve services. It might even slow down the progress of the projects undertaken by the elderly homes to improve the environment. My view is that the Government must enhance its communication with the organizations concerned in order to make a concerted effort to work out a sounder and more far-sighted solution.

If the Government is genuinely determined to care for the elderly, policies should be formulated as soon as possible with a view to providing a comprehensive range of care to the 500 000-odd elderly people who are over 65 years and who have different needs. I suggest that the Government should immediately increase the comprehensive social security assistance payment to \$2,300 per month as recommended by the MacPherson Report so that this group of old people who are in urgent need of financial assistance can enjoy a dignified old age.

#### *Old Age Pension Scheme*

Whenever the Government is questioned with regard to the elderly problem, it invariably produces the shield which is the Old Age Pension Scheme (OPS). It is even asserted in the policy address that the Government has ruled out the introduction of a Central Provident Fund. At present, there is quite a divergence of opinion in the community about which retirement protection scheme is to be adopted. The policy address, however, is full of arguments which advocate "the OPS as being the best option". That policies are formulated in such a way does make a mockery of the saying that government policies are open, fair and acceptable to the people of Hong Kong, which is what Governor Chris PATTEN has painstakingly stressed.

With regard to the OPS, the Hong Kong Federation of Women, of which I am the representative, has the following views. It is hoped that upon making decisions on the issue of old age retirement security, the Government will seriously take these views into consideration. The Federation is of the view that retirement security and old age welfare should not be lumped together. The OPS that the Government proposed denotes the sharing of social welfare commitment among three parties, namely the employees, the employers and the Government. The so-called "contribution" is in fact "taxation". As far as the retirement issue is concerned, the middle-income group and those whose incomes are above the middle level should be dealt with separately from those whose incomes are below the middle level. The Government should not adopt an impractical method thinking that the problem can subsequently be resolved

easily. For these reasons, I do not support the Government's proposal of the OPS.

Another point which deserves our attention concerns the criteria the Government uses in deciding which consultation paper should warrant a considerable amount of public funds to conduct a high-profile publicity programme. From what we have seen recently, the publicity surrounding the Government's proposal of the OPS might as well be described as no holds barred. Apart from the production of television announcement of public interest, full-page advertisements have also appeared on magazines of various sorts. The spending of public funds, of course, gives cause for concern. What is more, the publicity programme not only gives a one-sided view of the beautiful aspect of the scheme, it gives an impression that the OPS is a policy which will certainly be implemented, not a proposal under consultation. The way that the Government handled the matter has actually misled the old people on the one hand and on the other hand has laid itself open to the charge of being pseudo-democratic.

### *Women and family*

The management of human resources of the Government has long been a subject of public criticism. All along, the Government has turned a blind eye to women's economic potential. The women issue is barely touched upon in the policy address. As I said last year when the policy address was being debated, women today are content to go out to work and take care of their families concurrently despite the adversities they face. The community and their families, therefore, should give them proper assistance. For this reason, the Hong Kong Federation of Women has run a training programme which seeks to help women, who have quitted working on family or personal grounds, rejoin society. The response is quite encouraging, showing that many women are eager to rejoin society. The Government should immediately consider running a retraining programme for women as an initiative taken to assist women to become part of the human resources market. I hereby call on the Government to set up the Women's Commission as early as possible to co-ordinate the work pertaining to the improvement of women's status and, in turn, encourage women to make an even greater contribution to society.

The introduction of legislation by the Hong Kong Government to prohibit sex discrimination is an important step towards equality between men and women. Besides, violations of women's rights can also be prevented to a certain extent. Nevertheless, to attain a more far-reaching effect, it is necessary to direct proper attention to the prevailing social trend which makes light of the family concept and ignores the status of housewives. I hope that the Government can step up its effort to review its family policy and frame the policy afresh.

*Urban renewal*

While the well-being of society is being mentioned, the housing problem is something which must not be left out. I am most concerned about the redevelopment of old urban areas. Problems relating to the rehousing of residents, the repossession of property by unscrupulous means and the overall town planning cannot be solved simply by some short-term measures. I have received from residents of Wan Chai quite a number of complaints about unscrupulous gangsters repossessing property by means of violence and harassment. In fact, this has become a frequent occurrence recently. Very often as the police fail to interfere promptly, the residents can do nothing but tolerate the harassment. I hope that the police will keep a close watch on the repossession of property by unscrupulous means and step up publicity with a view to educating residents affected by urban renewal to come forward to report such cases. In the meantime, the police should issue guidelines to its front-line police officers to make them understand the existence of such a problem so that this kind of organized crime faced by residents of the old urban areas will not be overlooked. Besides, I urge the Government not to be preoccupied with the desire to attract the participation of private developer, thus relegating to a secondary position the interests of the affected residents, particularly the housing and other basic needs of the elderly and the low-income group.

*Law and order*

The law and order problem does not only bother residents of the old urban areas, it also has implications for the well-being of the entire community. A decline in violent crime is of course heartening. Yet, crimes such as theft, armed robbery and indecent assault are affecting the community most directly. I earnestly urge the Government to consider reopening neighbourhood police units in densely-populated districts and at black spots of crime thus making it easier for members of the public to seek assistance and serving as a deterrent to criminals.

*Environmental protection*

As Chairman of the Environmental Campaign Committee, I am very happy to see that the measure, which has long been urged for, aiming to control emission from diesel vehicles is finally accepted by the Government. If the territory can eventually impose a total ban on the use of diesel, it will be good news to those who are dedicated to the promotion of environmental protection. I suggested in 1993 that the Government should encourage the use of electric vehicles for environmental protection purpose. It is my hope that the Government can seriously consider this suggestion and formulate policies accordingly.

### *Conclusion*

Finally, I think the closing remarks in Governor Chris PATTEN's policy address are of historic significance and should be taken as the guiding principle. Those people of Hong Kong who view the territory as their homeland ought to understand that the honour of the sovereign power *vis-a-vis* the interest of the colony is like the sun *vis-a-vis* the stars. That is, although both are under the same sky, they do not necessarily coexist. Therefore, come what may, the people of Hong Kong should join hands in the transition to 1997 and never give up.

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

MR FREDERICK FUNG (in Cantonese): Mr President, before I comment on the policy address of this year, I should like to point out that there are a number of things for which credit should go to the Governor. Since Mr PATTEN took office, the operational transparency of the Administration has certainly been improved. This year, apart from the text of the Governor's policy address, there are also the Legislative Programme and the Policy Commitments which enable members of the public to have a better understanding of the Administration's policies as well as the direction in which work will proceed. This is what a responsible government should do and we hope that the government succeeding the present one will follow suit.

Let me return to the main subject of the present discussion. I can still remember the title of the Governor's policy address last year, which is *Today's Success, Tomorrow's Challenges*. It sketched a picture of tomorrow with daring foresight. The theme of this year's policy address is *A Thousand Days and Beyond*. However, judging from the policy address of these two years, one finds that the Administration is aware of where the problems lie, but that it lacks the determination to solve them. It deals with them in a superficial manner and seeks temporary relief out of expediency regardless of what dire consequences the expedient will bring. It does not take radical measures to get at the root of the problems. This will only aggravate and compound the interlocking problem that plague our community and intensify social conflicts such that no cure can be found.

Mr President, I would like to comment on the policy address in the following five areas.

#### *1. China-Hong Kong relations*

The intense row over the political reform package has now come to an end, and the smooth transfer of sovereignty has become the subject of the greatest concern to the people of Hong Kong. To have smooth transition, a high degree of co-operation between both the Chinese and the British side is a must. But as an ordinary citizen of Hong Kong, one will be disappointed having read through

this policy address. Of course, should both sides have the sincerity, the Joint Liaison Group could speed up the work progress. The remaining period of over 900 days should be sufficient for the smooth transition of sovereignty. But everyone in Hong Kong knows that, with the present state of Sino-British relations, to hope for a smooth transition would be like building castles in the air. It is too bad that while the people of Hong Kong are worrying about their future, the policy address should brag about achievements of the past and parade before the public what purports to be Hong Kong's successes during the 10 years after the Joint Declaration was signed. No doubt, there are successes that Hong Kong can pride itself on during these 10 stormy years, but they are not good enough to dispel our worries. What we want to know is what the Administration can do in such difficult times. We do not want it to try to put us at ease by citing a host of statistics.

We, Hong Kong people, being always kept in the dark as to what is going on in negotiations, have no idea of what have been fought for on our behalf by the British side. But if we look at the Joint Liaison Group's performance during the past several years, we will find that matters on which the British side managed to reach agreement with the Chinese side were few and far between. The agreement on military sites is one of the few. But apart from this, are there any other matters or things that we can find comfort in? Just like last year's, the present policy address gives an account of the contacts at the working level, but it dares not mention any contact at higher levels, which shows that Sino-British relations are still under deep frost. In the Motion of Thanks last year, I spoke to urge the Governor to resume regular meetings with Director LU Ping in order to abide by the provision of the Memorandum of Understanding Concerning the Construction of the New Airport in Hong Kong. It has been a year since, and Mr LU Ping also visited Hong Kong during this period. However, I never realized I would have to make the appeal once again this year, which is this: I ask Governor PATTEN and Director LU Ping to meet as the Memorandum of Understanding requires, and discuss transition matters of Hong Kong.

2. *Rental public housing units to be increased*

With regard to the part concerning housing in the policy address, the Governor has eloquently led the public into believing that the Administration has the solution to the housing problem. But both myself and the Hong Kong Association for Democracy and People's Livelihood (HKADPL) have stressed again and again that the Administration's policy devised to thoroughly solve the problem of housing is utterly inadequate; on the one hand, it seeks to solve the problem, but on the other hand, it has to look after the interests of major developers, and the policy becomes neither fish nor fowl eventually.

As to the 70 hectares of land for residential use announced in the policy address, how much of it will be for public housing? On this, the policy address has failed to elaborate, and this gives great cause for worry. It is feared that such land would eventually end up being mainly for private residential

development, which would benefit developers only and would not help a bit in curbing property prices.

Whilst the Administration has promised to build 45 000 additional residential units from now till 2001, only 5 000 of these will be rental units. We now have over 70 000 eligible families on the Waiting List. So having the additional 5 000 rental public housing units will be a drop in the bucket towards solving the problem. At present, the annual supply of rental public housing units is only about 14 000. To have 5 000 additional units starting from now will mean that we are going to have some 700 additional units each year on the average. By 1997, granted that the number of people waiting for public housing has ceased to increase, there will still be some 32 000 families not yet allocated public housing units. Let us not forget that another 20 000 to 30 000 families would join the Waiting List every year, and I think that for the sake of catering for the housing rights of the lower class people and solving their housing problem, we ought to increase the supply of rental public housing units. I therefore urge the Administration to dispose of more land for rental public housing purpose from the pool of Kai Tak and Kowloon Bay land which will be available for disposal in the future, so as to accommodate families which have not seen improvement in their living conditions.

Time and time again the Governor has praised Hong Kong for its achievements in housing. I think these are praises where no praises are due. The dark side of the housing policy is still there. For example, on temporary housing, the Administration has said that people who moved into temporary housing areas before 1993 will be given at least one opportunity to be rehoused. However, the rehousing location is likely to be very remote and people may have difficulty in this and find that it does not meet their requirements. In other words, providing the opportunity for rehousing and to be able to rehouse are entirely two different matters. It is only praiseworthy if the Administration can have these people rehoused before 1997.

### *3. Patients' rights must be observed*

Both myself and the HKADPL are very disappointed at the part of the policy address on health care.

What the HKADPL is most concerned about is that the Administration should legislate on patients' rights. Since the "Patients' Charter" was released in June this year, the Administration has not been showing sincerity in promoting patients' rights on a full scale. It has failed to educate members of the public on exercising the rights they are entitled to; it has also failed to announce the specific work schedule and timetable for implementation of patients' rights. In the present policy address, the Administration has failed to make any specific commitment on the protection of patients' rights.

The HKADPL and I propose that the Administration should hammer out the legislation on patients' rights covering the following three aspects:

- (1) to formulate the legislation on drug-labelling in order to safeguard the patients' right to know instead of having to rely on the professional code of practice of medical practitioners;
- (2) to monitor the charging of fees by private doctors and to demand that private doctors should list out the scale of fees and charges for medical items. In so doing, patients can have the choice, and it can also rein in the vicious circle as a result of private doctors increasing the fees which fuels the rise in health care costs; and
- (3) in view of the fact that we do not have a complete mechanism for complaints to be made, the HKADPL and I propose that an independent committee be set up to deal with patients' complaints.

Apart from the fact that no commitment has been made in the policy address concerning patients' rights, the address offers no sound arrangement for the control of illegal sales of drugs. Among the more than 40 complaint cases that have been received by the Drug Abuse Hotline set up by the Hong Kong Medical Association, the majority involve complaints from the public against indiscriminate sale of soft drugs by drug stores and clinics. The HKADPL and I propose that the Administration should work out a solution as soon as possible in order to control such sale of drugs. Unlike drug stores, private clinics are not required to keep a record of dangerous drugs and this makes it difficult for the authority to keep tabs on the quantity of dangerous drugs in clinics. According to a survey, what doctors get from the total supply of dangerous drugs in Hong Kong is 10 times more than that of drug stores. In view of this, the HKADPL and I propose that the Administration should demand clinics to submit records of sale of dangerous drugs to the Department of Health in order to crack down on illegal sale of drugs.

I urge that the drafting of legislation on patients' rights and the overall review of existing health care problems be expedited, so that the people of Hong Kong will be able to enjoy better health care services.

#### 4. *Improvement in welfare is just passable*

The Hong Kong Government takes an "alms-giving" attitude towards social welfare. Its view on social welfare has never been correct (the correct view should be that social welfare is the right of every member of our community). The policy address shows that the incorrect view has not changed. Only under pressure from various sectors has the Administration changed a little. Such "acts of grace" are really disappointing.

Just like previous years, the Administration makes great play of figures on the social welfare policy front this year. In essence, it does nothing by way of a review on social welfare services, and in particular, it offers no guidance as to the direction in which they are to develop.

Much weight is attached to the services for the elderly, according to the policy address, and therefore a series of measures are put forward, which is good news for the old people, who are waiting for the commitments to be honoured. The Administration is planing to provide four additional multi-service centres, six day care centres, 14 social centres and 1 150 places in care-and-attention homes. By looking at the figures, it does seem the Administration has made its commitments. However, if we look back on past commitments by the Administration we will find that many have come to nothing, and people are kept waiting and waiting. For example, in last year's policy address, the Administration committed itself to 12 items of elderly services. Only one out of these has been realized while the rest are still in the course of planning. The Administration explains that many items cannot be completed because of technical problems, or site problems, or trouble in finding suitable locations and so on. And, alas, elderly people who are in need have rejoiced too soon and have ended up in endless waiting. I dread to think that by the time they die, they will not have gotten any welfare benefit. The Administration should be ashamed to face the elderly people as it has failed to complete the work within the set time. Therefore, we cannot wholly believe the commitments so beautifully depicted in the policy address. The HKADPL urges the Administration to speed up the work progress for the benefit of the elderly, and it must not go on issuing postdated cheques and creating "true lies".

5. *The problems of single-parent families*

Single-parent families have to bear enormous social pressure. Moreover, the Administration does not have a long-term policy to help them overcome the difficulties they encounter in their work, in seeking employment and in education. In particular, because of lack of financial means, children growing up in single-parent families are "exploited or deprived" in many ways. In the last policy address, the Administration increased the standard assistance rates for children to \$100, and it is now proposed that the rates be adjusted to \$205 to enable children to take part in extracurricular activities. But I still think that the Administration has made no commitment, for the mere sum of \$200 is just an arbitrary figure and that the Administration does not have a basis of computation to calculate the basic spending needs of children. The new proposal would only give children an extra \$6.8 everyday. So what real assistance is that? It smacks too much of "alms-giving". According to the population census of 1991, of the more than 23 000 Comprehensive Social Security Assistance (CSSA) receiving children, over half the number are from single-parent families. It shows that there is a large number of children from single-parent families living on CSSA, and the Administration must not shut its eyes to this.

The Administration also increases the monthly supplement for single-parent families to \$200 so as to help reduce the "special difficulties" faced by single parents in bringing up a family. The HKADPL and I have doubt as to whether the \$200 can really help overcome the "special difficulties". Again \$200 is merely an arbitrary figure. The Administration does not have a scientific and logical way to calculate the financial pressures and special circumstances faced

by single-parent families. It just tops up the assistance by one or two hundred dollars. It will not be of much help when these families encounter special difficulties. Also, according to the census of 1991, of the 36 500 single-parent families in Hong Kong, over 5 000 have to rely on CSSA, and they constitute one-third of CSSA receiving families in Hong Kong. The Administration simply cannot ignore this figure.

On welfare improvement, I am most disappointed at the increase in assistance rates. Quite from the start, the Administration has been indicating with threats that it does not support the proposals put forward in the MacPherson Report. Faced with this cold and relentless government machinery, I cannot choose but urge the Administration once again to consider using international standards to raise the rates to one third of the median wage, so as to enable recipient families to stand up, face the masses, gain a footing in the community and establish their dignity.

Thank you.

MR LAU CHIN-SHEK (in Cantonese): Mr President, to the employees at large, the Governor's policy address this year has nothing unusual to report. But what makes me fly into a temper is that it seems to the Governor that Hong Kong has few labour problems today. The Governor finds that "we have been blessed with virtually unbroken full employment for three decades". Is Hong Kong really under "full employment" and "everybody having a job"? The actual situation is that today not every employee has a job, some are "on saline drip" (that is, frequently underemployed) and some are even compelled to take up shamefully low paid jobs.

I am not arguing whether the 2% unemployment rate and the 1.5% semi-unemployment rate announced by the Government imply full employment. As a matter of fact, the crux of the problem at the moment is that the Government's policy has excluded a large portion of the working population from the formal labour sector and has them classified as "non-working" instead of "unemployed". Thus, we come to an illusion that the unemployment rate is low. Those being excluded from the working population are mostly women (middle-aged female workers in particular) and the disabled.

Hong Kong's labour force participation rate is comparatively lower than those of other industrial countries. The female working population participation rate is as low as 47% whereas that in the United States is as high as 57%, a sheer difference of 10% between the two places. Should the local labour force participation rate for women be increased to 57%, our working population would increase by more than 200 000 people. Does the low local female participation rate imply that Hong Kong people are especially well-off? So that most of the women are not required to seek employment? Of course not! The full picture is that childcare services provided by the Government are grossly inadequate thus making many married women unavailable for

employment on the one hand. On the other hand, many employers cherish age discrimination when it comes to employing married women. Many women are compelled to give up the idea of working because they cannot find suitable jobs over a long period of time. As a result, they are classified as "non-working".

The employment opportunities for the disabled are just as slim. It is estimated that over one half of the disabled are unemployed but actually many of them are fit to work.

To the unemployed, the situation of chronic unemployment is getting graver and graver. The median unemployment days for the second quarter of this year is 72 days whereas the year-on-year figure was only 66. It is evident that unemployed workers find it more and more difficult to get a new job nowadays and the problem of unemployment has worsened in qualitative terms. This is a fact that has been denied by the Government completely.

Although there are retraining courses available to workers who are compelled to change their jobs due to industrial transformation, industrial accidents and so on, over 10 000 of those who undergo retraining have actually taken the one week core courses. Such one week courses do not help much in enhancing one's skill substantially and serve little purpose in improving workers' skills. In view of this, it is doubtful how many of the retrained workers can gear their study to practical use, that is, enhancing their skill and getting a suitable job at the same time.

No one will query Hong Kong employees' hard-working attitude. What they want is simply a suitable and stable job so that they can feed themselves and their families well through their own effort. However, how can we say that "full employment" is reached if we cannot even find a "bowl" or that there is not enough rice in the "bowl" or that the "bowl" is not a suitable one?

Needless to say, the Government's unsound labour policy is to bear most of the blame for such employment related problems. Over the years, the Government is adrift and directionless in its industrial policy and employee training policy, rendering many manufacturing workers jobless due to industrial transformation. Worse still, the controversial General Labour Importation Scheme much denounced by the labour sector further impedes workers from changing jobs and lowers their bargaining power in the labour market. As a consequence, middle-age manufacturing workers find it more difficult to look for re-employment. In order to employ the imported labour, many employers in the service industry sector increase the workload of their employees where in fact there is no such need and this tends to drive away some retrained middle-aged workers who are seeking employment because they will be found incapable of coping with the workload.

Moreover, it is regrettable that, up to the present, there is no legislation available to protect workers from being discriminated against when seeking employment because of their age, sex or disabilities. In other words, workers

who are in a disadvantaged position will face much more difficulties in looking for a job. Two weeks ago, the Governor rejected Members' proposal that the Government should take the initiative in employing re-trained workers. Suffice it to say that, being the largest employer in Hong Kong, the Government is grossly overlooking the workers' right of employment. How regrettable it is!

Mr President, workers want to have job security when they are working and by the time they retire, they of course want reasonable retirement protection so as to live a secure old age. It is a pity that the policy address this year is still "a blank page" in regard to employees' retirement protection. It seems that a comprehensive retirement scheme will not be in place within the foreseeable future.

What disappoints the workers most is that the Governor resolutely said that the Central Provident Fund (CPF) would not be re-considered. To the labour sector, a full and comprehensive retirement protection scheme should include both the CPF and the old age pension. But it seems that the Government is looking at the two in an "either this one or that" approach. It is totally misleading the public! We hold that immediate care should be provided to the retired because we support, in principle, the old age pension scheme (actually it is more appropriate to implement the old age pension scheme right now than to wait until 1997). We understand that it takes 20 to 30 years before the people can enjoy the benefits of the CPF. If we do not take the first step to set up a CPF right now, by the time the present young generation (or even the next generation) reaches the retirement age, our community will still have to face serious elderly problems. As a matter of fact, the community has been debating the CPF issue for over 20 years. Had the Government made a prompt decision at that time, the elderly who retire today should already have some sort of retirement protection.

Mr President, apart from their jobs and retirement protection, the general public is also concerned over the effects on our livelihood of the Sino-British policies during the transition period because there are less than 1 000 days to go before Hong Kong's reversion in 1997. The title of this year's policy address is *A Thousand Days and Beyond*. According to the conclusion of the policy address, the 1 000 days are in the hands of the Chinese and the British Governments and our future destiny is held in their hands! It is really a miserable reality to the six million Hong Kong people — our future is not in the hands of us, Hong Kong people, and our destiny is for the Chinese and the British Governments to decide!

Over the past years, with Sino-British co-operation, the interests of Hong Kong people were merely the chips for the trading of interests between the two sovereign powers. Nowadays, with the breakdown in co-operation, Hong Kong people become the corn in the "grindstone" in the row between the two states. All in all, we, Hong Kong people, are not allowed to participate in the design of our future way of living, not even to participate, let alone to "hold in hand" or "make decisions"!

It is a well-known fact that the Chinese Government always wants to intervene in Hong Kong's affairs during the transition period and to impede full democratization in Hong Kong so that the idea of Hong Kong people ruling Hong Kong will not be actualized. In the coming 1 000 days, it is believed that about 500 days will be in the hands of the Preliminary Working Committee (PWC) to design our future whereas the other 500 days will be in the hands of the Preparatory Committee.

The Preparatory Committee for the Hong Kong Special Administrative Region has yet to be established but the performance and position of the one year old PWC are definitely unsatisfactory to the majority of our people.

Let us not mention the more remote incidents in which the PWC sub-groups required the Civil Service to pledge its loyalty to the Special Administrative Region (SAR) Government and suggested that the Land Fund should not be handed over to the SAR Government immediately after 1997. The proposals put forward by several PWC sub-groups over the past few weeks were indeed astounding and were greeted with abhorrence by the people of Hong Kong. The most ludicrous proposal put forward by the PWC political sub-group is the provisional legislature which is not provided for under the Basic Law and not returned by general election. Furthermore, the PWC's cultural sub-group recommended that some Mainland academic degrees be recognized in the future SAR. Then we have the PWC's legal sub-group suggesting that, by the time the SAR Government establishes, the Societies Ordinance and the Public Order Ordinance which have been largely amended by the Hong Kong Government should be revoked.

Every proposal made by the PWC is contrary to the wishes of Hong Kong people through and through and scares us to death. If the coming 1 000 days are in their hands to shape our destiny, how can we set our minds at ease? Mr CHEUNG Man-kwong told the PWC members to "shut up". I am of the view that the PWC should not only shut up but also "shut down the stove" at once!

As for the British Hong Kong Government, although the Governor's political reform adds a measure of democracy to our political system, the unrepresentative executive machinery still insists on the executive-led mode of government and tends to look after the interests of the business and industrial sector in its economic and livelihood policies. The general public should not have high hopes that the British Hong Kong Government will implement policies for the benefit of the grass-roots people in the next 1 000 days.

Today, I would like to appeal to the public at large: Do not cherish illusions about either the Chinese side or the British side — only with the unity of Hong Kong people ourselves may we strive for our future, be it the democratic political system, human rights, freedom, livelihood or social welfare. Our destiny should be in our own hands and we should have a part to play in the transitional arrangements!

We have to launch our solemn protest against the PWC which is working contrary to our wishes. We have to reclaim our rights from the British Hong Kong Government which is indifferent to the livelihood of the grass-roots people. It is for us, Hong Kong people, to strive for our future in the coming 1 000 days. It is our collective actions and the votes that we are going to cast in 1995 that will "shape" our future destiny!

Mr President, these are my remarks.

MR EDWARD HO: Mr President, the title of this year's policy address of the Governor is, appropriately enough, "A Thousand Days and Beyond". The time has come and not too soon for the Governor to formulate policies for the remaining days of 150 years of British administration, so that there will be a smooth transition of sovereignty back to China, and that Hong Kong shall continue to remain a prosperous and stable society in the years to come.

For those who look for the Governor's policies for the next 1 000 days and beyond to ensure that all that will happen, they will be disappointed. The address is full of rhetoric of the achievements of British administration in the 10 years since the signing of the Joint Declaration, achievements that we certainly should not discount. But how much of these achievements is due to the present Administration, and not to Mr PATTEN's predecessors who have contributed to those achievements? I would certainly wholeheartedly endorse the credits that were given to our dedicated and highly-professional Civil Service. In addition, the people of Hong Kong should deserve an honourable mention for their hard work and enterprising spirit. But perhaps the title of the address should be "The Past 10 Years" or "The Good Old Days".

#### *The China relationship*

For the last period of the transition, the key question should be how the Hong Kong Government would be able to achieve a normal and working relationship with the Chinese Government so that all the essential tasks of the smooth transition and long-term plans that will affect Hong Kong in the days beyond can be accomplished. The last two chapters of the Governor's address should therefore be read, first, "The China Relationship" and second, "Commitments to Co-operation".

During his delivery of his policy address, the Governor repeatedly emphasized his points by thumping the table when he came to the last two chapters. This attitude can be described as "militant". When he mentioned that co-operation is a two-way street, he seemed to imply that it was always the Chinese Government that is hampering co-operation. That attitude is hardly conducive to improving the situation. That attitude will not alter the reality. The reality is that at this time when there is less than 1 000 days away when the British administration will have to withdraw from Hong Kong, honourably or not, co-operation between the two Governments is at an all-time low. I am

sure that that reality has made an adverse impact on this Government in its policies for Hong Kong but there are no proposals on how to correct that situation.

The Governor said in his speech that "We are not handing over a baton". Literally speaking, he is of course right. But, metaphorically, as one member of my functional constituency said to me, the handing over of a government is not totally unlike handing over a baton in a relay: there comes a point when the first runner must run in synchronization with the second runner in the team for the allowable short distance, or the baton cannot be handed over smoothly and the race would be lost.

One of the realities as a result of the lack of agreement over the Governor's political reform package passed by this Council is the formation of the Preliminary Working Committee (PWC) by the Chinese Government. This committee is studying and making vital recommendations to the Chinese Government for all matters that will affect life in the Hong Kong Special Administrative Region. Its importance for Hong Kong's future is no less than that of the Basic Law Consultative Committee during the drafting of the Basic Law. It is wholly unreasonable that the Hong Kong Government should not establish a formal channel of communication with this important body, and merely rely on informal contacts between individual civil servants and individual PWC members. Relying on individual contacts would also place an unfair burden on our civil servants.

The PWC has not been set up as an organ of power; recognizing its existence does not transform it into one; ignoring its existence is like the ostrich ducking its head in the sand, pretending that the outside world does not exist.

### *The infrastructure*

Mr President, I am deeply concerned that the lack of trust between the two Governments has affected the progress and the proper planning of major infrastructure projects that straddle 1997, the impact of which can already be felt by the total lack of coverage of infrastructure in the address. This is the first time in my memory that in any Governor's address that infrastructure is not mentioned. That has left me in a peculiar position not being able to comment on infrastructure for the future.

Whilst the building of the Airport Core Project is proceeding on a step-by-step basis, the lack of an agreement on the financial arrangements has prevented it from going full steam ahead. The delay to the construction of the Airport Railway, for example, will also delay the much-needed relief to the congested Nathan Road Corridor. For all these projects, delays will inevitably mean increased costs as well. Delay to the construction of Container Terminal 9 will have severe economic disbenefit for Hong Kong. Added to this CT10 has also been seriously delayed beyond its original target of opening its first berth in 1997. On this, I urge the Government to do all it can to accelerate the

construction of CT10 and CT11. Delays to the airport and port projects are threatening the premier position of Hong Kong as a port regionally.

Similarly, I am particularly disappointed that the Government was not able to make a decision on the going ahead of the Northwest New Territories Railway, a much-needed freight and passenger railway linking the northwest New Territories with the port in Kwai Chung.

It is far from satisfactory that contracts between the present Government and the future sovereign government should only be in the form of random contacts and visits. In order to strategically plan for major physical infrastructure projects straddling 1997, the Hong Kong Government should establish a formal working group with its counterparts in the Chinese Government. This working group can be formed as a subgroup of the Joint Liaison Group as provided for under Annex II of the Joint Declaration. It can be called "The Planning and Infrastructure Subgroup", whose function would be to ensure co-ordination of strategic planning and infrastructure projects that have cross-border implications and major projects that straddle 1997; and to exchange relevant information so that these projects can proceed smoothly. The subgroup should receive focused attention from experts and authoritative officials from both Governments.

#### *The physical environment*

We should be encouraged by the Government's continuous commitment to protect the environment, though some may say the programme to clean up the environment is not proceeding far enough, or fast enough, or even in the right direction. As a Member representing a functional constituency that includes planning, I wish to make two observations.

Firstly, environmentalists can easily become "single issues" crusaders, disregarding other needs of the society. I am glad that my colleague, the Honourable Peter WONG, does not fall into that category. In planning for our community, we should consider economic and social factors in addition to the physical environment. Thus, environmental assessment is a part of town planning rather than an isolated subject. I understand that the Environmental Assessment Bill will be presented to this Council in the near future whilst the proposed major revisions to the Town Planning Ordinance, which is an archaic Ordinance, would not be presented as a blue bill during this legislative Session. This will give rise to possible overlaps or conflicts between the two pieces of legislations, as well as between the jurisdiction of the Town Planning Board and the Environmental Protection Department.

Secondly, environmental protection should always be tackled at source. The Hong Kong public is suffering from noise pollution generated by road traffic. The Government's solution, instead of tackling the problem at source, is to disallow new residential buildings to be built within great distances on both sides of major roads, unless these buildings have blank walls facing the roads.

This has sterilized development potentials of vast tracts of valuable land for housing. Road traffic noise pollution should be tackled at source with suitably-designed noise barriers. The Government should also review whether it is in the community's interest to adopt unreasonably high noise criteria following Western European standards, where densities are much lower and land is much more abundant.

### *The business environment*

Lastly, I shall also comment briefly on some other aspects of the policy address, I fully endorse the Governor's sentiment that Hong Kong must continue to provide the best possible environment for business. He mentioned the promotion of competition, but that is competition domestically. However, extremely high business cost is threatening the international competitiveness of Hong Kong's business. Two of the key elements effecting the competitiveness of any business are staff costs and office or shop rental costs, both of which, fuelled by the still unacceptably high inflation rate and the shortage of manpower, have relentlessly driven up business costs.

We all know that many of our industries have moved north across the border and elsewhere in the region to take advantage of the lower costs there. We should take care that our service sector will not make a similar exodus. Moreover, in this age of advanced electronic communication technologies, for many types of service industries, service can be rendered from virtually any part of the world. Architects and engineers from the United States and other western countries are competing with Hong Kong professionals directly for jobs in Hong Kong and China due to their lower costs in this manner.

Although the importance of providing the best possible environment for business is acknowledged in the address, there is really not much proposals to protect that environment. I was really astounded that the 70 hectares of land for industries was regarded as part of the "new incentives" to upgrade technological standards in manufacturing, when this really referred to the Third Industrial Estate at Tsueng Kwan O, the first phase just completed but the initiative for its inception took place some seven year ago. It is time now we should be planning for the fourth industrial estate.

### *An Accountable Government*

The address opened with a chapter entitled "Accountable Government". I have always held our Civil Service with the highest esteem for their dedication and their professionalism, notwithstanding that I always considered that the real professionals in the service have not been given their fair chance to head professional departments. A recent trend in our so-called accountable government has given considerable concern to many in our community. The Government has been perceived, with some justification, as having a tendency to have made up its mind before any consultation, and any one putting forward

criticisms or counter suggestions are swiftly attacked. Witness the current consultation on the Old Age Pension Scheme.

Mr President, Hong Kong's future after 1997 will be enormously affected by this Government's policies during the final 1 000 days of British rule. I do not consider that the policy address has achieved its stated agenda. I, therefore, cannot support the motion.

DR TANG SIU-TONG (in Cantonese): Mr President, the title of the third policy address of Governor PATTEN is *A Thousand Days and Beyond*. The address is far less impressive than the *Our Next Five Years: The Agenda for Hong Kong* of 1992 both in terms of boldness of vision and innovativeness. And as far as care for and commitment to the community is concerned, it is surpassed by *Today's Success, Tomorrow's Challenges* of last year's. No wonder that there has been more criticism than praise since the policy address was delivered, and it has given rise to another bone of contention in Sino-British relations.

Mr President, the degree of amity between China and Britain has a direct impact on Hong Kong's transition arrangements and future developments. Over the past two years, the discord in Sino-British relations has resulted in the stalling of major infrastructure projects as well as transition arrangements. It has seriously affected public confidence. Before the policy address of this year was published, members of the public were in earnest anticipation of a breakthrough in Sino-British relations. But in spite of the length gone to in giving an account of China-Hong Kong relations and the striking of a pose of "friendly co-operation", it turned out to be just a trick of "doing violence with Dutch courage" as the martial art "drunken fists" has it.

The policy address promises that the Administration will in 1996 maintain good relations with the Preparatory Committee for the Hong Kong Special Administration Region (SAR) Government and expresses the willingness to help the Chief Executive designate to prepare for the takeover. Also, it indicates that all necessary assistance will be given to appointed members of the future Hong Kong SAR Executive Council and to principal officials.

On the face of it, these promises easily lead us to believe that Mr PATTEN has changed his mind and given up his confrontational approach to return to the path of Sino-British co-operation. But on mature reflection, such "co-operation" and "promises" are not compromises. Rather, they constitute matter-of-course step. If we cannot proceed with the work mentioned above, then how can the transfer of sovereignty be done? Quite the contrary, there is an implicit meaning behind these promises: No active steps will be taken by the Administration before 1996 to communicate with China. Therefore, is it not to say that the Administration will do nothing from now till 1996? Do we still have plenty of time? On the one hand, the Administration claims that it does not prohibit contact by civil servants with the Preliminary Working Committee (PWC), but on the other hand, guidelines are issued specifying that it would not

be appropriate for civil servants to have contact with the PWC through three channels, these include: becoming members of the PWC, becoming advisers of the PWC and attending meetings of the PWC. Under such ironclad guidelines, how will civil servants dare to take the risk? And is the so-called contact with the PWC nothing but idle talk?

Mr President, there is not much time before Hong Kong reverts to Chinese sovereignty. Preparation for the transfer of sovereignty and arrangements for transition matters cannot wait! Accusing each other cannot solve any problem. It is necessary for all parties to co-operate and to have mutual accommodation and mutual understanding to ensure the smooth transition of Hong Kong. We sincerely call upon both sides to genuinely resume their co-operation. By so doing, it will really be of "boundless beneficence" to the people of Hong Kong.

Apart from the fact that the part on China-Hong Kong relations is disappointing, the policy address has not much to offer in the livelihood area of the people. There is a lack of perspective and forward vision in terms of policy on important issues relating to the people's livelihood, these are: housing, health care, transport and social welfare. The so-called new initiatives and on-going programmes are mostly material from the last two policy addresses presented in a repackaged form, and a re-rendering of policy documents already published. The language is flowery, but concrete proposals are not there. It is no wonder that people are disgruntled. I am going to talk about a number of important issues relating to the people's livelihood.

### *Housing*

In the area of housing, a lot of figures have been quoted in the policy address to demonstrate the efforts and achievements of the Administration. According to the Administration, \$15.4 billion will be allotted this year for the development of various housing projects, which is almost four times, in real terms, more than the expenditure in this area 10 years ago. But when we looked up the expenditure part of the Budget published in March this year, we found that it was actually \$17.59 billion. So on comparison, it was found to be \$2.2 billion short. In 1993, the financial estimate for housing was \$18 billion, which was eventually revised to \$14.7 billion. From this example, we can see that it is not uncommon the Administration exaggerates in figures when it comes to financial budgeting. Therefore, I am both dissatisfied and filled with doubt about the \$15.4 billion mentioned in the policy address.

The Administration claims that as many as 27 500 public housing units (PHU) will be built this year. But the Chairman of the Housing Authority said in the report published in June this year that there would only be about 20 000 PHU completed in the year. There is this discrepancy between the two versions. According to the Long Term Housing Strategy of 1987, it was specified that in order that the outstanding demand for public rental housing "could be substantially met" before 1997, a minimum of 43 000 PHUs would have to be

provided each year from now till 1997. The production of PHUs in recent years has been dropping, and it is impossible to meet the target by 1997. If meeting of the target is to be deferred to the year 2001, the Housing Authority points out that at least 30 000 PHUs on the average will have to be completed every year; starting from this year, there will have to be at least 210 000 newly completed PHUs by 2001. But the number promised in the policy address is only 140 000, a reduction by one-third of what is needed. Whilst the Administration is saying that there will be 45 000 additional units other than that envisaged under the housing target, only 5 000 of them are PHUs, which is manifestly inadequate in easing the demand pressure. We understand that the Great Wall was not built in one day, and the demand for public housing cannot be completely met in just two or three years. But we are asking that the Administration face up to the problem and not "juggle with figures". The housing policy of the Administration has always been "private housing" and "home ownership units" oriented. But the prices of private property have already been beyond the purchasing power of the people, and they can only look to Home Ownership Scheme (HOS) units. However, as HOS units are not inexpensive, their locations are not convenient and the demand for them outruns the supply, people who are not eligible for public housing or those who are not allocated public housing units after waiting for over 10 years have to continue living as "snails without their shells". The Administration should change its current housing policy and make it public housing-oriented with more land disposed of for the construction of PHUs. Only through this can the problem be solved.

### *Transport*

On the transport part of the policy address, it is the worst package ever presented these three years. Whilst the Administration claims that \$30 billion will be spent on road networks over the next five years, the details of the plan have not been spelt out. It is true that there are the so-called four new initiatives on transport infrastructure, but these are merely rehashes, nothing of a pleasant surprise to the public. What I find most unsatisfactory is that the Administration has not yet implemented the construction plan of the Northwest New Territories Railway. In April 1993, the Administration published the *Railway Development Study — Public Consultation Document*, and the consultation ended in July of the same year. It was initially thought that by March this year, concrete decisions would be made, but then things were deferred to June. Last week when the Secretary for Transport answered our questions, he still could not give a definite date for it. What exactly are the difficulties that the Administration is holding back from us? Even if construction of the Northwest Railway is to go ahead today, the 700 000 residents of New Territories West will still have to suffer traffic congestion for a few years more. But at least the hope is there. If the Administration goes on holding up the project, then our hope will be for the spring that never comes. With the sharp rise in the population of Tin Shui Wai, to describe the situation of Tuen Mun Highway during peak hours as "traffic congestion" has already become inappropriate. The situation is really "a line of traffic stretching to

eternity" and Tuen Mun Highway can be likened to a snake-shaped car park at capacity. Actually, one can go faster by riding a bicycle!

### *Social welfare*

The policy address promises that the comprehensive assistance for single-parent families and each child of these families be increased to \$200 and \$205 respectively. Let us put the argument of adequacy of such increases on one side. These adjustments are utterly arbitrary and constitute a total disregard of the call by the community in general for increase in the basic rates of the Comprehensive Social Security Assistance (CSSA). Dr MacPHERSON of the City Polytechnic of Hong Kong has recently completed a study on public assistance at the request of the Hong Kong Council of Social Service, and the report proposes that the basic rates for each person be raised from the present \$1,249 to somewhere around \$2,506. According to Dr MacPHERSON, whilst the rates are almost 15 times more than what they were 20 years ago, the initial standard for the rates was rather crude when they were first worked out and a gap did exist between the rates offered and the actual needs of the recipients. Although there have been "occasional increases", it does not help to cure the assistance scheme's innate deficiencies. Notwithstanding that Dr MacPHERSON's report has the full support of this Council, the Administration has turned it down outright. We find this an absolutely unsavoury act on the part of the Administration.

On the question of the elderly people, the Administration has issued postdated cheques to them and Heaven knows just to what extent the cheques can be honoured. Over the past two years, the Administration has been saying that welfare and services for elderly people have to be improved, and that the goal of "a secure old age" is to be achieved. But it is another matter when it comes to results. According to the review on the progress of social service as given in the policy address, implementation has not been under way in respect of 13 commitments to date, five of which relate to social service and another five relate to services for elderly people. The reason given is invariably "because of the shortage of suitable land for the construction of facilities". I believe that as long as the Administration is resolute enough, land can never be a problem. The reason so given can never be a good excuse for not implementing the programmes. Therefore, saying how good the services are for elderly people and how good the welfare is for them may be something that gives a picture far removed from reality.

I would like to point in particular to the new initiative on the welfare for the elderly. The Administration will provide financial assistance to private homes for the elderly to improve the facilities there. As far as the present stage of the programme is concerned, I have reservations about it. I have misgivings that in view of the way the Administration will be going about it, the operators of certain private homes for the elderly will not take the initiative to improve the facilities as required by the law. Instead they will wait until they receive assistance from the Administration. This will detract from the original

intention of enacting the law concerned. Moreover, a study in depth is necessary as to whether or not private homes should be given financial assistance by the Administration. On the whole, one can see that only piecemeal and remedial measures are offered in the part of the policy address on social welfare and service. It fails to give an overall direction for social development and policy.

### *Labour*

It is disappointing to find that Mr PATTEN categorically refuses to set up a central provident fund. The discussion of this issue has been going on for more than a quarter of a century. Two years ago, the Administration tried to sell its compulsory provident fund proposal. Today, it totally negates the provident fund programme just to hard sell the Old Age Pension Scheme. Is the Old Age Pension Scheme as good as the Administration says it is? This scheme has given rise to much controversy in our community. Before any final decision is made, the Governor has categorically pronounced the death sentence on the central provident fund. What is the difference between this death sentence without trial and totalitarian rule?

On education, the Administration is to spend \$163 million to improve teacher training for kindergartens. Nevertheless, its subsidy to the whole pre-primary system is clearly not enough. For example, no commitment has been made with regard to the remuneration of kindergarten teachers and facilities of kindergartens.

On medical services, although \$1.2 billion is to be spent on the construction of a hospital in Tseung Kwan O, there are no clear objectives in either the overall health care development or long-term policies.

On environmental protection, the Administration does not have a long-term solution to tackle the source of pollution. Neither is there any mention of pollution problems involving both Hong Kong and China. As to the question of black spots in the New Territories, I think the Administration should respect the rights of property owners there.

Mr President, the spunk evident in past policy addresses is no longer there. The boldness of the past is today replaced by anxiety and supplication. It is clear the Governor knows full well it is impossible to restore the Sino-British harmony he has destroyed. "The sun sets, and the sun rises." This naturally is the law of nature. But on 30 June 1997 when the Governor quietly leaves for Britain, it will somehow be a little sad for someone who tries to accomplish the mission of an honourable retreat by the British Empire, especially when the sun rises no more after it has set.

I cannot see any proposal that straddles 1997 in the policy address of this year. There are 986 days from now to 1997, and whatever beautiful commitments the Governor may have made (with regard to the political system,

in particular), things will come to an end on 1 July 1997. What the Governor can do, God willing, is to govern Hong Kong in the remaining 900-plus days. He can only put it as "A Thousand Days", but as to going beyond 1997, it is sheer daydreaming for him! The coming into being of the PWC is the decision of the National People's Congress. It signifies the absence of mutual trust between China and Britain, and the fact that they are going separate ways. It may be an appropriate description of this year's policy address if we say that it is one of "inaction for a thousand days and anxiety till 1997".

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

MR RONALD ARCULLI: Mr President, the Governor in his policy address spent a fair bit of time reviewing what has happened during the past 10 years. Hong Kong's remarkable success, not just over the past decade but since the beginning is, I believe, due principally to the initiative and the hard work of the men and women of Hong Kong. In this respect I believe there is a group that deserves special mention: the men and women in our Civil Service.

Mr President, I imagine if we were able to look through the sometimes impenetrable exterior of our civil servants, we may find that some of them might think things are not what they used to be. And quite rightly so for we cannot expect our community to stagnate, a view I am sure is shared by our Civil Service. We have a dynamic community whose future is made more complicated by the lack of a smooth transfer of sovereignty in 1997. Under such difficult circumstances I believe our civil servants have been reasonable in their response although at times overly cautious. However there is one aspect about our Civil Service that I believe we have seen let down seriously by the British Government. By depoliticizing the Executive Council, the Civil Service has been politicized. Mr President, the Governor has acknowledged that a single government decision can have enormous influence over the life of the ordinary individual or the profits of a business. I ask: Is there a better reason not to politicize our civil servants?

Mr President, I would like now to offer some comments on the economy and, in particular, inflation. The Governor has stated that our economic growth has been outstanding over the past decade. Does he tell us why? I suppose his reference to China as Hong Kong's largest trading partner is a tacit admission that our good fortune is due to our entrepreneurs seizing opportunities in China not just over the past decade but since China adopted her open door policy in the 1970s. The credit, Mr President, belongs to the business community. And yet it is on this very community that the Governor puts the onus in our fight against inflation. The Governor highlighted three factors responsible for our high inflation: high food prices, tight labour market and residential property prices. The Governor also assured this Council that the Government will play its full part in tackling inflation. As regards food prices, I do not know what the business community can do about weather conditions in China. As regards the tight labour market, the business community has been pleading for relief for a

long time. Can they bring in workers? Are they advocating indiscriminate and unrestricted importation of labour? Clearly not. They need not do so because they cannot even get what they need. Mr President, I do not think I could put it better than the Financial Secretary in his Budget speech in 1994-95 and I quote:

"Our workforce is, quite simply, too small. For an economy expanding at our rate into new markets and industries the shortage of labour inevitably aggravates inflation pressures".

The Financial Secretary almost laments the policy of Hong Kong imposing tighter constraints on our freedom to import labour than our competitors. Quite candidly, he says we have to live with the consequences of lower growth and higher inflation. I am therefore quite surprised that the Governor is not equally candid.

Mr President, as regards residential property prices, I have said on many occasions that short-term and artificial measures can only bring short-term relief. Furthermore, residential prices have little impact on inflation. Is the Government now saying that the residential property prices has now found its way into the CPI(A)? I doubt it. As regards prices themselves the Governor has referred to prices in 1993. He said that the average price of flats in the more popular private estates rose by some 21%. Is this excessive against an inflation rate of 8.5% or 9%? Mr President, no one supports unhealthy and excessive speculation and, in this respect, I am somewhat disappointed that the Governor gave no credit at all to the Real Estate Developers' Association which co-operated with the Task Force during the latter's deliberations leading to its report.

Mr President, I would not wish to conclude without saying a few words about the construction sector which was the subject of some attention in the Governor's policy speech last year. Site safety was the buzz word then. But if I may point out site safety is the responsibility of all involved — not just the contractors, the industry is more than happy to play its part in improving site safety but we need help. Increasing penalties and prosecuting contractors alone will not bring about the desired result. If prosecutions alone was the sole test, one wonders why only a handful of workers are prosecuted each year despite the widespread lack of concern that workers show for their own safety. I have two suggestions for the Administration which I believe will be helpful. First is to introduce compulsory attendance at safety induction courses with a certificate being issued to the attendees on completion of the course. The industry is quite prepared to provide such courses thus clearly demonstrating its active support in promoting site safety. My second suggestion is for the Administration to consider the fixed penalty approach for limited infringements of safety laws, for example, not providing safety equipment or indeed not using such equipment. This will be an effective measure as well as an encouragement to abide by safety laws apart from its obvious deterrent effect. I hope the Administration will consider and indeed implement these two suggestions.

Mr President, I have no desire to repeat the disappointment felt by the community or the sad state of affairs in Hong Kong-China relations. For this reason alone I cannot support the motion. I would like it recorded that I would vote against the motion.

MR CHIM PUI-CHUNG (in Cantonese): Mr President, many of my friends, even those who live abroad, have often advised me not to abuse Governor PATTEN so fiercely in case he may take revenge directly or indirectly on me in one way or another. As a matter of fact, I was only trying to give him some advice. I never intend to hurt him. I believe that he should understand my state of mind no matter whether he is listening to my speech himself or somebody is doing this for him.

When Governor PATTEN came to Hong Kong in 1992, I gave him four pieces of advice through the Commercial Radio. They are:

Firstly, he is merely the Governor in Hong Kong and should therefore think no more of his former position as chairman of the Conservative Party. In other words, his opposite number is Mr LU Ping of the Hong Kong and Macau Affairs Office, not Mr LI Peng or Mr JIANG Zemin, the General Secretary.

Secondly, he should bear in mind that in England he lost the election in his own constituency consisting of 70 000 to 80 000 electors. He should not regard himself as a superman, a god who is omnipresent.

Thirdly, after 1997, China will become Hong Kong's sovereign state. She has special interests in Hong Kong and has special privileges as well. Governor PATTEN should not deal with China with the same mentality that he has in dealing with other countries.

Fourthly, Hong Kong is just a city, not a state. He should exercise care in dealing with its people.

We can see that apart from the fourth point which has yet to be tested, unfortunately, the other three caveats have all been ignored and acted against by Governor PATTEN. Members may wonder why CHIM Pui-chung gave him advice in such early days. He did not make any response at that time. That was simply my analysis of the situation at the time. Of course my analysis may not necessarily be correct. An organization once criticized me thus: CHIM Pui-chung's eccentric speeches are most irresponsible and disgusting. I take issue with such a view. I am an extremely responsible man and whether or not I am disgusting is a matter of individual opinion. I have my own standpoint in this Council. With my experience in the business sector and the stock market, I have a keen insight into matters. We may have divergent political standpoints and points of view. But we should respect one another.

As a matter of fact, some may criticize me for being pro-China. Conversely speaking, those who criticize me are anti-China. Which one is right: pro-China or anti-China? This is something for history to judge and no one should come to a presumptuous conclusion right now. I dare say that the future is a pro-China world and pro-China is not tantamount to flattering China. Being a Chinese person, why not lend a helping hand if we see that China is moving forward? On the contrary, some people keep on abusing China without regard to reality. They are holding foreign passports and once the Chinese Government regains its sovereignty over Hong Kong, they will simply leave Hong Kong. Those who remain behind are so heavyhearted that they have to ask one question: Where have those anti-China people gone? I do not mean to criticize our political activists or politicians. I merely want everybody to face the future in a down-to-earth manner.

Governor PATTEN is no doubt a super politician. We also admit that, among the past 28 governors, among the last five to six governors that I know of, he is definitely a political super-star. He is a man of great talent but he is, after all, like the British soccer fans who reminisce of the past, recalling Britain's victory in the 1966 World Cup held in Britain. It is a pity that in the 1994 World Cup matches held in the United States, Britain got knocked out long before the finals.

The Governor should conduct a solemn self-examination himself. Why did he come to Hong Kong? I must stress once again that if he were the British Prime Minister or the Foreign Secretary, his performance would be really outstanding. But as the Governor of Hong Kong receiving high remuneration, he had better examine his own attitude. We may get some glimpse of such attitude from the way he treats the Preliminary Working Committee (PWC). We should bear in mind that China and Britain are two counterpart states. What is Hong Kong? Hong Kong cannot be on an equal footing with the two. It is true that we have Hong Kong representatives in the expert meetings but that does not actually constitute a three-legged stool. We are not in a position to conduct a dialogue. With whom are we going to make the dialogue? The Governor himself acknowledges that we can have dialogue with the Preparatory Committee to be set up after 1996. Before the setting up of the Preparatory Committee, the Chinese Government formally ratified and confirmed the PWC's status through the National People's Congress. The Chinese Government need only tell the Hong Kong Government officially in these terms: We recognize the PWC and you may communicate with it face-to-face on any issue. I am not supporting that Hong Kong officials be summoned to report to the PWC. Instead, I feel that the Governor should tell the policy secretaries that the PWC is their counterpart organization and they may discuss formally or informally any issue with the PWC. There should be communication between both sides rather than reporting. How can he speak of sincerity if he does not even see this point or if he sees it he does not act accordingly? Where comes the sincerity? I would like to give him the same advice again or Members may call it my comments on him.

Many worry that the PWC may turn into the second power centre. I can assure Members that this will not be the case because, before 1997, the power is still in the hands of the Hong Kong Government. In the United Kingdom, there is the so-called shadow cabinet. We may take the PWC to be the shadow cabinet because it has no real power. The PWC may put forward any view they deem fit to the Hong Kong Government. In other words, the people of Hong Kong should have no cause for concern. We should not forget that the system of a wholly appointed legislature was abolished in 1985 (nine years ago). Over the past nine years, no doubt Hong Kong has made some progress (especially after the 1991 election). But that does not mean that we have soared up into the sky in one go. There was no election or any form of indirect election before 1985. Why do we insist on abolishing the appointment system now? This is indeed an unbalanced state of mind.

Let me turn to the provisional legislature. We should realize that it has been resolved by the National People's Congress that the Chinese Government will have all our three tiers of representative government dismantled on 30 June 1997. We have to admit this is the fact. I moved an amendment on 29 June but was met with objection from Members. As a matter of fact, it was futile to oppose it. When the Special Administrative Region (SAR) Government is set up on 1 July 1997, a legitimate government must have a legislative council, that is, the legislature after 1997. In view of this, why is everybody opposed to the setting up of a provisional legislature now? The crux of the problem is that the opponents themselves are well aware that they cannot join the legislature in the future so they oppose it. However, it is inappropriate for them to be opposed to the provisional legislature simply because they cannot get a seat there. One Member even called on us just now to start an upheaval. Although that Member did not actually utter the word "upheaval", his action and speech are tantamount to initiating a revolution. This is something that warrants deliberation and reflection by the public.

Mr President, I hope that the Governor will have a fuller understanding of the situation and take into consideration the interests of Hong Kong people. I earnestly hope that the Governor will show us his sincerity in concrete terms.

The Governor said that he is going to disappear on 30 June 1997. Why should someone who wishes to see a glorious retreat disappear? Instead, we should hold a farewell party for him. Why should he vanish? In this regard, the Governor should not lose his confidence.

I would like to make a guess here. As I pointed out earlier, the Governor is a very competent statesman and politician. If he is to stay in Hong Kong until his term of office expires on 30 June 1997 and then to return to England, the general election in Britain will have been over. Even if the Conservative Party wins the election, the Governor will not be able to take up any post in the Cabinet because he has not run for the House of Commons election himself. His political career may come to an end then. If the Labour Party wins the election, the Governor's political career will also come to an end. As a politician, it

would be a great loss to himself, to the United Kingdom and even to the Conservative Party. If the Governor is yet unable to sort out all these questions, by the time the Legislative Council election is over in 1995, he will have fulfilled his duty because the political reform package put forward by him when he first arrived will have already been implemented regardless of whether it is a good or bad package. I, therefore, hope that, upon the unanimous request by the Conservative Party, he will return to Britain and prepare for the coming general election. Although I have mentioned this point to several policy secretaries, they think that this is merely my own personal opinion. As a matter of fact, my proposal is in the interest of the Governor himself, in the interest of the United Kingdom and in the interest of Hong Kong people as well. Will my speculation come true? I myself cannot tell either.

Mr President, I am going to raise my second issue, that is, pension for the elderly (Mr LAM Woon-kwong is in this Chamber today listening to our speeches). We know that there are approximately 200 000 people over 60 years of age in Hong Kong. They are receiving \$485 a month at the moment. Besides, there are over 200 000 people receiving \$550 old age allowance per person per month. The two groups together make up nearly 400 000 people receiving one sort of allowances or another. As for people who formally receive public assistance payment, a singleton may receive a monthly allowance of \$1,760 whereas a family unit or one with other family members receives \$1,385. If we add up all those who receive the old age allowance and the public assistance payment, we have about 470 000 people. Together with the administrative cost, the Government's annual expenditure will be approximately \$4.3 billion.

The present Old Age Pension Scheme proposed by the Government will incur an annual expenditure of \$17 billion. Of course, one may point out that if we deduct the original \$4.3 billion expenditure from the bill, the remaining some \$12 billion will have to come from people's contribution. The Government has already indicated that its social welfare expenditure will be increasing, that is, \$4.3 billion this year, maybe \$5 billion, \$6 billion or \$7 billion next year. This heavy financial burden will be for the people to bear at the end of the day. By then, the Government will no longer be required to shoulder any responsibility.

Many colleagues have asked earlier on whether pension is a kind of welfare or right for the people. The Government should be well aware that there are at present more than 60 000 people who need our care and attention. Should we give each of these 60 000-plus people \$1,000 a month, the annual expenditure would be just \$0.6 billion. This is an amount affordable to the Government and the people of Hong Kong. Then, why should the well-off be compelled to receive \$2,000-odd? Perhaps these well-off people may refuse to take the money. As I have analyzed before, if this is a right and in view of Hong Kong people's "lose-no-opportunity" character, no one will be willing to give it up. But it is inappropriate for us to thrust upon them the so-called pension. (Many policy secretaries have said to me that the title of the scheme can be changed. But titles should be set right from the beginning. Why called it

"pension"? Some people have never got a job, where comes the retirement?) Against this background, I personally feel that we should not mislead the elderly who are entitled to receive the benefits. If the Government pays them the benefits, they will of course accept it! It does not mean that we are not paying them now but rather we are doing it in another way, that is, to issue the existing welfare payment to them because they need our care. However, it is hoped that they will realize that it is not their absolute right. Part of the welfare payment is the contribution made by others, not what they absolutely deserve. In other words, we should distinguish between "rights" and "welfare". I believe that the elderly will understand and realize the actual situation because they are the ones who are entitled to receive this kind of benefit. Those who are well-off or those ineligible are not going to enjoy these benefits.

There is another area I would like to comment on. The consultation period has not yet ended now and it is for the Administration to listen to public views (the Administration may take what I have said just now as my views). However, whenever people voice their opinions, the Government will immediately say "no way, it is not right". What does consultation mean? It means that one should hear another out. I, therefore, hope that Mr LAM will listen to what one has to say if one points out to him saying, "Hey, your proposal is wrong!" Mr LAM, you have been performing well recently because you are willing to listen to people's opinions. The Administration should make a correct assessment only after listening to people's views. As a matter of fact, we all want to make progress.

Mr President, the third point I would like to make in particular relates to our civil servants. We all know that actually it does not matter much who are going to be Members of the Executive Council or the Legislative Council. As for the Civil Service, some members of staff have served for 32 years whereas some for 20-odd years. They have been working hard for the sake of Hong Kong. Although some of them may not be working very hard, yet they have made their contribution after all. Therefore, the transition of 1997 will depend on the civil servants' perseverance with one spirit, that is, confidence. It is true that everyone has the right to decide on his future. But in making the decision, we should take into consideration the future interest of Hong Kong. Be prepared for the challenge of history and welcome the coming of the SAR. Of course, anyone who disagrees with my view can make their own choice. I earnestly hope that everybody will make his own decision in a balanced state of mind and continue serving the people of Hong Kong after 1997. I am totally against the gloomy picture depicted by Mr Martin LEE just now. It is hoped that those who cannot leave will stay together to greet a better tomorrow.

Mr President, these are my remarks.

DR HUANG CHEN-YA (in Cantonese): Mr President, Hong Kong enjoyed a remarkable economic success in the past. However, in international competition, if one does not advance, one is bound to lag behind. Last year, Hong Kong's economy grew only by something over 5%. In terms of economic growth, Hong Kong ranked last among the "four dragons" of Asia and was worse than China, Indonesia, Thailand, Malaysia, Singapore, South Korea and Taiwan. As for inflation, Hong Kong was only better than China and Indonesia. However, the fact that our total foreign investments lagged behind Singapore, Malaysia, Thailand and Mainland China indicates that Hong Kong will gradually fall behind in the area of technology transfer. As a result, our competitiveness will be reduced accordingly. Hence, we must review our mistakes in order to formulate a new strategy on economic growth. We should not remain silent or refrain from making comments just because the British side has lost its enthusiasm. Neither should we consider ourselves house slaves so that we have to declare our loyalty by creating noisy disturbance whenever Beijing utters something but turn ourselves into "human vegetables" when Beijing is silent.

Mr President, the Democratic Party believes that Hong Kong has entered a new economic era. While we have established closer economic ties with China, we are also facing a fierce competition with the newly emerging economic powers on the international front. Therefore, we must build a new economic foundation to increase our competitiveness. We should also formulate a set of manpower policies which focus on creating employment opportunities so that Hong Kong can keep on hitting new highs in its continual pursuit of excellence.

Firstly, the Democratic Party thinks that there should be adequate infrastructural facilities to make economic growth possible. Airport, ports railways and roads are essential to Hong Kong's economy. It is requested that the Chinese and British sides should stop bringing political arguments into their discussions on these infrastructural facilities so that Hong Kong can develop these transport facilities promptly.

Nevertheless, modern infrastructural facilities should not be confined to transport facilities only. Hong Kong's software system and information highway network developments are slow and insufficient. At present, many countries in Europe, the United States and even Asia have already begun to design their own information highway network to enhance the effectiveness of individuals and enterprises by speeding up the flow of information.

Hong Kong must rouse itself to catch up. Nevertheless, the introduction of the Tradelink has been repeatedly delayed and the Government has failed to provide adequate support. It has also failed to open negotiations on customs declarations relating to electronic data interchange with countries in Europe and the United States. All these show that it is necessary for the Administration to set up a policy body to deal with information infrastructural facilities. It is requested that the Government review this issue and give us a positive response.

As regards the manufacturing industry, the increase in land allocation for industrial estates and enhancement of technology research are all worth supporting. In recent years, the manufacturing industry has shifted its focus to value-added products. However, the research and development in this area are still inadequate. For example, Hong Kong's position in the "Four Dragons" of Asia keeps falling in terms of the gross output value of our electronics industry. Before 1982, the gross output value of the industry was only second to Taiwan. Since 1984, Hong Kong has come last among the "four dragons". Hong Kong businessmen have been relying on the northward shift of their factories across the border for cheap labour and factory premises to maintain their competitiveness. However, with the rapid growth of the Chinese economy and worsening of inflation in China, the businessmen have been losing the edge over their competitors gradually. Therefore, the Government must encourage Hong Kong businessmen to develop high value-added products. On the one hand, it should provide more economic assistance to practical industrial research. On the other hand, a data bank should be set up and more technology fairs be held so that scientists, both from China and overseas, can have more contacts with local industrialists and drive each other forward. Complemented by the manpower resources in China, Hong Kong should take advantage of its superior position to move its industries one step forward to become the front end of China's industries.

The service industry is an important sector in our modern economy. In the United States, the export service brings an annual surplus of US\$50 billion to the nation. Although the service industry has become a major component in Hong Kong's economic system, the Government is still obsessed with the past when manufacturing industry took the lead. Consequently, a negative and apathetic attitude is adopted towards the service industry. The recent policy address achieves nothing as far as the development of service industry is concerned. Even for the finance industry, the Government only plays a monitoring role. There is virtually nothing on issues like how to develop Hong Kong into an important global financial centre comparable to those in Europe and America; to train sufficient finance and investment personnel; and to make use of our technology to put Hong Kong on a par with the existing foreign exchange and bond trading centres in other parts of the world. Hence, it is our view that the Government should set up a department to co-ordinate service industry development and trade negotiations, and to formulate development objectives and policies relating to the training of service industry personnel and various infrastructural developments.

Mr President, to have strong competitiveness, Hong Kong should continue to raise its productivity, increase competition, break monopoly and curb inflation. At present, there is a worldwide resurgence of inflation while inflation in China has continued to worsen and there is even a tendency that the inflation there will run out of control. This will inevitably exert a strong pressure on Hong Kong. In August, Hong Kong's price index has almost risen by double digits. The prevailing high inflation rate has seriously undermined Hong Kong's competitiveness. If our inflation reaches a double-digit figure

again, the consequences will certainly be very serious. Therefore, the Hong Kong Government should give priority to taking effective measures and curbing inflation. The most effective tool in checking inflation brought about by the service industry is to raise productivity and increase its competitiveness. Hence, for those sectors with low productivity such as wholesale and retail catering, the Government should study how to improve their productivity and cease adopting a desultory attitude towards anti-monopolization and enhancement of competitiveness. Instead, the Government should come up with a policy that is really positive.

As far as competitiveness is concerned, the Government is now attaching much importance to the large enterprises while little notice is paid to the economic contribution made by the small companies. The Democratic Party considers that the Government should give more guidance and assistance to promote the development of medium and small enterprises. At present, many businessmen who set up factories and business in the Mainland are often illegally detained because of business disputes. I am very dissatisfied about the Government's failure to give positive assistance to these small businessmen. Moreover, after the Zhili Factory fire incident, the Guangdong Province promulgated a set of new laws to make investors shoulder heavier responsibility. Once this precedent was set, various local governments might formulate different laws of their own, making it hard for the investors to follow and easy for them to violate the law by mistake. Therefore, the Government should promptly discuss with the Chinese authorities on the formulation of clear-cut national requirements and the confirmation of the rights and responsibilities of Hong Kong businessmen so that the businessmen can be duly protected by law. At the same time, the Government should offer them advice to provide them better chances to succeed. Moreover, guidance should be given to them as to exercising self-discipline and respecting the labour welfare and safety in China.

Finally, as for our economic policy, the Democratic Party considers that the Government must give up the idea of making the importation of foreign labour the central policy on manpower. Instead, the Government should make drastic changes and shift to a manpower policy which aims at creating more job opportunities for the locals. It has always been reiterated that Hong Kong's employment rate is low. In fact, Hong Kong's employment level is also low when compared to the West. For instance, it still has a long way to go to reach 70% of the employment level in the United States. The so-called "low unemployment rate" is purely brought about by the low labour participation rate in Hong Kong, particularly when only 80% of men and 25% of women who are over the age of 55 are job-seekers. I believe it is not because the rest of the population are so "well-off" that they can "enjoy life". I guess it is just because they are forced to stay at home after repeated failures in job-seeking. If the women's participation rate can be raised from the existing 50% to 60%, the Hong Kong workforce will be increased by 200 000 people. Not only can these people fill most of our existing vacancies, they can also increase their family income. Therefore, the Government should actively study how to mobilize this

precious labour force. At the same time, the mode of production nowadays is ever-changing and so is the mode of economy. What we need is a versatile and quality workforce. We should not regard the manual workers as "cannon fodders". As they become older, we lose our interest in them and leave them struggling in the turbulent waves of the changing mode of economy. Consequently, they must either lower their wages in order to get a job, or to face underemployment or even unemployment. The Government should review Hong Kong's demand for manpower, and the training and retraining scheme, with a view to providing jobs for the public so that they can make their living, get promotion and earn more income.

The Democratic Party urges the Government to give us a positive reply next week in response to our three major requests, namely to build a new economic foundation, to increase our competitiveness and to formulate a job-oriented manpower policy.

Next, as the health care policy spokesman for the Democratic Party, I will discuss the health care policy stated in the policy address. In a word, what the Government presents are only piece-meal proposals on services. There is no clear-cut and consistent policy and direction. It is disappointing that the proposals carry more symbolic meaning than concrete effectiveness.

For instance, there are now more than 480 000 elderly people who are over the age of 65 in Hong Kong. In 1994-95, however, only two health centres for the elderly will be opened to provide service for a mere 6 000 people. By 1997, the number of people served will just be extended to 20 000. In Hong Kong, there are around 500 000 women who are aged between 45 and 64. By 1997, there will only be three government-run well-women clinics to provide cervical cancer and breast cancer screening for 7 000 women. It is indeed grossly and miserably inadequate.

Regarding hospital treatment, the proposals on the improvement of care for the sick delineated in the policy address are only one small step forward which is simply a gesture. For example, there are 45 diabetics in every 1 000 persons among our adult population. In other words, there are approximately 180 000 to 200 000 patients who are suffering from diabetes. However, the Government will only set up four diabetic care centres to provide treatment and advice for 8 000 patients. In respect of kidney diseases, we welcome the proposal that renal dialysis treatment will be provided to an extra 100 patients. However, how can the service be satisfactory when there is an increase of 200 to 300 new patients who require renal dialysis each year? As to the nearly 20 000 stroke patients and 60 000-odd cancer patients that Hong Kong has every year, when will they enjoy better service? There is not even a single word on this in the policy address. It really makes me doubt the Government's commitments to these patients.

Mr President, we must not accept inadequate prevention, insufficient treatment and shortage of nursing staff.

Hong Kong is enjoying an enviable per capita gross domestic product and our Treasury has a reserve of \$140 billion. In 1993-94, our surplus even reached \$19 billion. Under such robust financial condition, why can we not offer a helping hand to the needy to enable them to make a speedy recovery and regain their health? Why must the Government be so mean and apathetic? Why can you not be more sympathetic and caring? Is it because the big shots in the north have asked the Hong Kong Government to refrain from spending money so that our citizens have to be treated in such a mean way? I hereby request the Government to address Hong Kong's medical needs and to provide sufficient resources so that the public do not need to tolerate the poor medical service any longer.

At the same time, I stress once again that the Government must not make any further delay and should formulate a comprehensive long-term health care policy as soon as possible. This policy should aim primarily at preventive measures which will serve to mobilize a perfect and consistent system of preventive measures and cure service. In addition, the Government should set objectives, provide resources, train and develop manpower to enable the public to really enjoy health and happiness through Hong Kong's success.

Mr President, I so submit.

MRS MIRIAM LAU (in Cantonese): Mr President, if I have to describe the transport policy in the Governor's policy address this year, I would say "it is a quadruple zilch". In this year's policy address, the Government has not a single accomplishment to speak of in any of the following four areas: solution to the traffic congestion problem; the development of mass transit systems together with specific arrangements for the northwest railway and the extension of the Mass Transit Railway System; the communication and co-operation with China for expeditious development of the major transport infrastructure which will affect China and Hong Kong; and the proper utilization of public transport resources in order to minimize wastage.

*Solution to the traffic congestion problem*

Traffic congestion is an issue which has recently aroused Hong Kong people's close concern. It does not only affect our economic development but also our livelihood. The Governor also emphasized this issue in last year's policy address by saying that the Government would take positive actions to pursue solutions. It is a pity that this has been all talk and no cider. In this year's policy address, the Governor has virtually said nothing about it other than mentioning, by way of excuse, that a package of measures would be announced at the end of this year for public consultation. The Liberal Party is extremely disappointed with it. In an opinion poll conducted by the City and New Territories Administration in September this year, traffic problem attracted the most of attention from respondents, among whom 76% pointed out that traffic congestion was the crux of the problem. Thus we can see that the

problem has become so serious that the Government must address it urgently. The Liberal Party does not object to consultation but will not accept the use of consultation as an excuse to tackle the problem at a later stage. In fact, consultation could have been started several months earlier because the study on this problem had already been under way for a long time. If the Government had consulted the public at an earlier stage, we might by now have already decided on the kind of measures to be adopted to clear up traffic congestion.

According to the Policy Commitments annexed to the policy address, the Government's goal of building transport infrastructure is to "maintain a free flow of traffic and to anticipate the needs of the community through continued investment in road and rail development". What high-sounding words they are. We have a pretty good idea of whether the Government has anticipated the needs of the community to enjoy a free flow of traffic. The Government has undertaken in the policy address to spend a sum of \$30 billion in the coming five years on constructing a modern road system in response to our need. However, a close scrutiny will show that \$18 billion of it will be spent on roads relating to the new airport while the remaining \$12 billion will be divided over five years, that is, allocating \$2.4 billion each year to road construction. Is this amount sufficient to build the roads which Hong Kong needs so that the overall traffic congestion can be alleviated? This is indeed doubtful, not to mention the anticipation of the needs of the community by adopting some measures in advance.

Now I would like to talk about the attitude adopted by the Government in respect of road construction. The five so-called new initiatives mentioned in the policy address have actually been included as part of the government schedule but the actual progress is slower than expected. For instance, according to the *White Paper on Transport Policy* issued in 1990, the Government found it desirable to complete the Country Park section of Route 3 by the mid-1990s. However it is the end of 1994 now but the contracts in question have not yet been granted to any contractor nor has the Government consulted China formally. Given the present situation, I may have to thank God if Route 3 (Country Park section) can be completed in 1998. In addition, it is also stated in the White Paper that the Hung Hom Bypass should be completed by the mid-1990s but eventually the construction can only be commenced in late 1995. Route 16 should have been completed in the late 1990s but now the construction can only be commenced after 1997. Furthermore, the Government has stated in the White Paper that Route 7 (the section between Kennedy Town and Aberdeen) is planned for completion in the late 1990s and the Island Eastern Corridor Link in the mid-1990s. However, there is at present no trace of these projects and such construction works are unlikely to get under way in the foreseeable future either. Given the growing seriousness of traffic congestion, it is indeed disappointing to find that not only has the Government failed to complete some important projects ahead of time but it also keeps using a stalling tactic. Recently the Government has kept stressing that the increase in the number of vehicles is the cause of traffic congestion. The attack is directed

straight at the vehicle owners. Is it fair for the Government not to perform its own duties but put the blame on vehicle owners for causing traffic congestion?

*Mass transit system*

The Liberal Party has all along held that the Government must solve the traffic congestion problem in Hong Kong by, in the long run, constructing more flyovers, developing in full steam more mass transit systems and encouraging members of the public to reply on public transport. The Government's performance in developing mass transit systems is equally disappointing. After the introduction of the new airport projects, it seems that the focus of construction works is entirely on the new airport and the related items but everything else is delayed. Unfortunately, the new airport projects are beset with difficulties and the future of the airport railway is not yet known. Yet, as the problem of serious congestion along the MTR Nathan Road Corridor must be solved expeditiously, the Government should consider catering for the demand by constructing a Mass Transit Railway extension between Lai King and Central first. However, there is not a single word on this issue in the policy address. As for the northwest railway and the Mass Transit Railway extension to Tseung Kwan O, it was proposed in the Second Comprehensive Transport Study that these two items should be developed in the early 1990s but now the development has been deferred until 2001. Although the Government has repeatedly undertaken to announce details of these two projects as early as possible, the Governor is still unwilling to put forward any specific arrangement in the policy address. This is indeed disappointing. If the Government still fails to take actions in a decisive manner, it will remain very doubtful as to whether these projects can be carried out as scheduled. In fact, these two transport development projects and other proposals put forward in the Railway Development Study, particularly those relating to the East Kowloon Route and the South Hong Kong Island line, are of paramount importance to both the development of new towns and the untangling of the territory-wide traffic congestion. The Government should take positive actions to implement the development plans instead of adopting a stalling tactic.

If the public is provided with a comfortable and efficient mass transit system, there will naturally be less inclination to go out by driving their own cars. This will be an effective means to reduce traffic congestion. Of course, we need huge resources to develop a sound mass transit system. If the Government is unwilling to undertake some of the projects, it should consider allowing the private sector to participate in the construction works and provide services. Yet, the Government's attitude is not positive in this respect. It is learned that some consortia have taken the initiative to propose to the Government that they will undertake to construct two railway links, namely one between Ma On Shan and the Kowloon Peninsula and one between the Southern District and Central. However, they receive no positive response from the Government. If the private sector can participate in the construction works, I think the overall mass transit plan can be put into practice at an earlier date.

This will not only benefit the public but also the overall economic development in Hong Kong.

According to the *Second Comprehensive Transport Study (Revised Edition)*, there is certain financial constraint on the development of the transport infrastructure in Hong Kong. The Government's fiscal policy is to maintain public expenditure at about 18% of the gross domestic product. This percentage is comparatively lower than other economically prosperous countries. However, the Government has for more than 20 years maintained the transport infrastructure expenditure at a virtually low level of about 4% of public expenditure. In addition, for the sake of avoiding overheating in the construction industry, the Government has even incorporated private investments into the overall financial budget for the transport infrastructure. Thus we can see that the Government has not done much in this respect.

Economic prosperity is a major cause of the growing number of vehicles in Hong Kong. The increase in vehicles will naturally heighten the demand for roads. The Government should allocate more resources to the transport infrastructure so as to cope with economic growth. In fact, the financial constraint I mentioned earlier is not wholly inflexible. For instance, in the early 1980s the share of spending on transport infrastructure in the total public expenditure was about 6%, which was higher than the average percentage. The Liberal Party thinks that the Government should match the community's actual demand by undertaking more commitments in this area. In addition, just as the *Second Comprehensive Transport Study (Revised Edition)* reminded us, the Government should separate private investments from its own undertakings. In doing so, the financial constraint on infrastructural projects will be tremendously reduced and the projects involved can be carried out in accordance with Hong Kong's actual demand. The Liberal Party ardently hopes that the Government can really do so.

#### *Communication and co-operation with China*

As regards the transport infrastructure, there has been no remarkable achievement in communication and co-ordination between Hong Kong and China in recent years. The Governor said that innumerable meetings on transport issues would be held between Hong Kong and China every year but these are merely meetings on the level of the operation of the departments or units concerned and do not involve the development of major items of the transport infrastructure which will affect China and Hong Kong. Anyway, these meetings on the operation level have not proved to be particularly successful. For instance, problems still frequently emerge while one passes the customs at the border. The container truck drivers' strikes on quite a number of occasions and the delay in arranging for round-the-clock opening at the Lok Ma Chau border control point all bear witness to room for improvement in the mutual communication and co-operation relating to problem-solving and smoother operation.

As regards major projects of the transport infrastructure, those connecting both sides of the border must be well co-ordinated so as to complement each other. Yet, problems such as whether the northwest railway will be connected to the Beijing-Kowloon Railway or other railway lines, how the Lingding Yang Bridge will be linked to Tuen Mun and how Route 3 can complement road networks in China after its opening to traffic still remain unresolved. It is indeed worrying that these projects may be delayed. The Government should make its best attempt to break the deadlock and take positive actions to seek China's support and co-operation so that these transport infrastructural projects can be carried out expeditiously.

*Proper utilization of transport resources*

During last year's Motion of Thanks, I criticized the Government for neglecting the proper utilization of transport resources. But the Government has all along given me no positive response. It is mentioned in this year's Policy Commitments that the Government is encouraging the development of a more efficient network of bus services by reallocating buses from routes where services are no longer required to areas with the greatest demand. I believe the bus companies will, even without such encouragement, be very happy to do so because deploying buses to the unprofitable routes is in fact a waste of resources. Past experiences confirm that the fewer passengers take the bus route, the lower the bus frequency will certainly be, which will in turn attract even fewer passengers. As a result, the more bus companies lose, the poorer services they will provide. Yet, the abolition of any bus route is normally objected to by the local residents and there were not many examples of successful abolition in the past. While the government policy is to ensure the cost effectiveness of public transport services, deploying buses to routes with so few passengers and so much deficit is certainly against such a principle. However, the abolition of these routes cannot be done all by the bus companies themselves. There is a need for the Government to offer assistance by providing an alternative transport service which is efficient and acceptable to the residents to substitute the original service. In doing so, residents' resistance to the new service can be reduced so that the plan to abolish these unprofitable routes can be smoothly put into practice. If bus companies are able to reduce resource wastage of the unprofitable routes, I believe the pressure of fare increases will correspondingly decrease. In addition, traffic congestion has caused serious loss in bus mileage. The Government should assist the companies in cutting the wastage in this respect by providing more bus lanes as far as practicable.

Last year I also proposed that the Government should consider increasing the seats on green minibuses but it just turned a deaf ear to my proposal. From the point of view of utilizing transport resources properly, there are no grounds for the Government to restrict the number of seats to 16 on a vehicle which can provide 20. In fact, increasing the number of seats on a minibus can enhance its cost effectiveness. Under the circumstance that the Government is in control of the level of fares, the ones who can benefit from it are the public. I have

learned from the Hong Kong Kowloon New Territories Public Maxicab Operators General Association Limited that fare increases for the basic routes can be frozen for a minimum period of two years and the concessionary rates for elderly passengers can also be fully implemented if the number of seats on a minibus can be raised to 20. This measure is in the interests of passengers. Furthermore, to increase the number of seats can shorten passengers' waiting time and allow minibuses to take more passengers. This will enhance the effect of having buses supplemented by minibuses. The Liberal Party thinks that the Government should seriously consider this proposal which can enable resources to be properly utilized and the public to get the benefits.

Mr President, these are my remarks.

6.54 pm

PRESIDENT: Some Members have indicated their wish to speak today. I will call them accordingly. I propose to suspend the sitting today at 8.00 pm.

MR MOSES CHENG (in Cantonese): Mr President, the theme of the Governor's policy address this year is *A Thousand Days and Beyond*. But objective reality compels me to ask: How can the Governor, in the one thousand days to come, possibly devise strategies over the transfer of sovereignty in the latter part of the transition period of Hong Kong without amicable Sino-British relations to serve as the bridge of communications? How can the Governor possibly assure this prosperous and thriving society of Hong Kong as well as its six million population of a smooth transition to 1997?

Ever since July 1992 when Mr Chris PATTEN came to Hong Kong to take over as Governor, Sino-British relations have been strained and showing signs of regression from year to year. The adversities brought about by the row between China and Britain over Hong Kong have gradually taken shape. The row over the political structure has also affected issues pertaining to people's livelihood, and thus it is the six million people of Hong Kong who will suffer ultimately.

The prerequisite of a smooth transition which the people of Hong Kong hope for is a good working relationship between China and Britain. Regrettably, I do not see any likelihood to date that Sino-British relations will be improved. In his policy address, the Governor has given the Preliminary Working Committee the cold shoulder and no specific measure has been put forward for the improvement of Sino-British relations. The Governor has put it explicitly that he hoped the Chinese side would expedite the work progress of the Joint Liaison Group and that the Hong Kong Government would give assistance to the Preparatory Committee for the Hong Kong Special Administrative Region to be set up in 1996. Can this be construed as "co-operation"? The Governor has remarked that where the enhancement of Sino-

British co-operation was concerned, the word "sincerity" should not be spoken too frequently. This precisely reveals that it was simply on the basis of political consideration that he called for Sino-British co-operation and that the word "sincerity" had better be avoided. This attitude, which ostensibly stresses the need to improve Sino-British relations but secretly slams the door on resumption of co-operation, will doubtlessly aggravate the ever so strained relations between China and Britain.

One of the adversities which I mentioned earlier as brought about by less than amicable Sino-British relations concerns the transition. The transfer of the sovereignty over Hong Kong in 1997 is, of course, not as simple as holding a formal and solemn ceremony. It is to ensure a smooth transition of all kinds of systems which have been consistently and effectively implemented in Hong Kong and their continuance beyond 1997. I would like to stress in particular that a good and sound legal system is the foundation of a prosperous Hong Kong. It also serves as the main artery which sustains the proper functioning of society. If Hong Kong is to pass 1997 smoothly, the transition of the legal system is deemed indispensable.

Regrettably, with regard to the localization of laws, which is one of the important elements in the transition of the legal system, in view of the sluggish progress of the Joint Liaison Group, it worries me indeed as to whether there will be the successful transition of legislation and whether a legal vacuum will arise in 1997.

The Governor stated in the preceding policy address that 10 Bills related to the localization of laws would be introduced into this Council in the previous Session. From the report card which the Governor gave out to himself, no more than four Bills had been completed. Neither did the Governor explain the reason why the other six Bills had failed to come before this Council for deliberation nor review the reason why his promise was not honoured. There are still 22 such Bills waiting to be processed in less than three years' time. Based on last year's progress, which means only four Bills could be completed, can the Governor tell members of the public how possibly can the localization of laws be completed by 30 June 1997? The Government should explain to the community the plan as well as the timetable for this particular task.

We should not lose sight of the fact that laid before the Joint Liaison Group are 500 Ordinances and 1 000 pieces of subsidiary legislation which have yet to be adapted to conform to the Basic Law. In respect of international multilateral agreements, there are 40 to 50 waiting to be processed. As regards bilateral agreements, those which have yet to be processed number almost a hundred.

Mr President, I do not wish to be alarmist. But if the work in preparation for the transition of laws cannot be completed on schedule, there will be considerable adverse effects on Hong Kong continuing as the international centre of commerce, finance and aviation after 1997. This will directly give rise

to misgivings and anxieties in the industrial and commercial sector and indirectly weaken world confidence in Hong Kong.

Apart from the transition of laws, the Liberal Party and I both find the part of the policy address relating to the judiciary and other legal aspects disappointing.

First of all, the Court of Final Appeal problem has long remained unsettled. The Policy Commitments only indicated briefly that the Court of Final Appeal is planned to be set up in 1996. But in view of the current state of Sino-British relations, it indeed makes people wonder if this is just being the Governor's own wishful thinking. Is the Government going to commit the same mistakes as in the handling of Container Terminal No. 9? Let me reiterate the standpoint of the Liberal Party in this regard, and that is, the Court of Final Appeal should be established as early as possible on the basis of the Basic Law so that operational experience and knowledge of tradition as well as case law based on accumulated precedents can be built up and secured during the transition period. Only in this way can the Court of Final Appeal build up its authority and straddle 1997.

Impartial and righteous judges are essential for the administration of a sound system of law. One of the hidden worries faced by the Judiciary is the shortage of judges, particularly local judges who are familiar with the situation in Hong Kong. The shortage is apt to become even more serious in 1996. As the Chief Justice, Sir Ti Liang YANG, has remarked, the next three years will be a hard time for the Judiciary. The Government, however, has never formulated any long-term strategy to increase the number of judges, attract the elite in the local legal profession to join the Judiciary and provide training to potential local judges with a view to realizing the localization of judges. I would like to remind the Governor that brilliant local judges are not heavensent. Currently, as the Court of Appeal does not have any ethnic Chinese judge at all, even though the Court of Final Appeal is set up in the year 1996 the way the Governor has wished, can the Governor tell us how can the Court of Final Appeal function smoothly if there are no judges suitable for promotion?

Another issue which is indirectly related to the transition to 1997 is the use of Chinese in courts. As Chinese is the most commonly used language in Hong Kong, the Liberal Party is of the view that, even without the 1997 factor, it is only logical that Chinese is to be used in courts. It can also foster the spirit of a fair trial. While it is stated in the Policy Commitments that legislative amendments will be introduced in 1995-96 to enable the phased introduction of the use of Chinese in higher courts and that translation services for courts will be expanded, the way to assist judges, Crown Counsel and lawyers to master Chinese as the language they use at work is completely left out of consideration. Such being the case, to encourage the use of Chinese in courts will merely be a paper promise. In the long term, it will be all the more necessary for the Government to allocate funds to the University and Polytechnic Grants

Committee to enhance the provision of training in Chinese language for law students, enabling them to become bilingual legal professionals.

As far as legal aid is concerned, the Liberal Party is in support of providing legal aid services to people who are in financial hardship, thereby upholding the principle of equality before the law. Yet, we should bear in mind that "to maintain a harmonious relationship" is one of the finest virtues upheld by the Chinese people. It is never the wish of our community that everything will have to be litigated before the courts, which is definitely not the best way to settle disputes. I would like to use this opportunity to remind the Government that the expansion of legal aid ought to be carefully handled. I would hate to see Hong Kong developing into a litigious society similar to that of the United States, where "filing a lawsuit" is a widespread phenomenon, as a result of our legal aid services becoming too popular. Therefore, the Government should carefully work out some methods to resolve disputes other than the institution of legal proceedings so that more simple mechanisms outside the courts will be provided for members of the public.

Where the judicial and legal aspects are concerned, the only cause for consolation is that the Government has eventually taken a positive attitude towards reforming the management efficiency of the Judiciary. For years, this is what I have exerted myself to strive for. Financial provision in a relatively reasonable amount is to be made to the Judiciary every year to meet its recurrent expenses in strengthening the management and administrative structure. I hope that the Judiciary Administrator will make good use of this sum of money to maximize the cost effectiveness and will not let down those people who have high expectations of her.

Mr President, I would like to turn to social welfare now. The manifesto of the Liberal Party stresses economic growth and the betterment of people's livelihood. We support that assistance should be given to the disadvantaged who need to be cared for in our community.

I would like to raise two points in particular for discussion. The first one concerns elderly services. The policy address stated that \$6.8 billion will be spent on services for the elderly this year and that an Elderly Services Development Fund will be set up with \$200 million. The Liberal Party absolutely supports the Government in strengthening the care for the elderly. Our view is that an expansion of services is more appropriate than direct subvention. Besides, the elderly must have easy access to the services provided. We particularly suggest that the Government consider setting up multi-service centres where the old people can use different kinds of services at the same place without having to travel too much. Moreover, the additional financial provision for elderly services should be used genuinely to provide old people with a wider range of services, but not to be used mostly to create new posts.

The second point concerns the subvention to voluntary agencies. At present, voluntary agencies take up a considerable proportion of social services in Hong Kong. Their expenses account for more than 70% of the total subvention granted by the Social Welfare Department. The existing mechanism for subvention, however, gives preference to quantity rather than quality. Consequently, the performance standard of subvented agencies is by no means guaranteed. I have urged the Government many times to step up effort to monitor the performance standard of subvented agencies so as to ensure that public funds are in good hands. The Social Welfare Department has agreed to conduct a review on the management of social welfare subvention. I hope that suggestions directed towards the existing shortcomings will be put forth later on.

Mr President, the Liberal Party and I have all along adopted a down-to-earth attitude in dealing with Hong Kong affairs. The plain facts before us depict a rough and difficult road ahead in the 900-odd days to come. To surmount the obstacles, perseverance and courage are required on the part of the people of Hong Kong. I profoundly believe that it is the wish of every person of Hong Kong who chooses to stay here beyond 1997 that we will have a smooth transition and that Hong Kong will continue to be prosperous and stable after 1997. It is believed that only when the six million people of Hong Kong are of like mind and united as one and only when the Chinese and British Governments are willing to honour their pledges given to the people of Hong Kong as laid down in the Sino-British Joint Declaration and enhance their co-operation will the goals set for "A Thousand Days and Beyond" be likely to be realized. Or else, even though the Hong Kong British Administration would take the hint from some of our colleagues and let the single-track train roll, it would only end up in a train crash.

Mr President, with these remarks, I express my disappointment.

MR MAN SAI-CHEONG (in Cantonese): Mr President, there is nothing new or proactive in the Government's policy on recreation and culture this year. This gives the impression that the Government has failed to give adequate consideration to the overall development of recreation, culture and broadcasting, and that it is only reacting to the comments or criticisms by Members as well as the community. The policy address has mentioned that the purpose of setting up the Hong Kong Arts Development Council is to promote arts and cultural development through an independent statutory body vested with executive powers. But regrettably the Council is a policy-making body with no democratic element in its composition.

According to the Hong Kong Arts Development Council Bill, the Chairman, Vice-chairman and other members of the Council are all appointed by the Governor. Membership of the Council comprises certain *ex-officio* government officials such as the Secretary for Recreation and Culture and the Director of Education. As the Council will be influenced directly or indirectly

by the Government, how can it promote and provide a wider and more diversified environment for artistic creation?

It must be understood that the Hong Kong Arts Development Council and the arts culture which we yearn for should belong to the community rather than to the powers that be. The channel should be upward instead of the other way round. The Arts Development Council consists of members who are appointed, and, being an independent statutory body vested with executive powers, will assume the role of leader in the artistic and cultural field. However, such a body lacks credibility and has got no mandate. All members are accountable only to the Governor but not to the community at large. Such being the case, the Arts Development Council cannot command the confidence of local arts groups or members of the public. Its powers to promote and diversify arts and cultural activities are also weakened.

The policy address places high hopes in the setting up of the Arts Development Council but turns a blind eye to the latent problems of such a course of action. This is very regrettable.

The Democratic Party is of the view that only an Arts Development Council endowed with credibility and a popular mandate can ensure the freedom of artistic creation and protect such freedom from being abused by the incumbent as well as future governments. Furthermore, it can ensure the fair and reasonable distribution of resources allocated for the arts. We strongly support the idea of setting up the Arts Development Council subject to the introduction of a directly elected element into its composition.

It is mentioned in the policy address that increasing the choices of broadcasting programmes is one of the effective ways to achieve diversity and freedom of expression in artistic creativity. We are of the view that the creation of a public access channel is fully in line with the targets and strategies mentioned in the policy address. In fact, at the end of the previous legislative year a motion was passed by the Legislative Council urging the Government to devise an appropriate policy for that purpose, but unfortunately, not a single word was said in the policy address about the idea of creating a public access channel. Although the Recreation and Culture Branch keeps saying that more time is needed to carry out an in-depth study in this regard, we still doubt whether the Government has any sincerity in setting up a public access channel.

Although technical difficulties may need to be overcome in setting up a public access channel, they should not become an excuse on which the Government would deny the public a proper public access channel. Instead, the Government should come up with a decision regarding the direction in which its policy is headed, either to proceed or not to proceed. The Government should not drag its feet any more, otherwise the precedent of the proposed corporatization of the RTHK will be repeated, and the issue will languish and die a quiet death. In view of the above, I urge the Government to implement

plans as soon as possible and make up its mind to allocate funds for setting up a public access channel for the Cable TV in the next financial year.

In addition, in terms of policy, the Government should review the role of the film industry in Hong Kong. Hong Kong has long become the Hollywood in the East, but what the Government does towards the movie industry is confined to the assumption of a vetting role while never offering any assistance to promote the industry. Can the Government do something more specific in order to promote the industry in real terms?

Several Members of the Legislative Council, myself as well as the film industry have striven for the setting up of a Film Commission over the years. I wonder when this issue will be placed on the Government's agenda for action? The policy address has stressed the need for promotion of cultural and artistic development, but the Arts Development Council excludes the art of film-making from its remit and attaches importance only to the performing, literary and visual arts. In actual fact, there is no justification for the Arts Development Council to do so. Film is an art form which integrates performing, literary and visual arts. A crude categorization will show that films can be highly commercial as well as artistic.

Like many other forms of popular art, films can be a highly profitable commodity. If such a factor has caused discrimination against the art of film-making, undermined the ability of those dedicated to enhancing and improving the quality of films, and allowed the commercial world to ride roughshod over the art of film-making, then it is really a pity.

Now I would like to comment on the Government's environmental policy, which shows neglect of the need for environmental conservation, lack of a strategy for waste disposal as well as neglect of public education in this area.

The Earth Summit held in Rio de Janeiro, Brazil in 1992 laid down a consistent and long-term target for a global policy on environmental conservation and sustainable development.

As an international city, Hong Kong must comply with the requirements stipulated in that Summit, for example, those under Agenda 21. Two years have lapsed, but the Government still fails to come up with a comprehensive policy on environmental conservation and sustainable development. There is generally a wrong impression that environmental conservation would slow down the pace of social and economic development. However, we can in fact adopt a comprehensive strategy of sustainable development to facilitate a better result in terms of social and economic development, and to further improve the living standards of mankind within the constraints of limited global resources. To achieve such a tangible goal, we need the Government to offer us strong support and to make firm commitments. The Government need to come up with a clear, feasible and practicable policy on environmental conservation.

It is a pity that the current policy adopted by the Government on environmental protection and conservation is both fragmented and inconsistent. It is obviously less than satisfactory merely for the Agriculture and Fisheries Department, the municipal councils and the Environmental Protection Department to implement environmental conservation by means of stopgap measures. This is obviously not good enough. The Government must wait no longer. It must devise an overall set of guidelines and a code of practice on environmental conservation.

The new environmental protection or conservation policy should incorporate the following points:

- (1) To uphold the principle of biological diversity and to maintain ecological equilibrium.
- (2) To minimize the depletion of resources which cannot be re-generated.
- (3) Resources permitting, to continue to maintain a balanced social, economic and environmental development.
- (4) To strengthen public education in order to create an awareness of the need to treasure the environment as well as to nurture an environmentally conscious community.

Once again I urge the Government to do its best to create a green and self-sufficient society so that Hong Kong can successfully have sustainable development and a better future in the 21st century.

Regarding the policy of solid waste disposal, Hong Kong has long been plagued by the problem of waste disposal. With the commissioning of a number of landfills in the New Territories, many people think that the waste disposal problems which have been plaguing Hong Kong for so long have finally come to an end, at least for the next 20 years. Yet I do not think that the responsibility of a decision-maker is merely confined to finding a site for landfilling, and then closing it up permanently. Instead, the volume of waste which Hong Kong is generating keeps increasing every year. At present, landfills being planned are having a shorter life-span than expected, while the landfilling disposal method can at most only be regarded as a last resort in solid waste disposal. Strictly speaking, Hong Kong does not currently have a comprehensive strategy on waste disposal. A comprehensive strategy on solid waste disposal should include at least the following:

Reduction of wastes at source, reuse and recycling of wastes, collection and transportation of wastes, incineration and landfilling.

Now what the Government is actively engaged in is merely collection and transportation of wastes as well as landfilling. I think a good plan to achieve waste reduction, particularly in terms of reduction at source, will not be limited to keeping the quantity of waste down but will also be a means to ensure sustainable development. The reduction of waste depends on public support and co-operation. Active publicity and education on the part of the Government is thus very important. The recent "Bring Your Own Bag" campaign, for example, has successfully achieved the purpose of reducing the number of plastic bags. In view of this, the Government should continue with its effort in this area.

Although large volumes of wastes have been exported to other countries, the recycling industry in Hong Kong is on a very small scale. The Government should render assistance to this industry, for example, by providing technical support and financial subsidies to help create an environment favourable for the development of a recycling industry in Hong Kong. At present, the re-usable wastes being exported come mainly from the industrial and commercial sectors. Not much domestic wastes are being recovered because of absence of a classification procedure for domestic wastes, making it difficult technically to recover re-usable wastes. Even if domestic wastes are classified by domestic occupants, the municipal councils do not classify the wastes in their collection and transportation processes and thus do not deal with them separately. Therefore, in the long run, it is necessary for the Government to come up with a proper strategy on waste collection and transportation in order to achieve the purpose of waste recovery and recycling.

Finally, I would like to talk about incineration. Recently, incinerators are being closed down by the Government one after another, because incineration causes pollution. But incineration has been widely adopted in Europe, America and many advanced countries such as Switzerland. In fact, incineration can reduce wastes, reduce the need for landfills, generate electricity and cater for local needs. Air-pollution problems caused by incineration have recently been solved by incinerators equipped with highly advanced technology. In order that our next generation can have a clean environment and enjoy the fruits of sustainable development, I urge the Government to actively devise a comprehensive strategy on solid waste disposal, taking into consideration technical, economic and environmental factors.

The Governor proposed in his last policy address the creation of the post of green managers, which triggered community concern about environmental protection. However, nothing was said about the progress of such a proposal. The concept of "green managers" is a new and far-sighted idea, but are "green managers" really capable of enhancing environmental awareness in the Civil Service? Not a word has been said in the policy address in this regard. I hope the Government can respond and persist in this policy.

Mr President, I wish to talk about consumer protection and collective legal actions. Ever since I moved a motion debate in December 1993 on expanding the jurisdiction of the Consumer Council and the establishment of a consumer collective actions fund, the Government and the Consumer Council have given positive responses. The Consumer Council can now receive complaints concerning public utilities and service industries, and the efforts of the Consumer Council in examining the presence or otherwise of monopoly in various important industries are commendable.

I hope that in the next financial year, the Government will continue its efforts in allocating funds to the Consumer Council in order to study the feasibility of a policy against monopoly .....

*The buzzer sounded a continuous beep.*

PRESIDENT: You have to stop now, Mr MAN.

MR STEVEN POON (in Cantonese): Mr President, the Governor's policy address this year is entitled: *A Thousand Days and Beyond*. However, the Governor has only mentioned bits and pieces of policy matters and failed to put forward an overall picture for the future, nor has he highlighted any direction in the long-term development of Hong Kong. I am afraid that the Government's shortsightedness in the way it looks "beyond" 1997 would make it difficult to make good use of the "thousand days".

Hong Kong was ceded to the Britain and became its colony at a time when China's national might was on the wane. Now the territory will be returned to China at a time when China's reform and open door policy have brought it prosperity. Chinese people all over the world regard China's resumption of the exercise of the sovereignty over Hong Kong as the event of the century and are proud of it.

Hong Kong will become a Special Administrative Region (SAR) of China after recovered by China. Its relationship with Beijing will be that of a local government to a central government. From a political and economic point of view, the future well-being of Hong Kong relies entirely on the stability and prosperity of China and indeed both Hong Kong and China are mutually dependable. However, since, in political sense, Hong Kong has been separated from China for a long period of time, coupled with the influence of colonial education, many Hong Kong people do not have a clear idea about China and their sense of nationhood is weak. Worse still, since Mr PATTEN assumed the governorship, not only has he failed to promote harmony and understanding between China and Hong Kong, but he has also tried to play up their differences and hence fomented disputes and indeed confrontation between China and the United Kingdom.

The Sino-British confrontation has resulted in serious fragmentation among the local population. Hong Kong people are seemingly divided into two camps, either pro-Britain or pro-China. For the majority whose mere desire is to live in peace and work in contentment, they are compelled to pledge allegiance to either the United Kingdom or China. They have to struggle to survive in the Sino-British tug-of-war and are at a loss as to what to do.

The British Hong Kong Administration has strictly set 30 June 1997 as a deadline, meaning that the British Government will go its own way before that date. This has left the Chinese Government with no other alternatives but to adopt a tit-for-tat approach to ensure that the British Hong Kong Administration will not have any lingering influence after that date. Such an "either or" mode of thinking has resulted in the formation of two faults, so to speak, with Hong Kong people struggling in the gulf. Late in the night of 30 June 1997, the two faults will totally separate. The people of Hong Kong do not as yet realize how deep this gulf will be. However, it does not seem that Governor PATTEN cares about the situation at all. He is still indulging himself in the game which he has designed. Under such circumstances, the road of return has become more and more rugged for the people of Hong Kong.

Let us consider the changes which the people of Hong Kong have to face around 1997. First, the transfer of government practically necessitates the change of the chief executive and membership of the Executive Council on 1 July 1997. Second, given that the British Government has unilaterally organized elections with those elected cannot serve beyond 1997 — a move which is a far cry from its long-standing policies and promises in the past, the Chinese Government has decided to dismantle the three tiers of representative government; to establish a provisional legislature to form the first legislature; and to hold elections to re-elect members for the Urban Council, the Regional Council and the district boards. The election system will change and so will the delineation of geographical constituencies. The appointment system now replaced by an electoral system will then be restored. The 500 elected members of the three tiers of government will automatically be removed on 30 June 1997 or 1 July 1997, and Hong Kong will have to hold eight elections at all levels of our three-tier government within four years, from 1994 to 1998.

Some of the laws which have been enacted before 1997 will be repealed in 1997. Meanwhile, it has become more and more difficult for policy secretaries and senior officials of the Hong Kong Government to remain in office beyond 1997. This has dealt a heavy blow to the morale and confidence of our civil servants.

For the aforesaid reasons, it is envisaged that the political situation around 1997 would be in a chaotic state. A smooth transition will become "a cracked transition", and the promise of ensuring a smooth transfer of government in 1997" made in the Joint Declaration would become empty words. It certainly gives cause for concern among the people of Hong Kong. And the industrialists and businessmen also have misgivings as well.

Forgive me if my words sound too pessimistic, but if this kind of confrontation against a backdrop of "a cracked transition" is allowed to develop unchecked, with further fragmentation and jittery among the public, the political chaos may turn into social disturbance. I therefore urge the British and the Chinese Governments to bear the possibility of such social disturbance in mind and to forestall its occurrence.

The Liberal Party has all along been urging the British and the Chinese Governments to co-operate and to create the right conditions for the smooth transition and survival of our political system after 1997. In this regard, we paid many visits to Beijing and to London and strived to get the 1994 political reform package carried in the Legislative Council, which would help mitigate any turbulence to a minimum. Unfortunately, our efforts have finally proved to be futile. Under the present circumstances, it seems to be unrealistic to hope that the British and the Chinese Governments would put aside their differences all at once and have full co-operation. Nevertheless, I do not understand why the Governor in his policy address emphasizes the importance of co-operation with China on the one hand, but he has forbidden civil servants to attend meetings of the Preliminary Working Committee (PWC) and its sub-groups on the other. Now that the British and the Chinese Governments have failed to reach an agreement on the survival of the existing political system after 1997, if the Governor is sincere in his pledge to co-operate with China, such co-operation must be conducive to the territory's operation beyond 1997, bearing in mind that there will be no convergence of the political systems before and after 1997. The PWC is the body which makes proposals on this kind of operation. It has been officially established by the National People's Congress of the People's Republic of China. How can the Governor speak of co-operation on the one hand and rejects the PWC on the other? This is an objective political reality that the PWC has been established because the British and the Chinese Governments could not co-operate. Generally speaking, many people do not understand the work of the PWC and may have some misunderstanding and hence oppose the PWC. However, no matter whether one harbours any biased views towards the PWC or not, it is undeniable that its work is very important. Its proposals will form the blueprint for the Preparatory Committee and it will provide guidelines for the future political, economic, cultural and other developments in Hong Kong. From the United Kingdom's standpoint, it may think that it is not duty bound to liaise with the PWC, but from the standpoint of the people of Hong Kong, there is every need to ensure that the PWC has access to the nitty-gritty of the operation of the Hong Kong Government in order that it can make realistic and feasible proposals in the interests of Hong Kong.

The fact that the Governor snubs the PWC can have only one explanation, that is, to maintain the dignity of the British Government. It surely cannot be interpreted as a move to uphold the best interests of the people of Hong Kong. Now I urge the Governor to reconsider his stance and attitude towards the PWC.

Mr President, from day one when I became a legislator in 1991, I have been pressing the Government to develop a good relationship with China. My first speech was delivered during the debate of the policy address in 1991. My first sentence of that speech runs like this, "I am pleased to see that the Governor has allocated a considerably large portion of his policy address to elaborating on the importance of Sino-Hong Kong relationship." All sorts of feelings indeed well up in my mind when I look at our poor relationship with China today.

China and Hong Kong are mutually dependent on the economic front. Hong Kong can assist China in developing its vast resources and in opening up its markets. To this end, we have to go about with our development in line with that of China. In the debate of the 1991 policy address, I made a suggestion to the Government to establish a South China economic co-operation committee to make arrangements for the necessary economic co-operation with China and hence promoting its development. In another subsequent policy address debate, I further suggested to establish a China-Hong Kong economic co-operation committee. Unfortunately, the Government has not taken a positive view towards these suggestions. Now the United Kingdom and China have fallen foul of each other. We only have some 980 days to go before the transfer of sovereignty and to date, the Chinese and the Hong Kong Government do not have much communication. How can we expect the Chinese and the Hong Kong Governments to make systematic and concrete arrangements for the economic co-operation? It is a pity that for no obvious reasons, Hong Kong has failed to make good use of the opportunity to promote economic development in this regard over the past few years. However, that does not mean that we would accept the indifferent attitude towards long-term planning that the Hong Kong Government might adopt in the 980 days to come.

In this year's policy address, while there are a number of proposals for the expansion of social welfare, there is nothing new on infrastructural planning. Let me make a few bold suggestions here:

- (1) The Government should establish an energy policy committee to take into full consideration the distribution of energy resources in China and in the Asia-Pacific region when formulating energy and electricity supply planning; to draw up plans in tandem with the development of energy and electricity supply in China; to formulate policies on various energy combinations in Hong Kong; and to work out guiding policies in relation to the construction of oil refineries and electric power plants in China to serve Hong Kong.
- (2) To conduct a review of the planning of our transportation network with the hinterland of China, with a view to directly linking up the railway and highway systems of Hong Kong and those in the major cities of China, such as Beijing, Shanghai, Tianjin and Guangzhou. For the past 40 years or so, our railway and highway systems have been developed in such a way that they merely enable the people of

Hong Kong to travel from one place to another. Now we should map out a more far-sighted plan with its emphasis on directly linking up Hong Kong and the major cities of China.

- (3) The jurisdiction of the Port Development Board should be expanded to include drawing up plans to co-ordinate the work of the port of Hong Kong with that of the ports of Shenzhen, Zhuhai, Huangpu, Mirs Bay and other ports in the Pearl River Delta.
- (4) The Government should prepare Hong Kong to be a service centre to China. Besides, the Planning, Environment and Lands Branch should devise plans to enable Hong Kong to be served by South China. The high population density and the limited land resources in Hong Kong have imposed certain restrictions on our long-term economic development. We should draw up plans to utilize the land resources in South China and consider, for example, the idea of building public housing estates in Shenzhen and Zhuhai for the benefit of the people of Hong Kong; building a country park in Shenzhen to which the people of Hong Kong can have free access; importing filling material for local reclamation from neighbouring areas and developing an island in the Zhuhai Special Economic Zone into an oil tank farm for Hong Kong so that incidents similar to the current dispute over the use of land as an oil tank farm between the Government and the local residents can be avoided.

Mr President, there are only 980 days or so before the end of British rule in Hong Kong. Yet, Hong Kong will still be there and those people of Hong Kong like myself will still be staying in Hong Kong after the British flag has been lowered and the British have gone home. It is not proper for the British Government to concern itself only with its commercial gains, the interests of the British people and its national prestige, while paying no regard to the interests of Hong Kong. After all, the future of Hong Kong hinges on our maintenance of good relations and mutual trust with the Chinese Government and on whether we will be able to complement China's economic development.

These are my remarks.

DR CONRAD LAM (in Cantonese): Mr President, on behalf of the Democratic Party, today I would like to put forward some specific proposals on medical and health services.

First, the development and co-ordination of medical services. The Democratic Party is delighted to see that the Government has decided to build a hospital at Tseung Kwan O in response to our request. We urge the Government to expedite the construction of the hospital for the convenience of the residents in that district and for the protection of their health. However, the Hospital Authority should, in the light of the experience gained from Tuen Mun

Hospital and Pamela Youde Nethersole Eastern Hospital, provide sufficient manpower to the hospital when it comes into operation, so as to avoid vacant wards and delay in full operation of the casualty department due to insufficient resources.

While the demand for specialist medical service has been on the rise, specialist service provided by the public sector will still be in short supply in the years to come. The Government should make better use of resources by planning for and co-ordinating the roles played by public sector and private medical practitioners in the territory's medical and health system. It should also enhance the training of more specialists in demand. Furthermore, it should examine how best to minimize the people's dependency on public medical service, such as by encouraging private hospitals to provide casualty service and specialist out-patient service. Communication between the Government and private hospitals has been far from satisfactory. The Department of Health could have done better in this respect.

Secondly, the separation of the prescribing function from the dispensing function. Despite steady improvement in the medical and health services in Hong Kong as a result of joint efforts by various parties, one thing has not changed since the inception of Hong Kong as a trading port, that is, private medical practitioners provide at the same time a dispensing service for their patients. There has been accusation that under the existing system, some irresponsible doctors would sell "pills" which are categorized as poisons to customers who are indeed not patients. In fact, doctors in many countries only treat patients who would then go to the pharmacists and dispensaries for the prescribed medicines. Such a system has long been implemented in Western Europe and other advanced countries such as the United Kingdom, the United States, Australia and New Zealand. The same practice is found in Southeast Asian countries such as the Philippines and Indonesia. Certainly, there are reasons for Hong Kong to have run its medical system for more than 100 years without such an arrangement. Today, I have no time to discuss the justification and correctness of these reasons. Should the Governor agree that the separation of the two functions will help improve the quality of the medical service, he must make a decision, with courage and resolve, on this issue which does not require consultation with China.

Thirdly, traditional Chinese medical practitioners and medicine. I hope the Government could submit as soon as possible a final report on this issue which affects the general public, as the interim report was completed in October 1991. Government measures to unify the training of traditional Chinese medical practitioners are necessary to ensure better protection and quality of service for people who seek such service and treatment.

Fourthly, the establishment of an AIDS Committee. Mr President, quite a number of people, including myself, feel encouraged when the problem of AIDS is mentioned by Mr PATTEN in his policy address. Undoubtedly, the Government has acquitted itself well in handling the AIDS problem, thanks

mainly to the diligence and dedication of various parties within the Department of Health and to the effective co-ordination effected by the Health and Welfare Branch. As a member of the Advisory Council on AIDS, I think that there is still room for improvement in the government effort, in the light of my participation and observation over the past year or so. I have the following points for consideration by the Government. The existing government machinery of handling AIDS suffers from the following drawbacks:

- (1) The lack of a long-term policy. The Government has indeed made certain achievements in handling the AIDS problem during the last few years, but some of these are merely reactive measures of crisis management. These measures include the setting up of the AIDS Trust Fund and drawing up a set of guidelines for schools in dealing with HIV-infected or HIV-positive students.
- (2) The lack of positive inter-departmental participation. The multi-sectoral approach recommended by the World Health Organization has yet to be implemented in Hong Kong where most of the work regarding the prevention, concern and treatment of AIDS is undertaken by the Department of Health. While due attention has not been attracted to the social, legal and economic implications of the AIDS problem, active and positive participation by the other arms of the Government has been scarce during the last decade.
- (3) As the Advisory Council on AIDS has no powers at all, it cannot perform its duties speedily and effectively. Although members of the Council are appointed by the Governor, the Council operates through a consultative committee under the Department of Health. As a result, the Council's advice may sometimes not be reflected to the other relevant departments quickly and gain their due support.
- (4) The Council lacks sufficient secretarial support. There is a big difference between the amount of resources provided to the Council's secretariat and those of the other committees such as the Action Committee Against Narcotics and the Police Complaints Committee, although there is also a difference in their workload. With a shortage of manpower support, the achievements made by the Council can be attributed to its dedicated and enthusiastic staff. I remember on one occasion the Council's supportive staff had to work day and night in order to complete, without any extra resources, a report for the AIDS Services Development Committee within a few months' time. I greatly admire their devotion to work.

Mr President, in view of the above-mentioned drawbacks, I suggest that the Government should set up an independent AIDS Committee which can really monitor and develop policies on the problem. The chairman of this Committee can be an Executive Councillor appointed by the Governor while its other members should consist of legislators and heads or deputy heads of departments

concerned. While the secretary of the Committee should also be appointed by the Governor, the Committee itself should be provided with sufficient staff to help carry out the duties within its brief.

Fifthly, the transparency of the Medical Council should be enhanced to ensure better protection for the patients' interests. In this regard, the Government has taken some improvement measures. Unfortunately, the addition of two supporting officers and simplification of certain procedures can only solve some superficial problems. The Government should review in detail various reasons leading to the tremendous increase in complaints, before it can ensure suitable remedies are made and the patients' interests really protected. Recently, a respectable member of the Medical Council openly expressed his discontent with the judgement made by the other members in respect of a case. The Council's credibility, as a result, is open to question. Many years ago, I made a telephone inquiry about the annual figure on the complaints handled by the Medical Council. I was met with a reply that the figure, considered confidential by the Council chairman, could not be released. Mr President, the Government should strike a balance between respect to professionals and public interest in order to achieve the "decency and fairness" as mentioned by Mr PATTEN. The Medical Council's transparency and public representation must therefore be enhanced.

The people of Hong Kong wish to have an honest Government, both before and after 1997. In his policy address, Mr PATTEN mentioned "decency and fairness". I think a decent and fair government is of particular importance in a community where the Government is executive-led and democracy is lacking. Recently, we heard some unpleasant pronouncements such as repealing the Bill of Rights after 1997, disbanding the three-tier representative government which has the mandate of the people, and forming an interim puppet legislature. How can we be assured that decency and fairness would come from an executive-legislative framework which is composed of a Special Administrative Region Chief Executive appointed by an autocratic government and a puppet legislature? There are indications, such as China's proclaimed unilateral review of the air services agreement reached at the Sino-British Joint Liaison Group and the question of mutual recognition of professional qualifications by China and Hong Kong, that the implementation of the so-called "one country, two systems", "high degree of autonomy" and "Hong Kong people ruling Hong Kong" will be met with difficulties. I hope that Mr PATTEN will decently inform the people of any undesirable factors that may affect "one country, two systems". Do not just announce to the public the good news, otherwise the public will be misled.

Mr President, I so submit.

MR HOWARD YOUNG (in Cantonese): Mr President, the Liberal Party is a political party which advocates economic growth and the betterment of people's livelihood. Today, therefore, I am going to focus my attention on economic

matters and areas concerning people's livelihood. Just now Mr Allen LEE has also mentioned that Members from the Liberal Party would mainly deal with issues associated with transition arrangements.

At a luncheon hosted by the tourism industry this year, Governor Chris PATTEN, undertook to attach great importance to tourism. But in this policy address, very little is directed towards this undertaking. It only mentions that the Immigration Department is going to expedite its immigration procedure. We welcome this move. Yet, the Governor admits in his policy address that many issues under discussion with the Chinese side in the Joint Liaison Group (JLG) are making limited progress. Of the issues which he points out, three have a direct bearing on the freedom of travel as well as the tourism industry: the right of abode of the Hong Kong people, travel documents and air services agreements. The JLG has made no headway in these areas and failed to be responsive to the wish of the public that both sides could co-operate on practical matters pertaining to people's livelihood.

As the year 1997 is drawing near, the people of Hong Kong are increasingly concerned about whether their right of abode, nationality and the freedom of travel will be recognized and safeguarded. Their overriding concern is whether the change of sovereignty will affect the validity of their current travel documents and the rights vested in them. Nationality, the right of abode and the freedom of travel are issues which all have a direct bearing on people's livelihood and they also have implications for the economy. It is necessary to maintain people's right to leave and enter the territory as it would help achieve a smooth transition and reassure the people of Hong Kong that their freedom would not be infringed upon or undermined.

If the provisions relating to the right of abode and the freedom of travel as laid down in the Basic Law are to be strictly enforced most of the Hong Kong people will have their rights safeguarded. What concerns the public most at the moment is whether those former Hong Kong residents, who emigrated with a view to securing a "political buffer" and are now holders of foreign passports or have their application submitted for that matter, and whether those non-ethnic Chinese residents in Hong Kong can retain their permanent right of abode in Hong Kong. Unlike nationality, permanent right of abode is not a question with an obvious answer. For this reason, it is hoped that the Governor will seek to work out a solution with the Chinese side at the JLG meetings. It is also hoped that the Chinese side will be persuaded to deal with the issue in the most desirable way that the returnees' length of stay in Hong Kong before they emigrated could be taken into account and confer them the right of abode.

The travel documents most widely used by the people of Hong Kong are the British Dependent Territories Citizen (BDTC) passport, British National (Overseas) (BNO) passport and Certificate of Identity (CI). BDTC passports are issued by the Hong Kong Government in the capacity of the colonial government of a dependent territory and will become invalid on 1 July 1997 following the changeover. BNO passports are issued by the British Government

by virtue of a Sino-British agreement and will remain valid after 1997. In the case of CI, it can be renewed for 10 years upon expiry before 1997, which is the first guarantee provided for the majority of the Hong Kong people in the context of the freedom of travel. Yet, CI is to be gradually replaced by the Special Administrative Region (SAR) passport. And will the transition arrangements in this regard be made in such a way that a vacuum would be created? The Hong Kong Government should propose some specific and to-the-point measures at the JLG meetings, such as setting up an independent passport management centre before 1997 to pave the way for the issue of SAR passport and verify information submitted by passport applicants so that SAR passport will be validated as soon as it is officially stamped in 1997.

Besides, we also have to strive for the widest possible international recognition of SAR passport and BNO passport as well as their continual validity. While it is my hope that SAR passport could gain wider recognition, I do not wish to see the downgrading of BNO in terms of its international recognition in future. The Governor also admits in the policy address that this is an outstanding problem. Here I call on the Chinese and British Governments to work out as soon as possible a solution for the transition of travel documents.

In addition, the Governor also makes a reference to air services agreements. Some people argue that commercial agreements reached between airlines can maintain continual flight services even in an absence of any aviation agreements concluded between governments. This could be an expedient measure. But it is packed with flaws. If we fail to conclude any long-term aviation agreement in well-defined terms, how can airlines in need of loans be possible to attract banks to finance their business projects?

Mr President, apart from the freedom of travel and aviation agreements, hotel accommodation is another long-standing problem that must be resolved, particularly in respect of the service industry and tourism industry, if we want to see a smooth transition in 1997.

Since 1993 when the Lee Garden Hotel in Causeway Bay was demolished and on the site an office complex was constructed, almost 10 hotels have followed suit. The hotel operators did so because of the many limitations imposed on hotel operation. Other than the need to apply for a licence, of which the harsh application requirements are often criticized by the hotel industry, hotel operators are confronted with the shortage of labour (the Government has imposed many restrictions on the importation of skilled workers of service to the industry).

There is also the problem of return on investment. Buildings in Hong Kong are subject to the so-called plot ratio. The maximum floor area of commercial premises can be as much as 15 times the area of the site where the premises stand. As for residential premises, the plot ratio allows the premises to have a floor area 10 times as large as the site area at the maximum. The plot ratios are determined on the strength of some considerations. As far as I know,

the major considerations are: (1) transport facilities; (2) drainage facilities and (3) population density. I am surprised to learn that at present, the plot ratio applicable to hotels is the same as that applicable to residential premises. Should hotels fall under the category of residential premises or the category of commercial premises? What do Members of this Council think?

Drainage and transport facilities have to meet certain specifications which, of course, cannot be relaxed. It is different, however, in the case of population density. I have to ask the Administration this. Hotel suites are bigger in size than residential apartments in general. Two persons at most live in one room each night and sometimes there is only one in a room. During off-peak seasons, the occupation rate is only 80%. Moreover, expatriates who live in service apartments on a long-term basis are out of town for business for almost 70% of the time and thus their rooms are left vacant. As such, how can hotels be treated as residential buildings in terms of population density like those in Taikoo Shing, Kornhill and Whampoa Garden? My view is that in order to promote tourism, encourage investment on the hotel industry and facilitate the smooth transition of the tourism industry in 1997, the Government should take one step forward. The Tourist Association estimated an annual growth of 6% in the number of tourists visiting Hong Kong in the coming three years. However, the aggregate number of hotel rooms over the same period is expected to go up by less than 2%. Under the circumstances, some tourists may not be able to find hotel accommodation in 1997 after the opening of the new airport. Therefore, I am of the view that the Government should set its sight on the days beyond 1997 and deal with the aforementioned issues with farsightedness. The first step is to have the plot ratio for hotels equated to that applied to commercial premises, not residential premises.

While I only concentrated on one type of the service industry in my speech just now, there are, in fact, many other businesses categorized as service industry, such as finance, insurance, transportation services and so on. The service industry has played an increasingly large role in our domestic economy. In 1993, the income generated from the service industry accounted for 80% of the total gross domestic product (GDP), representing a 10% increase when compared with that a decade ago. The workforce in the service industry is also on the rise year by year. At present, 50% of the total working population in the territory is engaged in the service industry. In view of the opening up of the China market and the relocation of Hong Kong industrial establishments across the border, it is believed that this trend will become increasingly apparent and the service industry will have an increasingly important part to play. Against this background, I consider it necessary to step up the promotion of Hong Kong abroad as a centre of service industry. Hong Kong is well-versed in this regard. For instance, we have the Tourist Association for the promotion of tourism; the Trade Development Council for the promotion of trade as well as the import and export industry.

Recently some associations in the service industry have asked whether it is possible to set up a body like the Trade Development Council for the promotion of the service industry of Hong Kong. Although this idea warrants our consideration, I hold that it would be most appropriate to make use of the existing manpower and services of the Trade Development Council, rather than establishing a new body. We should broaden the terms of reference of the Trade Development Council to include overseas promotion of trades like finance, real estate, transportation, insurance and so on to attract more investors to Hong Kong.

The problems concerning the service industry and the tourism industry that I have spoken of just now expose the lack of co-ordination on the part of the Government. Let me cite the tourism industry, with which I am familiar, as an example. For the hotel matters I described earlier, they come under the Planning, Environment and Lands Branch; for air services agreement matters, they come under the Economic Services Branch; the licensing of hotels comes under the Home Affairs Branch; problems pertaining to the parking of coaches, which are of concern to the tourism industry, come under the Transport Branch; the licensing of travel agencies come under the Trade and Industry Branch; matters in relation to the freedom of travel and travel documents come under the Security Branch. That is to say, at least six different policy branches are involved. In some countries, tourism has become the second largest foreign exchange earner and hence a bureau or a department is set up to oversee tourism matters. Mr President, I think we do not necessarily have to go that far. But if the Government is willing to take a square look at this industry, it should consider setting up a permanent inter-departmental working group to co-ordinate the work of the six different policy branches that I mentioned. Then, who should be the convenor? I think the Secretary for Economic Services is more suitable.

Mr President, today the policy address seems to have received more critical remarks than praises. Yet, the fact that the Immigration Department is to recruit additional staff, as I mentioned earlier, is praiseworthy. Another thing which deserves commendation is the publication of the Policy Commitments in which each government department sets out its targets, on-going programmes and new initiatives. The Policy Commitments, however, is presented by way of the work of different policy branches, not by way of industries. If the proposal that I have put forth just now is accepted and a permanent inter-departmental working group is set up to take care of tourism matters, the Policy Commitments in the years to come will not necessarily have to be presented in the same manner. The classification may also be done by way of industries, for instance, the service industry, the tourism industry and so on. In that case, people can have some ideas about what the Government has done, where the respective industries they are in are concerned, in the preceding year and what its targets are in the following year.

Mr President, these are my remarks.

**SUSPENSION OF SITTING**

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

*Suspended accordingly at one minute past Eight o'clock.*

