

# OFFICIAL RECORD OF PROCEEDINGS

Thursday, 20 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 SZETO WAH

THE HONOURABLE TAM YIU-CHUNG

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

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

THE HONOURABLE MARTIN GILBERT BARROW, 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 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 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 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 YEUNG SUM

THE HONOURABLE HOWARD YOUNG, J.P.

THE HONOURABLE ZACHARY WONG WAI-YIN

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

THE HONOURABLE CHRISTINE LOH KUNG-WAI

THE HONOURABLE ROGER LUK KOON-HOO

THE HONOURABLE ANNA WU HUNG-YUK

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

THE HONOURABLE ALFRED TSO SHIU-WAI

**ABSENT**

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

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

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

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

THE HONOURABLE MOSES CHENG MO-CHI

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE STEVEN POON KWOK-LIM

DR THE HONOURABLE PHILIP WONG YU-HONG

**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

**PRIVATE MEMBER'S MOTION****MOTION OF THANKS****Resumption of debate on motion which was moved on 19 October 1994**

PRESIDENT: Council will now resume and continue with the debate on the Motion of Thanks.

DR LEONG CHE-HUNG: Mr President, I rise to speak on the motion representing the medical functional constituency.

Since this is a Motion of Thanks, it might be prudent that I should start expressing gratitude on some areas of the address.

It is heartening news to hear the decision to finally build a hospital in Tseung Kwan O. Let us hope this long-time estranged population will get the health care they thoroughly deserve.

It might be timely now to declare my interest as the Chairman of the Board of Governors of the Society for the Promotion of Hospice Care which is directly responsible for the Bradbury Hospice. This hospice has been in the last few months trying to stay afloat on charitable donations and yet has strived to provide the best of care for the terminally ill and their families, establishing as it were, a centre of excellence to spread the goodwill of "dying with dignity". It therefore comes as a strong tonic to hear of the decision to subvent this organization under the Hospital Authority.

Let us see these promises evolve into reality in the nearest possible future.

Mr President, unfortunately thanks and gratitude can only be short lived. Instead this policy address — "A Thousand Days and Beyond" has brought on many more folds of criticism and discontentment amongst myself and members of the medical and dental fraternity. To many, in this policy address "a thousand days" signifies the limited responsibility and commitment this Government is willing to shoulder and the word "beyond" symbolizes that Hong Kong people will have to look for their own support beyond 1997.

I would like to address mainly on three areas:

- (i) The failure to provide a machinery to improve the communication between the Executive Administration and the Legislative Council, which is essential for the smooth running of this very much an executive-led Government.

- (ii) The failure to provide an efficient solution for proper co-ordination between different government departments; and
- (iii) The failure to provide a visionary health and health care policy that can straddle the next decade.

*Relationship between the Executive Administration and the Legislative Council*

Mr President, the decision to separate the Members of the Legislative Council and the Executive Council and the subsequent implementation of such has brought on many areas of undesirabilities and perhaps even confrontational attitudes between the Administration and this Council. This is detrimental to the smooth running of the Government of the day.

Let me hasten to add that whilst I strongly support the separation in function between the legislature and the executive cross membership or some concrete methods of communication between these two tiers of government only produces a better government.

The problems are obvious to the Administration. Yet, it is both a surprise and a disappointment when attempts to improve the situation was not even touched in a policy address.

When confronted with the problem, the Governor said that a review will only take place after the 1995 elections. It borders on irony, Mr President, that if a system is found ineffective, remedies are not sought as soon as possible. It also raises the suspicion that the timing of the review could mean a tool for the Governor to appoint only whomsoever he feels will support his decision into the Executive Council.

The Governor has stressed repeatedly that there has to be a close co-operation between the executive and this Council. This was further stressed in his policy address when he paraphrased Thomas à KEMPIS: the Administration proposes and the legislature disposes.

Yesterday, in his usual eloquence, the Honourable SZETO Wah stated that there appears to be a misquotation of the author. Be that as it may, even if the quote is based on spirit and not in word, are we seeing only a lip service or are we seeing a reality? Or are we to see Thomas à KEMPIS turning in his grave?

*The lack of co-ordination with the administrative machinery*

A lot has been stressed in the policy address of a "first class" administration. Mr President, I would be the first to agree that we have a whole group of "first class administrators", efficient and devoted civil servants. Yet, many of us will vote with their feet when the issue of "administration" is taken into consideration. I am particularly pointing at the lack of proper co-operation and co-ordination between the different departments.

To wit, whilst day in and day out we are boasting our health statistics, yet embarrassing enough we are told that we still have sporadic cases of cholera on a yearly basis. It really put us into shame this year as a "developed country" when it became blatantly obvious that cholera is being produced in our own doorsteps.

Mr President, I am in no way questioning the efficiency and effectiveness of our Department of Health, which is aware well in advance of the danger that will be brought by the use of the extremely polluted water of certain parts of our harbour in the fish tanks of restaurants. Yet, it has to wait until a crisis of cholera outbreak; to wait until people succumb to this epidemic of underdeveloped countries that a co-ordinating committee was set up to co-ordinate the direction of the Department of Health and to oversee implementation by the municipal councils. Better foresight in co-ordination might have averted this embarrassment.

Taking another example. It is obvious that the only effective way of AIDS prevention is through education, which should start early in life. In other words, education on AIDS should be part of the school curricula. Yet, where is the co-ordinating mechanism? I call for and support my honourable colleague Dr Conrad LAM's suggestion to establish without delay a high-powered AIDS Council.

Other examples are plentiful. Yet, disappointingly the need to increase the co-ordination of different departments was not addressed in anyway to effectively produce a "first class" administration.

#### *Medical and health problems*

Mr President, finally, on the health aspects of the policy address. With respect and regret, this chapter in health is to me at best but a "business plan" and not a "policy address". It may be argued that many items for improvement of health and health care services have been thrown in. But what is the government direction? Where is our leadership? Worse many of the improvement areas are pledges of yesteryear. For the third year in the row, Mr President, I have to say that the section on health is — "we see a lot of trees but we still do not see a forest". Worse still, many of the trees are but old ones.

On the eve of her retirement, the then Secretary for Health and Welfare has made a commitment to work on a policy paper for health to straddle 1997. Yet, promises of the past are no more commitments of the present. To make matters worse, the Government argues that it would be untimely to update health care policy until the Government is clear what the establishment of the Hospital Authority and the upgrading of the primary health care by the Department of Health will bring; and that it would be untimely until Hong Kong people have given their comments on the forthcoming final report on the study of traditional Chinese medicine.

All these with respect, borders on irony; portrays the pinnacle of government bureaucratic attitudes and poses an insult on the intelligence of the Hong Kong public. It is the case of putting the cart before the horse.

A policy direction in health care from the Health and Welfare Branch should be the guiding light for the two executive departments of health care (the Hospital Authority and the Department of Health) to implement and not *vice versa*. It must be for the policy branch to direct and the executive departments to follow. Little wonder that the public and the staff are questioning the effectiveness of the Government's monitoring of the work of the Hospital Authority, when it is obvious to all that the Administration could well be led by the nose by this independent body.

To say that it is not the right time to produce a vision for health for the future because consultation has not started on the final report of monitoring of traditional Chinese medicine is to me an irrational and irresponsible way to say "No".

*My vision of health policy*

Mr President, perhaps it may be more fruitful to take this opportunity for me to express some of my views on possible policy direction in health care and health for the Government to consider.

At the root of any provision of health care must be the supply of the best and the most advanced of care at a cost affordable to the Government and to the taxpayers. With this as principle, the following directions are wanting:

(1) Direction on priorities

Whilst it is a marvel that Hong Kong ranks amongst the medical giants in performing heart transplant, marrow transplant, and so on, using Gamma knife to treat tumours and so and so forth. These are extremely expensive.

Meanwhile, we need to vaccinate our people against Hepatitis, we need to set up well women clinics, we need to care for the chronically ill, and so on. What priorities should be taken, given finite resources?

(2) Direction in apportioning health care between the private and public sectors

Whilst it may be an indication that the Hospital Authority is doing a good job because only 9% of our population are now using private hospitals instead of the previous 15%, the negative side is that more money is needed for public services which we know is not forthcoming. How effective is the voluntary private medical

insurance scheme that the Government is trying to push? How should we apportion the care between the private and public sectors? How can the private and public sectors co-ordinate to initiate an affordable yet high standard service to all irrespective of means?

(3) Direction on health targets

Much has been said about the high cost of medical care, in particular hospital care. Much has been said on curbing this rise. But it is ironic to hear the Governor ringing out aloud and saying that: "We plan to reduce the mortality rate of the largest group of heart patients by 20%. To achieve this goal, we will provide improved methods of treatment over the next two years for 200 additional patients a year with ischaemic heart disease."

Mr President, reducing the mortality of diseases, in particular heart disease, could and should best be achieved by preventing it from happening, not by treating it, nor by prolonging the life of the inflicted by expensive medical treatment.

Whatever health determination the Governor asserted in his address to be a success and pledge continues therefore to be outdated, it is not a health policy whatsoever, but orientated to the curing of serious illnesses which attack developed countries.

I therefore call for the determination of "Health Targets". Heart diseases and many others are preventable or at least minimized if the proper parameters are adhered to. If there is a "will" we can lower the incidence of such and many more dreadful diseases.

(4) Direction on dental care

Throughout these years, the Administration has continuously ignored the need for supplying dental treatment other than emergency ones to the Hong Kong public. The policy, as the Government put it, is to promote only oral hygiene education and oral hygiene prevention. It is all well to tell a man in the street that if you scale your teeth regularly and make frequent dental check-ups, you will still have your own teeth by the time you reach 80. But where are these people going to, to seek for regular check-up?

Last year, the Government has promised to phase in to provide dental care for groups with special needs — mentally handicapped, for example, harelips, cleft palate and so forth, but even this is still not totally forthcoming.

Finally, Mr President, I would like to say a few more words on AIDS and I have to declare my interest as the Chairman of the Hong Kong AIDS Foundation.

The move by the Government to establish a "Community Charter on AIDS" is laudable. Let us hope that this yet another charter will bear fruit. This charter enables business and community organizations to pledge themselves publicly to fight against discrimination and prejudice for AIDS. One wonders however how the Government can push this through when even within its own branches and departments there is no defined-policy of "AIDS in workplaces".

Mr President, all these point to the need for leadership, the need for a strong government with well-planned, determined long-term directions. Without these it is of no surprise that even members of the Preliminary Working Group would jump onto the bandwagon and issue confidence damaging statements like Hong Kong should recognize the academic and professional qualifications of China after 1997; like the future Special Administrative Region Government will have no responsibility to the right of abode of Hong Kong British Dependent Territory Citizens and many more; in spite of the fact that it is blatantly in contradiction to the Basic Law.

Thank you.

MR ANDREW WONG (in Cantonese): Mr President, the third policy address delivered by the Governor Chris PATTEN was attacked by the left-wingers, the right-wingers as well as the centre party in yesterday's debate, which was overwhelmed by critical and unfavourable remarks, while commendations are rare or there is none at all. Although the Governor has always given us an impression that he is an arrogant person, I feel sympathetic to him for he has been treated unjustly because of this policy address. Maybe this year is an election year and any attack on the Government can gain some political credits, not to mention attacking the Governor. This is understandable.

Frankly speaking, it is surely not a policy address with no good point. On the contrary, it is in itself very progressive. I will raise some more points later to support this conclusion of mine. Let us first take a look at the symbolic labels of the policy address by considering the changes of the colour of the covers over the years. The first address in 1992 was in royal blue representing the Conservative Party and the Royal Family while the second policy address in 1993 was in red which symbolized struggles, provocation and bloodshed. The third policy address this year, however, is in green which connotes peace, harmony and vitality. There are surely some symbolic meanings for the changes of colour.

If we take a look at the choice of words in the address, it is easy to find numerous words and phrases that denote friendliness, earnest hopes, prayers and even some kind of pleadings. It is a pity that some of the flavour embodied in the words has been lost in the course of translation. For example, the sub-title of the address is only a neutral statement suggesting "A Thousand Days and Beyond". But the Chinese translation has rendered it into something like "mastering the one thousand days and straddling 1997", which sounds much more progressive and ambitious and carries an implication of "grasping the supreme power and breaking the cage open". In fact, we can feel the imploring sentiment embedded in the very first paragraph, in which the Governor said, "I will present my third Policy Address, the third of the five which I shall, God willing, deliver to this Council during my Governorship." It can be seen that although he so wishes, he himself is sceptical about the possibility for him to stay on to complete his task of securing transition. In paragraph 95, he said, "I have heard Chinese officials say that ensuring the prosperity and future well-being of Hong Kong is for them a tremendous and historic task. .... Whatever our disagreements, whatever our differences of perception and background, whatever the misunderstandings and the mistrust, I urge them to understand that we (the British side), too, are similarly committed." Obviously, the Governor is hoping and pleading that the Chinese side may brush aside its misunderstanding and mistrust. He even said in paragraph 96, "We (the British side) have a stake here — yes, a stake in the commercial sense, but also a stake in people and a stake in honour. This is part of our (the British) history, too." He is actually saying that Hong Kong will, however is the case, be part of British history. The word "stake" has been translated into something like "business interest" in the business sense which is quite acceptable, but a stake in British honour actually means "a bet" in the political sense while a stake in people obviously refers to Britain's duty to Hong Kong as is referred to in the above. These few sentences are actually some kind of pleadings, asking for the Chinese side's understanding of Britain's situation.

Mr President, I would like to kick off by speaking on people's livelihood. From a fair point of view, the address really contains nothing new. The improvement and refinement made to the existing policies still remain at a level which merely enable people to maintain their survival, let alone any idealistic standards. We are still faced with numerous problems like the Comprehensive Social Security Assistance, the over-crowded hospitals and clinics, the appalling public and private housing, the inadequate facilities provided to the elderly, the handicapped, the mentally disabled and the mentally ill. Mr President, I applaud the Governor for being responsive to constructive proposals by, at least, announcing the construction of a 400-bed hospital in Tseung Kwan O. The proposed hospital can alleviate the acute shortage of hospital beds in Kwun Tong and Tseung Kwan O, as well as the entire region of New Territories East. I urge the Government to implement the plan as soon as possible because the United Christian Hospital in Kwun Tong can no longer cope with the demand in Kwun Tong already.

Another point which is worth commending is the provision of a new supplement to single-parent families. However, this should only be taken as the first step. I urge the Government, when reviewing the Comprehensive Social Security Assistance, to raise the level of that supplement which is currently set at \$200 a month.

Mr President, the only new measure proposed in the policy address is the "Old Age Pension Scheme", which is still going through public consultation process and is yet to be formulated as a government policy. Although the opinions of the community are divided over this plan, I would like to take this opportunity to express my support for the scheme. It is a commendable plan. I urge the Government to have it implemented as soon as the consultation period is over. The Government also owes us the responsibility to give an honest explanation to the public by clarifying that it is in fact an "old age assistance" rather than a kind of "pension". It should be clearly explained that the scheme is actually originated from the concept of levying tax for the purpose of supporting the elderly, instead of making contributions. In other words, it is a commitment of the younger generation to the older generation. Regarding this scheme, I understand that the community has divided opinions — with the low-salaried inclining to support it but the well-paid feel inclining to oppose; the retired-to-be and the retired tending to say yes but the young tending to say no. I must reiterate that it is a form of tax, not a kind of contributions. I appeal to the public's conscience when they make their choice and hope that they can commit themselves to supporting their elderly family members. The major political parties should not, just for the reason that they have made such a promise, lend their support to the establishment of a central provident fund which can only produce the desired result after 20 years, and subsequently abandon the "old age assistance scheme" which not only brings immediate benefits, but is also equitable, fair, conscientious, moral and courageous.

Mr President, another new measure that has been abandoned is the plan to put public housing units on sale, which has been prematurely aborted. Mrs Selina CHOW of the Liberal Party has expressed yesterday that the Liberal Party will spare no effort to persuade the Housing Authority (HA) to put public housing units on sale on an across-the-board scale. I am tremendously grateful for the Liberal Party's support for this scheme. I have written a study report in 1992 and urged the Government repeatedly to give up its current plan of partially implementing the scheme for the sale of public housing units, but to put the scheme in full swing. The Democrats as well as Mr Frederick FUNG of the Association for Democracy and People's Livelihood also lend their support to this notion. I hereby urge my colleagues, whichever political parties they belong to, to join hands and put this issue onto the agenda of the Legislative Council Housing Panel, so that concrete plans can be mapped out as early as possible for onward transmission to the HA or the Secretary for Housing designate for decision. Even if the HA opposes it, we should press the Government to put the scheme in place, so as to secure for everyone his own home and his own shelter.

Mr President, I would also like to take this opportunity to rake up an old matter, which is the construction of the Mass Transit Railway (MTR) Tseung Kwan O Line and the rail link between Ma On Shan and Kowloon. Even if these two projects are not accorded the same priority as the Northwest New Territories Railway, the three projects should commence simultaneously, in view of the fact that the construction of the Northwest New Territories Railway has been delayed. I believed that the MTR Corporation have had the adequate resources to complete the MTR Tseung Kwan O Line in the near future. As regards the Ma On Shan Rail Link, two consortia have indicated interest in constructing this railway as a private project. Why can the projects not be put into early implementation?

Mr President, I regret to note that my most admired philosopher Sir Karl POPPER passed away some months ago. His public administration philosophy has always aimed at "reducing the suffering of the people", a task which the Hong Kong Government has all along been doing and achieving. Although there is nothing new and surprising in the Governor's policy address, it is a fact that the address has attempted to, upon the basis of the Government's adopted policies which aim at "reducing the suffering of the people", enlarge the scope of the policies, increase the amount of allocation and raise the standard of services. These are surely the achievements of Governor PATTEN. But I urge the Governor not to stay put at the level of "reducing the suffering of the people". Hong Kong's buoyant economy and affluent society should have permitted the Governor's administration policy to proceed to the second level, that is to "maximize the freedom of the people to live the life they choose", as was defined by Sir Karl POPPER. This may be achieved by increasing the assistance provided to the needy so that they may lead a life of dignity; and by upgrading community facilities, promoting cultural activities and subsidizing sub-cultural programmes, so that people can enjoy a multi-faceted cultural life.

Mr President, on the topic of "The China Relationship", Mr PATTEN's suggestion of enhancing communication between Hong Kong government officials and Preliminary Working Committee (PWC) members at Sino-British Joint Liaison Group (JLG) meetings at the level of experts has its point. The crux of the problem of allowing communication between senior civil servants and PWC members is not at the level of private communication between individual officials and individual PWC members, but at the level of attending the formal meetings of the PWC or its sub-groups in the official capacity of the senior civil servants or deemed to be so. Our government officials will have no problem attending in their official capacity the meetings held by the organs set up under the Sino-British agreement, such as the JLG, the Land Commission and the Airport Committee, but PWC is not one of them. The form of contacts as proposed by Governor PATTEN should not be confined to the civil servants and PWC members, but may well be extended to include the Chinese and British representatives, local National People's Congress delegates, Chinese People's Political Consultative Conference delegates and Hong Kong Executive Council members. This *modus operandi* may prevent others from misinterpreting the PWC as the second power centre since the senior government officials attending

PWC meetings in their official capacity will give the public this wrong impression. The PWC is only an advisory body established in preparation for the formal establishment of the Preparatory Committee.

Mr President, since the proposal of the political reform package by the Governor in his 1992 policy address, the ceaseless disputes between the Chinese and British Governments have gone beyond the scope of sensible arguments in some cases. In fact, virtually every issue is raised to the higher plane of principle and two-line struggle. It is really heartrending for the people of Hong Kong to see that they are completely excluded from the political wrestle between China and Britain. At the same time, Hong Kong society is seriously divided and all political parties act only in their own interests and in accordance with their own strategy. It is disheartening to see that some waver between the two sides and some side with China or Britain. I dare not say that the Democratic Party and the Liberal Party really act like this, but their performance yesterday did give me such an impression. The Liberal Party chief, Mr Allen LEE, took the lead to proclaim that his Party would vote against the Motion of Thanks. In fact, the motion of Thanks is only a courteous motion. If Mr LEE is really dissatisfied with Governor PATTEN for souring the Sino-British relations, he may as well move an amendment to the original motion by adding to it: "..... regrets that the Governor has failed to substantiate his proposal on the Sino-British relationship.", or with some even harsher statements. Afterwards, the leader of the Democratic Party, Mr Martin LEE, requested the British Government to accuse China of violating the Joint Declaration at the International Court at Hague on the ground that the Chinese Government refuses to report to the United Nations the human rights situation of Hong Kong after 1997. As a barrister, Mr LEE should be well aware that with no bilateral agreement, the ruling of the international court cannot be enforced in a compulsory manner. What he did can only further aggravate the relations between Britain and China. To put it in an analogy, if you want to climb up a building, you do not need to jump high in the air or you may plunge to death.

Mr President, why can the political parties not muster up sufficient political courage to tell Britain and China in clear terms the interests and stance of the people of Hong Kong and to fight for them in the light of the guiding principle that the interests of Hong Kong people should be safeguarded? At this point, I urge colleagues to be open-minded enough to accommodate differing opinions, with a view of re-establishing a consensus so as to enhance the development of liberal political culture and institution. This will enable Hong Kong to develop healthy "competitive politics" instead of harmful "adversarial politics" under the precept of "one country, two systems".

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

MR PETER WONG: Mr President, the Governor's policy address this year has been greeted with general disappointment. Despite elaborate packaging, the address fell well short of public expectations towards Hong Kong's future in the coming "1 000 days and beyond." Government policy initiatives put forth are at best banalities intent on maintaining the *status quo*. More importantly, it is no thanks to the Governor and the British Government that there is no breakthrough in sight in the estranged Sino-British relationship,

Such a scenario has dampened Hong Kong people's hopes for upkeeping our existing quality of life, come 1997. Our values, our belief, and indeed our way of life may not be what they are today after the change of sovereignty; unless efforts are now made to zealously guard against their erosion. We need more than just housekeeping administration to consolidate and reinforce the unique characteristics and strength for our political, economic and social systems, and to ensure their continuity after 1997. Times change, and institutions must adapt and change with the times. We must therefore make sure that the Hong Kong system after 1997 is compatible with the changing aspirations of the majority of Hong Kong people.

We have an urgent task in hand — planning and building Hong Kong's tomorrow today. The policy decisions we make today will not only carry forward the fine traditions of the past, but will also offer every incentive to succeed to the future generations. Above all, they should prepare Hong Kong for its role in the unprecedented concept of "one country, two systems". I shall discuss the building of Hong Kong's tomorrow in the context of our political, economic and social development in the latter part of the transitional period.

#### *Political transition*

There is little argument that Hong Kong people want a democratic government as well as a stable, prosperous society. We have seen how Western style democracy has worked or not worked in former British colonies. Despite the controversial reform package passed by this Council in June, Hong Kong people generally favour a step-by-step approach to full democracy. In taking a measured step towards an open, democratic government, the Administration must ensure that the Basic Law provision of "a high degree of autonomy" for Hong Kong is objectively interpreted, without prejudice or distortion. In the remaining days of the British rule, it should try to accommodate the development of political pluralism and party politics of Hong Kong's own making, while abiding by the existing constitution. The Government must work to ensure that all major public policies will measure up to Hong Kong people's expectations and their own interpretation of the spirit of the Joint Declaration.

Since 1985, political reforms have been changing the constitution, powers and procedures of this Council. Political analysts, citing this Council's motion debate on the Court of Final Appeal in December 1992, have pointed towards our changing role as an adversarial legislature. This development is consistent with a "sensible policy of transition", and there need not be conflict between

more democracy and an efficient legislature. In the months ahead, this Council must strive to maintain the executive-led system and affirm the checks-and-balances principles and procedures within its ambit. We should combine the merits of Westminster style democracy with the local political acumen. I believe that an open, accountable and efficient Legislative Council today will set a good example for the future Hong Kong Special Administrative Region (SAR) legislature, and enable it to put into practice "one country, two political systems" after 1997.

During the transitional period, our civil servants are confronted with the dilemma of being rational, efficient and regulatory "masters" on the one hand, and open, accountable and flexible decision-makers on the other. It is an acid test for them to cope with the growing demands of the public and the rapidly changing political scene. Further, civil servants have become casualties in the Sino-British diplomatic wrangle which often threatens the independence of the Administration, examples being the electoral reforms and the restructuring of Radio Television Hong Kong. Crushed between the various political forces, civil servants need clarification of their uncertain executive role and constitutional functions as well as early arrangements for their stable transition, without which innovative policy changes will be stifled. Being the pillars of our government system, civil servants need to play a stronger leading role in the overall political system now in transition.

#### *China-Hong Kong relations*

In my policy speech last year on the theme of "preparation of smooth transition to 1997", I emphasized the need for closer China-Hong Kong co-operation. This co-operation has become increasingly important, as shown by a recent opinion survey which showed that some 65.4% of the respondents tend to think that the British should seek the support of China in order to maintain effective governance. That both China and Britain have each gone their own way on the political front must not be allowed to jeopardize the transfer of administrative authority and responsibilities. I urge the Government not to make empty promises, but to take necessary, concrete action to co-operate with China on the unfinished businesses of the Joint Liaison Group. A more open attitude in allowing direct contact between the Preliminary Working Committee (PWC) and civil servants will enable the former to understand the present system and become more accountable to the Hong Kong public; and the latter, to be better prepared for the post-97 administrative system. It would do no harm if the PWC acted as China's ears and actively consult the people of Hong Kong and reflect them to the People's Republic of China officials. The proposed *modus operandi* leaves our civil servants completely in the dark. To what extent can they pass information to PWC that may be sensitive but all too relevant as to how Hong Kong is governed? Co-operation will avoid some of the recommendations coming out of the PWC which are based on erroneous or distorted information. It is only realistic to expect that many of the PWC members will go onto the Preparatory Committee, and as such, they should be properly briefed.

In the past few years, China has played the role of the guardian of Hong Kong's people interests in the new airport project, and more recently, the Old Age Pension Scheme. It is understandable that China wishes to do the right thing and to win over the hearts of Hong Kong people in its resumption of sovereignty. However, to gain Hong Kong people's trust, China would do well to adopt the policy of active non-intervention, or what they call "river water does not mix with well water". By maintaining a policy of mutual respect and patiently listening to Hong Kong people's views on matters that straddle 1997, China can then demonstrate her sincerity in allowing Hong Kong to be ruled by Hong Kong people.

### *Economic changes*

To maintain our economic success, backed up by China's gigantic growth, is a great challenge for Hong Kong in the transitional period. At a time when Hong Kong's economy is threatened by continuing inflation, labour shortage, high production cost and competition from neighbouring countries, we need more proactive strategies than those listed in the Governor's address to maintain Hong Kong's economic status. Innovative measures are needed to promote fair competition and market efficiency and to strengthen the investment environment. The lack of new initiative to tackle inflation by the Government reflects poorly on its competence and I would ask the Government to give us a definite answer on how to tackle this real threat to our economy. In public finance, a balance has to be struck between the traditional prudent budget management and new infrastructure building which is coming at a time of slower economic growth.

In view of the mutual dependency of China and Hong Kong, it is important for China to uphold its promise that political differences will have no bearing on Hong Kong's economic development. So far, Hong Kong people have acted as spectators in the negotiations on the new airport and Container Terminal 9 projects. Under "one country, two systems", our economic policies should continue to include business sector's participation and policy modifications so that they are acceptable to all parties concerned.

### *Social stability*

Freedom and the rule of law are the pedestals upon which Hong Kong's prosperity rests. In Hong Kong where public opinion is by and large consulted and considered by the policy makers, and where the rule of law is upheld, we strive for a level playing field for everybody. Now that the political reforms have been settled, it behoves the Administration and this Council to devote more time to examine issues that may affect the preservation of our freedom and law and order in the years ahead. Such issues include more extensive and intensive promotion of civic education to uplift Hong Kong people's political awareness to the participatory level, and more open access to public information as one form of civic rights. At the same time, co-operation with China on cross-border

crimes is urgently needed for maintaining social stability which is likely to be threatened with the change of sovereignty.

Talking about social stability, I wish to say a few words about our social security system. Whereas structural transformation of Hong Kong's economy has brought about opportunities for social mobility, inequalities embedded in the social structure continue to affect people's chances to get ahead. Hong Kong people expect an acceptable standard of social equity, so that those less fortunate people in our society are not left too far behind. This is where the "safety net" concept can make Hong Kong a more caring society without upsetting the structure of our capitalist society.

In my previous addresses, I have more than once pinpointed the Government's lack of long-term environmental policy. The situation has not improved with the publication of the Second Review of the White Paper on the Environment. Here, I would reiterate my call for more preventive environmental policies featuring the active promotion of the 4Rs principles and the adoption of preventive environmental legislations. Hong Kong urgently needs a comprehensive conservation policy covering energy, water, landscape and urban forestry. Further, in our attempt to maintain a sustainable environment, a bigger budget for environmental education and active involvement of the green groups in environmental policy formulation are long overdue. What is more important, environmental protection not only starts with us. It should be uppermost in the minds of every civil servant, every businessman, and everyone in our community.

#### *Professional qualifications*

The accountancy profession is concerned about the latest pronouncement of the PWC mandating the Hong Kong SAR to recognize the 500-odd degrees in China. Whilst we have no problems in removing automatic recognition given to British and Commonwealth institutions; in fact this is what the Professional Accountants (Amendment) Bill, due to resume its Second Reading on 2 November, will do to remove automatic recognition of professional qualifications and enable the Hong Kong Society of Accountants to apply objective criteria to all institutions, we do have reservations about blanket approvals regardless of applicability.

It would be inappropriate to mandate the recognition by the Hong Kong Society of Accountants of all future accountancy degrees awarded in China, since the academic training, examination criteria and professional practices in the Mainland are not necessarily comparable to the international professional standards to which the Hong Kong SAR strictly adhere. It is a pity that, had the PWC members taken the trouble to consult us in Hong Kong, the problem needs never have arisen.

*Conclusion*

In his maiden policy address in October 1992, the Governor said, "One country, two systems' means a prosperous China made more prosperous by a vigorous, tolerant and open Hong Kong." I endorse his definition with some modifications. In politics, Hong Kong should strive for continuity with progressive democracy. Our economic policies should balance between *status quo* and innovative development. Our social policies should add a human rights texture to the open opportunities in our society. A moderate, progressive and caring Hong Kong should be the driving force for a fast developing, modern China. Tomorrow's Hong Kong should become the classic statement of the sophistication of "one country, two systems".

MR TAM YIU-CHUNG (in Cantonese): Mr President, first of all, I would like to respond to the accusations made by "Uncle Wah" yesterday against the Preliminary Working Committee (PWC). His accusations are maligning. I think "maligning" is the right word. But such a practice is alarming, particularly by one who is a teacher by profession. He should never have done this. I said that his accusations are maligning because they are totally groundless. Take the provisional legislature proposed by the PWC as an example. Its members are to be elected by members of the Selection Committee appointed by the Standing Committee of the National People's Congress of the People's Republic of China. They are not "appointed by the appointed". Moreover, the terms of reference of the provisional legislature have yet to be finalized. Members of the political affairs sub-group of the PWC have already explained that the law on subversion may not necessarily be enacted by the provisional legislature. Therefore the worries expressed by "Uncle Wah" are more imaginary than real. "Uncle Wah" has been very desperate in lashing out at the PWC both in speech and in writing. He may actually act in collusion with Governor PATTEN to discredit the PWC in order to discourage civil servants from establishing contacts with the PWC.

Now get down to business. Before he delivered the policy address, members of the public were generally in expectation of some new measures to be put forward by the Governor to improve the China-Hong Kong relations. However, as things turn out, it seems that the policy address has failed to meet such expectation. Is it because the Governor is at his wits' end about how to improve the China-Hong Kong relationship or he does not have the will to do so and is merely making a gesture in his speech?

Just like other Members in this Council, I also have doubt about the effectiveness of the measures to improve the China-Hong Kong relations as proposed in the policy address.

The Governor said that the PWC and the Preparatory Committee are not in the same league. It is not one of the bodies established by the Joint Declaration or the Basic Law; it is merely an advisory body of the National

People's Congress. After all, this is not a matter of common sense. The problem is that the Governor did not recognize the PWC in the past but he finds it necessary to recognize it now. He has a grudge against it and therefore tries to play down the role of the PWC and describes it as an advisory body. It must be borne in mind that the long title of the PWC is "the Preliminary Working Committee for the Preparatory Committee of the Hong Kong Special Administrative Region". As its title suggests, the PWC is a body which is set up to pave the way for the Preparatory Committee. It is not an advisory body but a statutory institution approved and established by the Standing Committee of the National People's Congress. Mr Governor, please do not try to fool the people and yourself.

It is implied in the Governor's policy address that members of the PWC could serve in the specialist sub-group of the Chinese side in the Joint Liaison Group. Hong Kong civil servants are allowed to make informal contacts with, and provide information to, the PWC but they are forbidden from attending formal meetings of the PWC. Such practices will never help improve the relations between the Hong Kong Government and the PWC. The Governor's reluctance to allow civil servants to make contacts with the PWC will not facilitate the PWC's work and worse still, will put civil servants in a very difficult position.

The Governor has repeatedly appealed to the public to put forward counter-proposals to his proposals. I would like to make one counter-proposal to Governor PATTEN. I wonder whether he is magnanimous enough to accept it.

As serious doubt has been expressed as to the effectiveness of the proposals contained in the policy address, this demonstrates that the Governor may not know how to work with the Chinese side at all. The Governor may actually consider appointing members of the PWC as his advisers so that they could advise him means of improving the China-Hong Kong relations and hence better co-operation. This could be conducive to a smooth transition and show the Hong Kong Government's sincerity in working with China as well.

The Governor has time and again said that he attaches great importance to the Basic Law. However, when the Democratic Alliance for the Betterment of Hong Kong (DAB) suggested that the Government should set up a Basic Law promotion fund to finance Basic Law promotion activities organized by community bodies, the Governor did not make any response at all even though it is an easy undertaking. I found that very disappointing.

There is nothing new in the policy address on the part of China-Hong Kong relations. The part on people's livelihood is disappointing as well. It deals with the superficial phenomena only and gives the people petty favours without addressing the crux of the problem at all. It is questionable whether the measures introduced will be able to treat the symptoms, let alone getting at the root of the problem.

The Governor considers that at the top of our social priorities comes the elderly. Yet, the policy address does not provide any concrete policy proposals or plans. Of the various proposals, for example, the raising of the safety and care standards of the private homes for the elderly only benefits a handful of the elderly. It is disappointing that the Governor virtually turns a deaf ear to the general public's request to raise public assistance payment to \$2,300 per month.

Meanwhile, the Governor ignores the public views and has made up his mind to rule out the introduction of a Central Provident Fund. As for the Old Age Pension Scheme, he said that a task force will be formed to provide the necessary expertise to study the complicated technical issues involved. It makes one wonder whether the Wyatt Company commissioned by the Government earlier on to study the scheme has done its job or whether the establishment of the task force is another delaying tactic employed by the Government. It is indeed doubtful whether the Government has the *bona fide* intention to solve the increasingly worrying problems associated with the elderly.

Mr President, I earnestly hope that the Government will re-consider the comprehensive package for the elderly put forward by the DAB and the Hong Kong Federation of Trade Unions. The Government should take into consideration the views put forward by various sectors during the consultation period and have the Old Age Pension Scheme finalized as soon as possible. Furthermore, it should examine positively the setting up of a Central Provident Fund or a compulsory private provident fund. And before the implementation of these schemes, the payment rates for the old age allowance should be raised in the interim to give real improvement to the livelihood of the elderly.

It is proposed in the policy address that, where the Government's commitment to single-parent families is concerned, each single-parent family will be provided with a new supplement of \$200 a month. A little is better than none, though the payment can barely meet the needs of single-parent families.

Furthermore, the policy address does not address the labour problem which involves over 2 million people. It is noted in the Policy Commitments that the so-called "new initiatives" are merely the same old stuff and not at all any innovative measures. All the three new initiatives had actually been promised by the Government in the past, only that they have not been put into practice immediately. The labour sector is not too optimistic even though the proposals are included in the Policy Commitments since it really depends on when the Government would implement them.

The Progress Report and the Policy Commitments both stress the large number of people who have undergone retraining. This shows that the Government has put emphasis on quantity at the expense of quality and tried to fool the public by sheer numbers. The Government has been trying to dodge the question of how many of these people are able to successfully change their jobs.

As for the housing problem which has been haunting the public for years, the Governor claims in his policy address that the Government will try its best to provide a decent home for the people. However, if we go through the Long Term Housing Strategy of 1987, we will find that the Housing Authority has to provide at least 43 000 rented housing units each year before the year 1997 in order to satisfy the housing demand of the people on the Waiting List. Should the target be extended to the year 2001, the annual supply of rented housing units will amount to 30 000. But the Policy Commitments reveals that the Government intends to build an additional 141 000 public rental flats over the seven years between now and the year 2001. In other words, the annual provision will be around 20 000. How can it meet public demand? It is hoped that the Governor will stop playing with the figures. He should face the housing shortage squarely and speed up the building of public rental housing so that those 100 000-odd families on the Waiting List will be allocated housing as early as possible.

Although the Governor undertakes, among others, to improve the quality of health care and to build new hospitals when he touches upon the medical policy, it seems that he stops short of dealing with the issue of "users pay" under the Government's medical policy. It is pointed out by the Governor in the Policy Commitments that "we must maintain our commitment to ensure that no one will be prevented through lack of means from obtaining adequate medical treatment". As a matter of fact, the publication of the consultation paper last year in which the "users pay" principle was proposed in respect of the public sector medical services had drawn severe criticism and ignited heated debate. Critics were of the view that the "users pay" principle was bound to jack up medical charges and hence added to people's financial burden. This year's policy address does not mention the matter at all. Whatever the reasons may be, should the Government really adopt the "users pay" principle and charge patients accordingly, how can we guarantee that no one will be denied of adequate medical treatment through the lack of means?

Mr President, the Governor in his policy address this year highlights the importance of economic development in Hong Kong. However, we should bear in mind that a good co-ordination of major infrastructures in Hong Kong and China will ensure economic developments in the two economies. Serious consequences may arise if this matter is not handled properly. In view of this, the Chinese side has proposed that a high level working group on cross-border infrastructure be set up to deal with the planning and the convergence of the China-Hong Kong transport links and to co-ordinate the infrastructure projects in China and Hong Kong in respect of ports, railways, highways and aviation. I earnestly hope that the Hong Kong Government will be positive in co-operating with China so as to fulfil the promises made by the Governor at the end of his policy address.

Mr President, I so submit.

MR CHEUNG MAN-KWONG (in Cantonese): Mr President, the overriding political issue in Hong Kong at the moment has to do with the transition matters and they are precisely what the policy address must tackle. At a time when Sino-British relationship is in the doldrums and the political rows still remain unsettled, the just so-so policy address this year is understandably lack of ambitious plans. It was so in respect of education, in respect of the Civil Service as well as other areas concerning people's livelihood. The Governor's first policy address was full of vision, the second one was lacklustre and the third one shows that he is at his wits' end. Mr PATTEN's third policy address actually lays bare the difficult situation he is in. Given such a stalemate on the political front, it is hard to introduce greater reforms for, and undertake more commitment to, the improvement of people's lot.

In terms of education, I can hardly find any encouraging new initiatives in either the policy address or the Policy Commitments. I am deeply disappointed with the fact that the increase in education funding lags behind our economic growth. Some long-standing problems in existence for 10 to 20 years are still plaguing the education sector and hampering the normal development in education. The Government still refuses to accept that kindergarten education is essential, and thus no subsidy has been made available in that direction. There is still no sign of an early introduction of whole-day schooling for all primary schools and the abolition of all floating classes in secondary schools. Not a single piece of reform in special education is initiated. The decline in academic quality of students receiving tertiary education as a result of the expansion of our university education is not even placed on the agenda. Mother-tongue teaching and civic education are still left to run their own course. In such a spiritless atmosphere, what can I do? I am just like a broken old record, making the same old requests like singing the same old song in every year's policy address debate. But I know that the real victims of such a waste of time are the 1 million school children who are denied education of higher quality. We are actually damaging our tomorrow.

As regards the Civil Service, the situation is even worse than that in the education sector. During the transition period, civil servants are caught in the middle of the Sino-British wrangles. While the old master's dominance is still lingering on, the overbearing new boss has started to make his presence felt. The civil servants are at a loss as to how to deal with the two bosses. With less than 1 000 days to go before the changeover of sovereignty, they are under great pressure and feel anxious and helpless. This has provoked crisis in the now trouble-stricken Civil Service. A number of matters must be resolved during the transition period, including the "through train" for senior officials, the uncertainty hanging over the continual service of the public officers after 1997, the pension fund, common terms of service, the localization policy, reforms in the Public Service Commission and the promotion of wider use of Chinese. Yet, no headway has been made with these matters. This would not only affect the 180 000-strong civil servants but also bring into question whether the entire administrative system under the Hong Kong Government can operate effectively before 1997 and whether there will be a smooth transition in

1997. It is fair to say that the Civil Service is like the nerve centre and the cerebrum of the Government and we cannot afford to have it paralysed at any time.

Mr President, the Sino-British disputes have plunged the whole territory into deep crisis during the transition period and instilled extremely uncertain elements in the future of Hong Kong. What we Hong Kong people wish to see is co-operation between China and the United Kingdom. Their co-operation is founded on the basis of the Sino-British Joint Declaration and the official body for the promotion of their co-operation is the Sino-British Joint Liaison Group (JLG). However, ever since China and the United Kingdom clashed over Hong Kong's future political system, the JLG has become a forum for contention between the two countries. The Preliminary Working Committee (PWC) was set up by China with a political objective to dismantle the "through train", start a new kitchen, circumvent the JLG and confront tit-for-tat with the British Hong Kong Administration. In this connection, the PWC is actually an obstacle to the legitimate communication between China and the United Kingdom. Now some people blame the British Hong Kong Administration for not furnishing the PWC with information and they allege that is why the PWC often makes poor proposals. Yet, has the Chinese Government ever asked itself why it does not communicate and co-operate with the United Kingdom through the JLG in an open and above board manner? Why has it preferred a back door to a main road?

Mr President, as the Democratic Party sees it, the PWC is a body which is illegitimately set up in breach of the Basic Law and a political monster with no public sanction. Its members have won neither legitimation nor public credibility. To borrow a saying from the Chinese Communist Party, "Practice is the sole criteria for testing truth." What the PWC did last year has already aroused the Hong Kong people's discontent. Let us take a look at some astonishing views put forward by the five sub-groups under the PWC. The political sub-group proposed that the 180 000 civil servants must pledge allegiance to the Special Administrative Region (SAR) Government before they could retain their posts after 1997. It also proposed that a provisional legislature, even though enjoying no public support, should be established to replace the 1995 Legislative Council returned from popular elections. This would seriously set back the progress we have achieved in our democratic development. The economic sub-group proposed that the land fund should not be placed in the SAR reserve immediately after 1997 and should maintain its own independent operation for a period of one to three years. The cultural sub-group proposed that the SAR Government should recognize in 1997 the university degree awarded by 561 tertiary institutions in mainland China. This would certainly upset the operation of the academic and professional bodies in Hong Kong. The legal sub-group stated that the Bill of Rights would be reviewed in 1997 and the Public Order Ordinance and the Societies Ordinance be reinstated to forestall frequent processions and demonstrations. The social and security sub-group fancied the idea of stripping the 400 000 emigrant returnees of their right of abode in Hong Kong. It is not an overstatement to

describe that the PWC and its five sub-groups are competing with each other to jockey for position; each of them is playing its own gimmick, overstepping their supposed realm of responsibilities and creating panic.

Some of these proposals are against the Basic Law while others are against the wish of the majority of the Hong Kong people. It is evident that the PWC's proposals are practically far-fetched and go against the law. The PWC tends to work behind closed door and to engage in black box operation. It has already seriously alienated itself from the local people. What the PWC has done also does no good to a smooth transition but deals a further blow to the shaky public confidence in the transition period. In order to safeguard Hong Kong's interests, the Chinese Government should order the PWC to cease operation immediately and to rest in peace. Mr President, a lyric to the tune of "Yumeiren" came to my mind when I attended a forum with its focus on the PWC. I have modified its contents and found it exactly echoing Hong Kong people's sentiment towards the PWC. Please allow me to recite it: "When will one see the end of the endless proposals from the PWC which have never failed to send a chill down the spine of the people? Last night the north wind swept over Hong Kong. The moonlit night saddened me to think of the democratic movement. Still in force is the Joint Declaration. But gone are the key players who signed the agreement. If you ask me how my sorrow at the problems associated with 1997 has increased, just behold the over-brimming river flowing east."

Mr President, I know China will turn a deaf ear to my opinions about the PWC. Mr TAM Yiu-chung has said just now that those who oppose the PWC are regarded as being in collaboration with others to attack the PWC. Yet, Mr TAM Yiu-chung must not forget that in the Chinese camp, there is a deputy to the National People's Congress of the People's Republic of China, Ms LIU Yiu-chu, who stands in opposition to the PWC. In collaboration with her and others are the large bulk of the Hong Kong population. I think both the Chinese Government and the PWC should indeed do some soul-searching to find out why members of the public and indeed a deputy to the National People's Congress have grown tired of the PWC and proposed to isolate it. My honourable colleagues, if you do not take in my words, please be courageous enough to conduct an opinion poll among the public. As an elected Member, I have to speak the mind of the public though such a voice may be faint. I must unburden my mind. In addition, Mr President, I am upset about something the Governor said in his policy address. I have to get my feelings off my chest. The political system in Hong Kong, as the Governor put it, is one under which "the Administration proposes and the legislature disposes". In saying so, the Governor is simply standing facts on their heads and must have thought that the people of Hong Kong suffer from amnesia. Over the last three years, numerous motions and resolutions endorsed by my colleagues and I in the Legislative Council were turned down one by one by the Administration on the ground that this was an executive-led government. Now the Governor flattered the Legislative Council in his policy address. Apart from being overwhelmed by an

unexpected favour, we also feel that the Governor is a glib talker who speaks with his tongue in his cheek.

I also wish to criticize the British Government. As a matter of fact, the British Government did have a chance to put in practice in Hong Kong what the Governor has said, that is, "the Administration proposes, the legislature disposes". The Joint Declaration states that the legislature shall be constituted by elections and the executive authorities shall be accountable to the legislature, does it not? Yet, over the last 10 years or so, the British Government has not done so but, on the contrary, it joined hands with the Chinese Government to suppress the development of democracy in Hong Kong to the extent that Hong Kong will only have a deformed democratic system by the time China recovered the territory. This is definitely a historical fault and will mark the British Hong Kong Administration's dishonourable retreat.

Mr PATTEN rounded off his policy address by saying that the United Kingdom had a stake in Hong Kong and that Hong Kong was part of the United Kingdom's history, too. Mr President, with respect, I, as a Chinese, feel that these words have plucked at the old wound in my heart. The period of history in question is one in which Hong Kong was forced to be separated from its motherland and one in which Hong Kong was subjected to colonial rule. From the point of modern civilization, this period of history is a disgrace to China and it is not an honour to the United Kingdom either. Anyway, this period of history is approaching its end. Sunrise and sunset are natural phenomena and, in terms of the United Kingdom's rule over Hong Kong, it will inevitably be an eternal sunset.

However, there will not be dawn after the sunset but still a long dark night. For those of us who love our motherland and love Hong Kong and yearn for democracy and are in pursuit of light, we will move ahead with an even more determined mind. Long is the night and so is the road. As dark night gives us dark eyes, let us use them to look for light. In the interests of Hong Kong and China as well, we will adhere to our belief in our pursuit of light and carry on our endless struggle for ever and ever.

Mr President, these are my remarks.

MR MARVIN CHEUNG: Mr President, listening to the Governor's speech and reading the accompanying information package, I was particularly struck by the formidable legislative programme which is being proposed. I counted some 56 Bills to be introduced in this final year of the present term of the Legislative Council. Some bills are concerned with major new areas of legislation in Hong Kong, for example, the Court of Final Appeal, the Airport, privacy, the environment and discrimination (where we are being asked to study conflicting Bills). Others, such as a package of labour bills, and bills on medical registration, divorce, banking, copyright and patents are expected to propose a major overhaul of existing legislation.

I trust that the Government appreciates the fact that this heavy schedule puts great pressure on Members. This is due both to the volume and complexity of the bills and to the need to pass the legislation by next summer as any bill not passed in the current Session will automatically lapse. All this in a year when many Members may need to devote a substantial amount of time to campaigning for re-election.

We will all need to be prepared and I suggest, therefore, that action be taken now to pre-empt problems later. It will not be fair for the Government to present legislators with a new policy which has not been fully thought through and well drafted and then blame us for delaying passage of the bill. If a law with serious flaws is passed it is bound to create problems later and the law will probably have to be amended anyway at a later date. If a law which is essential is not passed, it is, of course, the community which will suffer. For these reasons, I urge the Government to make sure it does its homework properly. For example, before introducing a bill, has the Administration held full and meaningful consultations with all parties likely to be affected by the new proposals? More importantly, have the comments or objections from these parties been properly assessed and resolved, rather than simply being ignored or brushed aside? Has the Government given adequate resources to the law drafters, bearing in mind that they seem to have been over-worked in the previous three Sessions? I would hope that the Legislative Council and the Administration together could work out a timetable for the introduction and enactment of Bills so that all parties could be as well prepared as possible.

Hong Kong owes a debt to its old people who are now, or will shortly be, retired. The elderly are entitled to a dignified and secure old age and Hong Kong has been debating the question of how best to achieve this for some 30 years. Last December, the Government finally came up with the current proposal for an Old Age Pension. However, the plan was flawed on many points, not least the calculations on which the proposal was based, and it was clear that the Government had not even carried out a feasibility study on its own proposal before formally promoting it last December. I was amongst many who had grave reservations about the proposal and urged the Government and Members of the Executive Council not to rush ahead with this ill-conceived and half-baked scheme. One may ask why is there suddenly such a rush to get the scheme off the ground? The Governor contends that the reason for this is that the "statistics give us no choice ..... the elderly population is now so large and growing so rapidly". Whilst I possess no statistics to refute the numbers of old people amongst our population, I would question whether there is, in fact, a problem and, even if there is, whether the problem is so pressing. Statistics never speak for themselves, they always have to be interpreted and we all know how they can be interpreted to suit any argument. Whatever the number of old people, it does now follow that they are all in financial need. Indeed, the Financial Secretary has, on previous occasions, commented on the strength and expansion of the Hong Kong economy over the past 30 years and the high rate of savings of our people. How do these facts translate into such a large number of old people who have worked long and hard to create our present prosperity

but earned little, saved nothing and are now destitute, having, as the Governor contends, scrimped and saved to give their children a better chance in life, spending their savings on educating today's labour force rather than saving it for their own retirement?

If, indeed, there are some old people who are in financial need, are they long-term residents of Hong Kong or recent arrivals? Do we have the same responsibility towards all old people irrespective of ties with, or past contributions to, Hong Kong?

Further, is the contribution "modest" as the Governor says? I would suggest that the amounts involved, as shown in the feasibility study, are, on the contrary, quite staggering. They would represent one-third of the revenue from profits tax and salaries tax every year. I repeat the question I have asked before, is the scheme really a contribution or is it a new tax? The fact is that, call it what you like, the proposal, if implemented, represents a transfer of wealth from one sector of the community to another which is of a magnitude unprecedented in Hong Kong. It is very important, therefore, that the following questions be answered to the satisfaction of the whole community. First, what is the justification for this policy; what is the rationale behind it? Second, is the scope of the proposal appropriate, is the right segment of the community being targeted from the point of view of both the recipients and the payers? Third, are the amounts appropriate, again from both points of view?

As I have said, it is vital to get these questions satisfactorily answered because the implementation of the proposed Old Age Pension Scheme would represent a major shift in government policy and would have far-reaching consequences, consequences to Hong Kong that have either not been foreseen or not spelt out by the Government. Is it fair to commit our people to what appears to be a virtually open-ended burden when the proposal has only recently been put forward and when there are still so many outstanding questions to be answered? The obvious and immediate way to help the aged who are in need is to further improve the social welfare programme which is already in place. An old age pension scheme should not be confused with social welfare.

The two major financial headaches which Hong Kong people have to contend with are housing and inflation. The Old Age Pension Scheme would not solve these problems, it could make them worse. If all the energy spent on implementing the Old Age Pension Scheme was spent on tackling these two problems we would all be better off, now and in the future.

I now turn to the Civil Service. It is easy to criticize but we must surely recognize that Hong Kong is fortunate to have civil servants of this high standard. In spite of the fact that much talent has been lost through migration and localization, their achievements remain impressive. No matter who is in power, an impartial and efficient Civil Service is vital if Hong Kong is to function successfully. Hong Kong as we know it, will be underpinned by a Civil Service as we know it now.

Differences between Britain and China and between political parties in this Council will continue and probably intensify in the next few years. I believe that we should exercise the utmost care to ensure that able men and women of the Civil Service are not "sacrificed" in this process. We are all human, and mistakes will be made from time to time by civil servants as by any of us. However, whilst it is our job as legislators to question them over policies and proposals — and shortcomings will inevitably be revealed in the process — Members are, I think, in danger of going overboard. One only needs to see the defensive attitude that many policy secretaries take when answering questions in the chamber in order to shield themselves from the onslaught of follow-up questions to know that the result of this attitude is confrontational and counter-productive. I suggest that Members take a less aggressive and more constructive approach to the questioning of the Administration. I hope that policy secretaries, on their part, will reciprocate with more open responses.

This is the beginning of what, for some of us, will be the final year as Members of the Legislative Council. We all have, as I have said, an exceptionally busy Session ahead of us. I call upon my colleagues of whatever political persuasion to put our differences aside and work together for the good of the community in order to do the best we can to accomplish the important task ahead of us. This will be a crucial year in the life of the Legislative Council, perhaps the most significant in the history of Hong Kong.

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

MR ALBERT CHAN (in Cantonese): Mr President, in his policy address this year, the Governor stressed that the Hong Kong Government was an accountable government, and took this to guarantee the integrity and efficiency of an executive-led administration whereas the publication of the Policy Commitments was a means to this end. The Governor repeatedly urged Members of this Council to peruse the Policy Commitments as if there were pleasant policies or measures to unveil. I therefore went through this document again and again without delay, thinking at first that there could be brilliant ideas hidden among mediocre ones. Later, I was convinced that there were only mediocre ideas.

If enhancing the transparency of the Government is likened to the setting up of a television channel, through which to keep the public informed of the Government's time schedule for provision of new infrastructure and implementation of new measures, then the present Policy Commitments is like a list of television programmes. Regrettably, this list has not set out any good programmes. Nor has it announced clearly in advance what good programmes will be coming up. The public has no idea of when to view the programmes. People had high expectation of this new channel and new list of programmes before viewing but become totally disappointed after doing so. I will be explaining below my views on infrastructure, public works, town planning and broadcasting.

First of all, I would like to talk about the programmes which the public has been looking forward to eagerly but are still listed as "coming up soon". Of these programmes, the one which has suffered the longest delay, I am afraid, is the Airport Railway project. The Airport Railway is not only an important link between the new airport and the urban area, but also a major solution to ease the traffic congestion in the Kwai Tsing area and for tackling the problem of the near-saturation of passenger volume of the MTR Nathan Road Corridor. Unfortunately, the Airport Railway project has been delayed repeatedly due to the row between the British and the Chinese sides over the financial arrangement of the new airport. Now even if the project is to commence immediately, the Airport Railway cannot come into operation upon the commissioning of the new airport. Thus, the commissioning of the new airport may actually aggravate the road traffic congestion in the Kwai Tsing area and Kowloon West, adding to the hardship of the residents in these areas. Since June this year, the prospect of reaching an agreement on the financial arrangement of the new airport has become more and more certain. This is supposed to be a good opportunity for implementation of the Airport Railway project. However, the Policy Commitments of the present policy address made no mention of the Airport Railway at all. Does this mean that the Airport Railway project has to wait until the establishment of the future Government of the Special Administrative Region before it can commence? The price for further delay is not only the inconvenience and economic losses brought about by traffic congestion, but also the escalation of the cost of the new airport. Has the Government got a good grasp of this message? Has it reminded the Chinese side of this so as to get their consent for a speedy implementation of the Airport Railway project?

Another project similarly held up as a result of the discordant Sino-British relation is the construction of Container Terminal 9 (CT9). The Democratic Party had indicated its objection to the construction of CT9 in Tsing Yi long ago and requested the Government categorically to give up this project and expedite the development of the container port in North Lantau instead in 1992 before the Governor delivered his first policy address since his assumption of office. The Governor said in the policy address this year that the Policy Commitments contained the various proposals of Members of this Council but I am certain that the above proposal is not included. I am even more certain that if the development of the port in North Lantau is not expedited, the competitiveness of Hong Kong's container shipping industry on the international front will be further weakened, and I am afraid that its reputation as the number one container port in the world and the economic benefits this brings will go with the wind. The Secretary for Works admitted in a briefing session of this Council that the first berth of the port in North Lantau could not come into operation until the end of 1997 or until 1998. In other words, the date of commission will be at least half a year behind schedule and even so, this is subject to the outcome of the negotiations with the Chinese side. Is this an effort to safeguard the prosperity of Hong Kong? Is the attitude reflected one which an accountable government is supposed to take? In 1991 when the Chinese and the British sides signed the Memorandum of Understanding on the New Airport,

we had criticized the Hong Kong Government for giving up the policy-making imperative in respect of important policies on Hong Kong before 1997, as this would result in delays in the commencement of large-scale construction projects. Now it becomes more evident to us that the administration of the British Hong Kong Government in the remaining period of less than one thousand days will become feeble because of the decision made on that day.

The above two projects are "programmes" which have been delayed due to lack of mutual trust between the British and the Chinese sides. However, there are "programmes" which have been delayed for so long without any grounds at all. The foremost example of such programmes is the readjustment of the Urban Renewal Policy and the formulation of the Urban Renewal Scheme. Since the introduction of directly elected Members to this Council in 1991, this Council has passed motions repeatedly, asking the Government to review the Urban Renewal Policy. However, it seems that government officials have been turning a deaf ear to these requests and do not put forward the proposal to conduct a study on the redevelopment potential of various areas in the territory until this year. The discussion paper to be submitted to the Panel on Planning, Lands and Works in 1994 will only spell out the complex issues involved in urban renewal and there is no commitment to the effect that it will contain concrete proposals. Such an outmoded practice is not only contradictory to the objective of improvement of land use but also falls short of the expectation of residents in urban renewal areas on the improvement of their living environment, thus contributing to the worsening situation of demand for residential and commercial flats in urban areas outstripping supply, and fuelling the upsurge of property prices. The Government expects about 30 000 newly completed private residential flats can be put on sale in the property market every year, of which at least half, that is, 15 000 flats, have to rely on urban renewal for land supply. If the Government does not have any comprehensive urban renewal policy, including measures to rehouse and compensate residents in the urban renewal areas, the idea of supplying 15 000 flats per year can only be a castle in the air.

The Town Planning Ordinance has a significant bearing on urban renewal and the many issues concerning fair and proper land use. The Government conducted an open consultation on the review of the Town Planning Ordinance some three years ago. However, up to now the relevant Ordinance has not yet been submitted to this Council for deliberation. We have to express our regret again for the Government's total failure in this respect. The Government made great efforts to conduct the consultation on the review of the Town Planning Ordinance three years ago. Now it is so hesitant in submitting the Ordinance to this Council. This may be due to its fear that amendment of this Ordinance would enrage those consortia which are now reaping the benefit. We all know that it would take a very long time to deliberate a complex ordinance. The Government should therefore submit the amendment bill of the Town Planning Ordinance to this Council as soon as possible and should not stall this work any longer. It should be borne in mind that in 1996-97, a lot of amendment bills entailed by the transfer of sovereignty will be submitted to this Council for

deliberation. It is unwise to defer the deliberation of the amendment Bill of the Town Planning Ordinance to the next Session of this Council. I hope that the Government will expedite the progress of work in this respect.

As regards public works, while I recognize the efforts made by the various works departments in the past, the recurrences of severe landslides and collapses of canopies and external walls under demolition in recent years indicate that there are still a lot of problems in urgent need of amelioration. The policy branches have to reconsider the priorities of some of the projects and allocate more resources. Of course, many problems have stemmed from the system. Such problems can be found in three aspects. The first aspect is the lack of co-ordination within government departments. Take the Buildings Department for an example. I have come across some cases in which a section of the Department requested a property owner to repair part of his property. After the completion of the repair work, the same property owner received the notice from another staff from the Buildings Department again, which asked him to demolish another part of the property. The property owner hence incurred losses and suffered inconvenience as a result of such poor co-ordination of repair first and demolition afterwards. If co-ordination within the Department can be enhanced, such disturbance to the public can be reduced.

The second aspect is the lack of co-ordination and support among government departments. Take the safety of slopes as an example. At present, the government departments involved include at least the Geotechnical Engineering Office, the Buildings Department, the Architectural Services Department, the Highways Department and the Housing Department. The number of professional staff involved varies from department to department. Although the staff of different departments focus on different parts of the work, there are areas in which they have to co-operate with and support each other before the safety of the slopes can be improved efficiently. Attention should be paid to this aspect during the overall review of the policy on slopes.

The third aspect is the monitoring of private property owners, developers, contractors and approved professionals by government departments. We find that irrespective of landslides or incidents of collapses of external walls of buildings under demolition, the Government has neglected the monitoring of these people or their agents, or that the law has not conferred government officials with sufficient powers to make these people comply with the law or guidelines in carrying out their works. Such inadequacy will obviously cast a shadow on the reliability of the works.

The above-mentioned aspects are areas not covered by the Policy Commitments. I earnestly hope that government officials will take these views into consideration in making improvements on the operation of the public works departments.

Now I would like to turn to television broadcasting.

The close of the century sees rapid changes in the broadcasting milieu — the satellite television and the cable television have joined Hong Kong's broadcasting industry one after another. The development of "multimedia" has made it possible for telecommunication equipment to play a role in television broadcasting. Such a change is not only shown in the ever-changing technology but also manifested in the political milieu of broadcasting. With the advent of 1997, it is strange that the mass media should act with so much caution and self-restraint.

In the policy address this year, the Government has not put forward any long-term and comprehensive policy towards changes in the broadcasting milieu. In many important areas, the Government has failed to achieve anything or has not done anything worth mentioning.

This year, the two local television stations have been reproved by local organizations for banning their own programmes. All of a sudden, issues of press freedom and editorial autonomy become the focus of public concern. However, the Government has not worked out any appropriate measures to reassure the public. The Recreation and Culture Branch says that it is very difficult for the Government to demand television stations to broadcast certain programmes by way of legislation because such legislation can easily become a tool for inhibiting and interfering with the freedom of the press. The Broadcasting Authority also says that it has no authority to compel television stations to broadcast programmes because this is outside the scope of its jurisdiction. All in all, the Government's reply is — Nothing we can do!

We, of course, know the importance of maintaining a free broadcasting milieu and the need to respect editorial autonomy. However, the Government should at least make some commitments to review and study some important areas of its future work. In fact, the need to work out relevant guidelines is one of the approaches to be considered. Moreover, the Broadcasting Authority has been negotiating in private with the television stations on issues such as programmes and the operation of television stations. In theory, the Broadcasting Authority monitors broadcasting organizations on behalf of the viewers and the public. However, the ban on programmes by the two television stations themselves reveals that it is necessary to review and improve such a monitoring process which has no public participation.

Another important aspect is the planning of the broadcasting milieu. The satellite television has been operating for three years and the Government may renew its broadcasting licence. However, there is a package of issues, such as the broadcasting language, cross-media ownership, the eligibility of overseas people applying for broadcasting licences. All these require review and formulation of specific policy approaches by the Government. The Government has never explained the relevant issues to this Council. Even the Broadcasting Authority's approval of Television Broadcasts Limited's application for satellite television broadcasting licence lacks transparency. Such a closed-door decision-making

process is not what a government body responsible to the people should adopt.

With the wireless, cable and satellite channels dominating commercial television broadcasting, there is an urgent need for reorientation and expansion of development in public television broadcasting. If the production of 19 additional programmes by Radio Television Hong Kong is to be considered as a long-term development of public television broadcasting, I am afraid that it would be difficult to explain this arrangement to the public. It is believed that the sketchy coverage of such issues in the policy address would only give people the impression that "the subject of broadcasting policy in the policy address is a blank page".

Governor Chris PATTEN said in his policy address that after the transfer of sovereignty, he would go a long way home in the dark. However, I have to remind him that before he disappears from Hong Kong's political arena, he still has the responsibility to establish a solid foundation for Hong Kong's future development which, of course, includes the livelihood of the people, the development of infrastructure and the perfection of the broadcasting system. Only by so doing can the ideal of "mastering the thousand days and beyond" be realized.

MR VINCENT CHENG: Mr President, the last legislative Session was not a particularly memorable one. We saw a sharp deterioration in the Sino-British relationship. We saw a deadlock on the negotiations on Hong Kong's political future. In the end, Hong Kong people's wish for through train which the former Governors had worked so hard to achieve has now vanished. Again we are thrown into a state of uncertainty, with the community wondering what would happen in 1997 when the legislature is dismantled. After 10 years of hard work and negotiations, we are now back to square one. This is immensely frustrating. Furthermore, the failure of the two sovereign powers to come to an agreement on Hong Kong's political system, leaving a vacuum to whoever wants to fill it regardless of the representativeness of their views, has created considerable distress in society, especially on how the Legislative Council should be formed after 1997. In my view, China must consult more widely on the setting up of a provisional legislature. It must exercise great care in designing the new structure and ensure that we have a credible legislative process in Hong Kong after 1997 which is essential for the maintenance of law and order and the present style of living in Hong Kong. Had an agreement been struck between the two sovereign powers, we would not have to spend the next two and a half years arguing over the same issue again. It is regrettable that Hong Kong has to go through another two and a half years of uncertainty.

In the Governor's policy speech, a number of proposals were made on the issue of Sino-British co-operation. In fairness to the Governor, he did make a step forward and plead full co-operation in 1996 when the Preparatory Committee will be set up. The question is: Should he be more supportive of the

work of the Preliminary Working Committee (PWC)? In my view, whether the PWC is an advisory body or not is neither here nor there. It is an organization set up by the Chinese Government and carries enormous influence. We have to ensure that PWC members have all the relevant facts and arguments to help them understand the complexity of the issues anyway and the constraints that the Government has to work within. We ought to allow civil servants to have more contacts with the PWC members. But we would also have a structured mechanism to avoid overcrowding the schedules of our senior civil servants who are already working 18 hours a day. The Chinese Government and the Hong Kong Government should work out a proper system to:

- (1) limit the number of formal meetings per month to allow civil servants to carry out their daily duties in addition to any briefing they are summoned to attend. We cannot have senior civil servants running around town all day just to do briefings or questions and answers. All our Policy Secretaries have huge responsibilities, ranging from designing complex policies which affect the lives of the 6 million people to performing a Cantonese opera in English for the joy of their fellow citizens. We must be careful in using their time and not abuse it;
- (2) the meetings must be open meetings so that Hong Kong people know the issues discussed and the views expressed; and
- (3) civil servants should be treated with the dignity and respect they plainly deserve. I am sure they would be accorded such treatment by the PWC members. Anything less would not be tolerated by Hong Kong people.

I could well understand why some of my friends in the Civil Service dread this prospect. They feel that if this idea is accepted, they could be summoned by the PWC at will and they could be publicly humiliated. But unfortunately, like it or not, they will have to work with the Preparatory Committee in 1996. Bring it forward by 12 months and have the process well structured may actually make life easier and the transition smoother because we have 12 more months of precious time. The policy address paid considerable tribute to the Civil Service. I deeply share this feeling.

I am also grateful to my colleagues across the room for their hard work, their patience and professionalism at this crucial junction in Hong Kong's history. Both the present and the future sovereign powers owe them the obligation of a smooth transition ensuring a more certain future in their career after 1997. If we do not have an incorruptible, professional and dedicated Civil Service, there will be no rule of law, no fair and open elections and no "one country, two systems". Many of the senior civil servants can literally walk to another job tomorrow. We must exercise great care to preserve this important pillar of our society.

I am very pleased to see the Policy Commitments this year by the various policy branches and departments. It is a novel approach making Government more accountable. I hope the Government would take these pledges seriously. Otherwise, these pledges could degenerate into empty slogans, cliches or old posters in government buildings.

Turning to a subject which I am more familiar with — the economy. We have been able to build a successful economy because we allow our business sector a high degree of freedom within the rule of law. We have gone to markets where opportunities arise without any guidance. We will continue to produce splendid results as long as the Government confines its role to investment in infrastructure and in human capital. That is the spirit of Adam SMITH, whose work the Governor has asked us to read. I confess I have not read Adam SMITH except some extracts of his work and have forgotten most of them. I would be very grateful if the Governor could tell me which bits of Adam SMITH I should read to understand what is socialist intervention. I thought that as 1997 approaches, we should all read Karl MARX and LENIN to find out how good intentions could end up in great human tragedies. The 1994 World Competitiveness Report rated Hong Kong the fourth. That is the result of the efforts we have made in the past many years. If we are not careful, we would fall down the league table very very quickly. The Government's interventions must be avoided as much as possible. I cannot agree more with the Governor who said that we must have fair and efficient markets, and promote competition. We have to look at existing trade practices. This is an important task I hope the Consumer Council would treat it with great care. I do not want to see third class academic reports by people who have no practical experience in the business nor have the ability to understand the sometimes highly complex market place. The Government must also avoid creating more reporting requirements. I sometimes wonder whether the Government would really read these reports that companies and banks are required to produce regularly.

Despite our economic achievements, we do have a few problems which we still have to tackle — inflation, infrastructure and transport. Many colleagues have commented on these areas and I agree with many of their views. Hong Kong is becoming very expensive. We are losing some of our business to neighbouring countries. But there is very little that the Government can do in the short term in terms of inflation because the problem is supply-side bottlenecks which cannot be eliminated overnight. One thing the Government should do is to ensure that its fees and charges programme do not add to the problem. Re-training is essential in shifting our already scarce labour resources to more productive use. We must ensure that the programme produces the desired result. On the infrastructure side, we need to go ahead with Container Terminal 9 and the Airport. Further delay will prove very expensive for Hong Kong and China as it will restrict our ability to serve the Chinese economy. I am pleased to see the fall in residential property prices in the last few months, although to many people in Hong Kong, owning a home is still a distant dream. But we must not forget that the fall in price is due largely to the tight mortgage

policy which cuts both ways. It hurts speculators as well as genuine home buyers. There is a large pent-up demand for property. The pressure could only be released through greater supply of land, and the Government must consider ways to increase its land supply.

Mr President, I had the honour of being a member of the Working Group for the Elderly. I am grateful to the Governor for accepting our proposals and committing more resources to make the life of our elderly people happier and easier. I am one of the two members of the Working Group who did not support the idea of an Old Age Pension Scheme. This Scheme does not address the real problem of helping those who have genuine needs. We need a safety net for those who do not enjoy retirement benefits and do not have sufficient savings or means to live a dignified retired life. I support an increase in social security programme in the next fiscal year for the elderly who have genuine needs. For those who already enjoy retirement benefits, there is no need to create another system for obvious reasons. Since there will be a debate on this subject, I would not comment further today.

In other social welfare related areas, I want to put on record my gratitude to the Governor for his personal attention to the employment problem of the disabled. His summit meeting last year on employment for the disabled had gone a long way to promote employment opportunities for the less fortunate members of society. The Special Placement Division of the Labour Department has done an excellent job and I am pleased to see more activities planned to increase the awareness of society towards this issue. As Chairman of the Employment Sub-committee of the Rehabilitation Development Co-ordinating Committee, I want to express my sincere thanks to Mrs Jennie CHOR of the Labour Department for her hard work and dedication.

Mr President, I do not believe we have done enough in social welfare, nor will we be able to. The society's aspirations to better social security, better care for single parents and their children, will always exceed our means. At present, we are far from social welfarism. We have been extremely prudent and I hope the business sector will also bear in mind that when we try to create wealth, we have a responsibility to our less privileged fellow citizens. We must do more and there are ample scopes to do more. Let us be more generous in helping the elderly, the disabled and those fellow citizens who need our support.

Mr President, this is the beginning of our legislative Session. While I am frustrated to see the icy Sino-British relationship and the deadlocks on some political and economic issues, I believe Hong Kong can overcome these difficulties. We have experienced a number of crises in the last two decades and managed to overcome those and build a successful territory. We should be able to do the same in the years ahead.

Mr President, I support the motion.

REV FUNG CHI-WOOD (in Cantonese): Mr President, in recent years, there has been a continuous improvement in environmental awareness among the community. Efforts have also been made by the Administration but, in spite in some improvements, the progress is still too slow. For example, it was originally proposed that a water control zone be established in the Victoria Harbour in 1991, but the plan was deferred to 1993, and again to 1995-97, to be implemented in three phases. The whole programme has been delayed for as long as six years, and it may not be completed until after 1997.

The second example is the Energy Efficiency Advisory Committee. Since the setting up of the Committee in 1991, only meetings have been held and there has been absolutely no report of the actual work that has been done. In July 1992, I moved a motion debate in this Council to call on the Administration to work out a comprehensive energy policy. The Policy Commitments annexed to the policy address this year has at last responded to my appeal by announcing that a voluntary energy efficiency labelling scheme will be introduced, and guidelines on the energy efficient design will be drawn up for building professionals. This is the first step in energy conservation. However, four years have already lapsed since the setting up of the Energy Efficiency Advisory Committee.

The third example is the very important strategic sewage disposal scheme of Hong Kong which was originally scheduled to be completed before 1997. In November 1991, however, the Administration announced that owing to the lack of funding, the completion time had to be put off till 2000. Now phase I has just commenced and its completion is due by 1997, which means a delay of a total of three years. It is still not yet known when phases II, III and IV can take off. Should the remaining works commence in 1997, the whole project will only be completed by 2002 at the earliest. This means that the whole project will be delayed for five years. In other words, we will have to wait for another five years for the threats of pollution in the Victoria Harbour and other waters to be completely removed.

The fourth example concerns air pollution. As we all know, air pollution is getting worse and worse. As early as 1991, the Administration intended to introduce a measure which required diesel vehicles to switch to petrol. This measure will certainly help reduce air pollution substantially. However, in view of the serious inflation at that time, the measure was suspended and the scheme has since been put on hold for a long time. In fact, inflation has been slowing down since 1992. It is only after my repeated urges that this policy address brings up the Government's intention of reconsidering this scheme, though no commencement date has been specified. Even if the Government starts work next year, the scheme will still be delayed for three years which means that the public has to wait for another three years before they can make improvement to their health.

In fact, I can go on citing more examples to illustrate the projects the Administration has committed to do but has failed to complete before the deadline. Nevertheless, the points relating to various aspects mentioned above should have shown that the Administration is yet to improve on its sincerity to protect the environment.

I would now like to turn to the discussion on the "polluters pay" principle. In connection with the improvement of polluted water, the Policy Commitments annexed to the policy address says that a charging scheme will help not only to recover the cost of sewage services, but also to raise environmental awareness among the community. The first thing that part of the Commitments says is about the Government's expectation that the scheme will help to recover the cost of sewage discharge, and the raising of environmental awareness is only mentioned as the second thing. This just shows that cost recovery is really the greatest concern to the Administration when it introduced the charging scheme and earnestly promoted the "polluters pay" principle. The raising of environmental awareness is only of secondary importance. I must put it in strong terms that the foremost objective of the "polluters pay" principle is to provide environmental education with a view to raise the environmental awareness among the community so as to make people realize that they have to pay the price for pollution arising from their daily life. This will encourage the public to co-operate to reduce pollution. The recovery of charges should be of secondary importance only. However, it is a different matter when it comes to other business activities. This is because most of the environmental measures will increase the expenditure and it will be very difficult for the business sector to take action voluntarily. Therefore, we should try our best to levy higher charges on the commercial and industrial sector or even recover the full cost from them so that they will take action to reduce pollution.

The announcement of the sewage charging scheme by the Administration last year has drawn strong reaction from the public. The majority of the people considered that the charges were too high. Some people even objected to the levy of sewage charges. However, the Administration had turned a blind eye to what it saw and a deaf ear to what it heard. Unilaterally, the Administration announced the result of consultation and said that the majority of the public supported the "polluters pay" principle. Neither did it elaborate any further nor announce whether the public was in support of the sewage charging scheme. I therefore once again demand that the Administration should make known the public's views gathered during the consultation period. Are members of the public really in support of the Administration's sewage charging scheme? It is really disappointing that the Government plays with the public's views and shows no respect for the result of consultation. Its refusal to accede to the public's request to lowering the sewage charges is bound to result in the public's grumbling and aversion to environmental protection. It should be borne in mind that the foremost objective of the "polluters pay" principle is to enlist public support for environmental protection. But what the Administration did is totally contradictory to this objective. As the public has never paid for an environmental protection cause before, the Administration must handle the

matter with care. If the scheme cannot be implemented smoothly, the public's support for environmental protection will be seriously hampered, and the community will be unwilling to co-operate with the Government. In view of this, the Administration should accept public opinion and lower the level of charges at the initial stage of implementation in order to encourage the public to support the payment of this first item of extra costs incurred for the purpose of environmental protection. The Administration may, in due course, raise the sewage charges after gaining public support.

In fact, the charging scheme devised by the Administration is ridiculous. Many people tend to think that sewage charges will only make up a very small percentage of the water bills. But according to the scheme, over 230 000 households will be required to pay sewage charges which will be even higher than the water charges they originally pay. This policy is utterly nonsensical. How can the public accept it? In working out the charging policy, the Government just considered how to recover the cost without taking into the least account the acceptability of the policy to the public as well as the educational implication involved.

Also, in 1992 the Administration proposed to impose charges on the use of landfills in order to deter the construction industry from dumping construction wastes into landfills. In fact, such construction wastes should be deposited at public dumps and can be used for reclamation or other purposes. However, the present level of charges is only set at half of the cost instead of full cost of running the landfills. The Administration's argument was that should the cost be too high, people would simply dump wastes illegally instead of transporting the wastes to the landfills. If this argument holds, the dumping should better be free of charge. Since as long as there are charges, some people will choose not to pay; unless the charges are negligible. Therefore, the correct way should be to prevent illegal dumping by such means as strengthening enforcement or increasing penalties.

Apart from this, the Administration is intending to charge private residential premises if they hire vehicles to transport domestic wastes they produce to landfills for dumping. However, it is free of charge for the refuse collection vehicles of the two municipal councils to do the same thing. At present, only very few private residential premises for various reasons do not require the service of collecting refuse by the two municipal councils. As these premises have to pay the cleansing service agents to clear the refuse, they have already paid certain charges at this point. If the Government imposes further charges on hired refuse vehicles for dumping the wastes at landfills, it is in effect asking these small number of private residential premises to pay an extra cost. Clearly this is not fair. Actually, the Administration can simply lay down a simple rule that imposes charges for the dumping of commercial and industrial wastes at landfills, whereas charges will be waived for dumping domestic wastes. This is a simple but equitable method. I wonder why the Administration has made it so complicated, and there are no principles, too.

This clearly shows that the Administration does not understand the public's sentiment, and that it does not have any criteria for the sewage charging scheme.

Now let us go back to and industrial the problem of sewage charges. Sewage charges payable by the commercial and industrial sector constitute almost 70% of the scheme's recurrent expenditure. But merely 10% to 20% of the scheme's revenue may be affected by lowering residential sewage charges (it depends on how it is to be lowered as charges recovered from residential premises constitute only 30% of the scheme's recurrent expenditure), so why can we not lower the residential sewage charges even further? As a matter of fact, the loss of 10% or 20% of income would not have a significant impact on our revenue.

Let us consider the charges of the landfills again. The real purpose of imposing these charges is not to increase the revenue of the Administration but to deter people from dumping construction wastes into landfills. In this case, charges should be raised to have a deterrent effect. But the Administration only chooses to impose a minimal charge. This is really hard to understand.

I hope that in advocating the "polluters pay" principle, the Administration will work out a charging scheme that is fair, reasonable and acceptable to the public. I am sure that the public is willing to co-operate with the Government in promoting environmental protection.

I also wish to talk about the policy for women and the problem of discrimination. The awareness for gender equality in the community is heightening. The fact that non-governmental organizations have called on the Administration to remove various forms of discrimination in different aspects and to protect women's rights has specifically reflected this awareness. Confronted with the requests lodged by the community, the Administration, however, has made use of the public's views selectively and even gone as far as distorted their views!

Claiming that people prefers a "step-by-step" progress, the Government takes the public's views as a handle to put forward a bill on sex discrimination which covers only a very narrow scope. Now let us first sort out the logic: During the consultation period of the *Green Paper on Equal Opportunities for Women and Men*, non-governmental organizations demanded that the Administration should enact laws to remove sex discrimination. However, such a demand definitely does not mean that the people do not support a more comprehensive anti-discrimination bill! Moreover, the Green Paper has not consulted the people on whether they are for a sex discrimination legislation or a comprehensive anti-discrimination legislation. Nor has it consulted the people on whether a progressive approach should be adopted. The Administration just twisted the public's views.

Another point is, the Government only increases the subsidy for single-parent families by a nominal \$200 a month. This is hardly substantial to help the single-parent families. Neither can it demonstrate the efforts the Administration has made in formulating a policy for single-parent families! The difficulties faced by low income women in Hong Kong are not confined to family problems. The women have to face other problems concerning employment, housing, health care protection and psychological counselling service as well. Their needs can in no way be satisfied by the piecemeal and isolated policies. In view of this, there is still a public demand for the implementation of a long-term and comprehensive policy for women. Yet the policy address this year is still unable to realize the public's wishes.

Mr President, I so submit

MR SIMON IP: Mr President, I found little in the Governor's policy address to assure me that the remaining years of the transition will be any more productive than the past two years.

I cannot see his plea for co-operation with China being translated into concrete action, but I hope I am wrong. The cocktail olive he has offered the Preliminary Working Committee (PWC) may or may not produce a reciprocal gesture but I hope it will. I have never much liked the idea of the PWC. But I believe we have to face the fact that there is a second stove in the kitchen with many new cooks around it. As I see it, the old cooks might as well give them the recipes and ingredients of success in case the new cooks spoil the broth, or worse still, set the kitchen on fire. Otherwise, the Governor, with the Joint Liaison Group stalemated, will have little influence over anything other than short-term domestic and parochial issues. This would indeed make him the Mayor of Hong Kong he said he wanted to be, rather than the statesman he could be. Broader important issues such as Hong Kong's international status and commercial ties and matters straddling 1997 will be stalled indefinitely. How can this be in anyone's interest, least of all Hong Kong's? The political reform package is now over. The National People's Congress's decision to dismantle the three tiers of government will consign that package to the scrap heap of history in a little less than three years' time. So the score is even. What then is the need for continuing rancour and hostility? Can we not now turn over a new leaf and start again?

Most of the issues caught in the logjam are technical and legal in nature. With reason and co-operation, none of them is insoluble. They are not political and should not be made chips in a political poker game — a game in which Hong Kong stands to be the biggest loser. Look at what has to be done on localization and adaptation of laws as just one example. This is highlighted in the Attorney General's Policy Commitments. There are at least 22 bills to localize United Kingdom legislation and amendments to over 100 ordinances. Whether co-operation is restored or Hong Kong decides to go it alone, this volume of legislation on top of the existing legislative programme will make it a daunting

task in the next three legislative Sessions. If a legislative vacuum is to be avoided, a plan must be devised and a clear timetable adopted.

A conspicuous omission from the Attorney General's Policy Commitments and one which is so fundamental to a smooth transition is the issue of juridical assistance and legal links between Hong Kong and China. Training mainland lawyers in the common law is a good idea, but it will not make up for the lack of sound, clearly delineated legal arrangements in areas such as rendition, mutual enforcement of judgments and co-operation in cross-border crimes. Hong Kong already has elaborate arrangements with its major trading partners in these areas, but it is ironic that none of them applies to our largest trading partner, our future sovereign.

I now turn to the crisis in the Judiciary. I use the word "crisis" without exaggeration. My arithmetic tells me that within the next 12 to 14 months, there will be at least eight retirements from the High Court. If the Government is serious about setting up the Court of Final Appeal in 1996 and assuming that the bill is passed, about which there remains considerable doubt, four additional judges will be needed. This will create 12 vacancies in the High Court. The Judiciary's Policy Commitments propose the creation of a further two High Court Judges resulting in at least 14 High Court Judges to be appointed in the immediate future. The present establishment of High Court and Court of Appeal Judges is 33. To replace and recruit 14 judges would mean a recruitment rate equivalent to a staggering 42.5% of the existing establishment. Further rumoured but yet unsubstantiated early retirements from the High Court will further worsen the situation. In short, there will be a serious haemorrhage of judicial blood from the High Court in the next two years, with little fresh supply in the existing blood bank. This problem cannot be solved by simply trying to fill these positions by promoting District Judges. This will not produce a quality High Court. At the same time, it will worsen the already heavy congestion in the District Court. The creation of five additional courts at various levels to deal with Bill of Rights and equal opportunities cases is a laudable idea. But again, where is the new blood coming from? There is no escaping the fact that the Judiciary is acutely anaemic and needs intensive care.

At a time when few able barristers are attracted to the High Court, the Administration must look for creative remedies and solutions. These would include an immediate active programme of recruitment overseas, relaxing restrictions against judges from returning to private practice subject to a reasonable sanitization period, improving the terms and conditions of appointment and finally removing the discriminatory statutory provision prohibiting solicitors of experience and ability from being eligible for appointment to the High Court. The eligibility pool must be widened. That does not mean that everyone who applies will be suitable for appointment; merely that he will have his application considered by the Judicial Service Commission. After all, solicitors in government service of 10 years' experience are eligible for appointment, so why should solicitors in private practice not be? It is relevant to note that in England and Wales, the law has been changed to enable

solicitors to be directly appointed to the High Court. There has, in fact, already been one such appointment. Many of our brightest legal minds happen to be solicitors. Why ban them from judicial service? Why reject their blood when we are seriously haemorrhaging?

I now turn to the language of the law. It is regrettable that until very recently, there has been no initiative to consider this issue by the Administration. Even now, no comparative studies have been carried out in countries which have undergone a similar experience such as Canada, Malaysia, India and Israel. The Administration is groping in the dark for a last-minute solution. Two recent reports by committees chaired by judges have produced some useful suggestions, but they point to long-term solutions which will take 10 to 20 years or more to achieve. They focus on the use of the Chinese language or the English language exclusively of one another. The use of Chinese exclusively in court proceedings can only take place when the judge, the advocates and the parties are all proficient in the use of the Chinese language. In practice, this will happen extremely rarely given the high proportion of our non-Chinese speaking judges and practitioners.

The Basic Law provides that in addition to Chinese, English may also be used in the courts. This confers a constitutional right on litigants at their election to use Chinese or English or both during legal proceedings. The only way by which this can be achieved before 1997 is to introduce simultaneous interpretation in the courts with facilities to produce court records in both languages. This would be true bilingualism in the law. And it would not inhibit appointment of the best legal minds to the bench for lack of Chinese language proficiency. It would be misguided and foolish to localize the Judiciary purely as a means of increasing Chinese language usage in our courts. It would be equally foolish to think that by simply changing the Official Languages Ordinance everything will fall into place. All the necessary support structure and facilities must be present before the new law is enacted and comes into effect.

Like so much else, the Administration is doing too little too late. If the rule of law as we know it, underpinned by the common law, is to be preserved, the measures I have mentioned must be given immediate attention. Bold and determined efforts must be made without further indecision and procrastination.

The rule of law which has been the backbone of our economic success, risks being an arthritic and crippled relic of a bygone era unless something is done and done very quickly.

I now turn to education. I was encouraged by the proposals put forward by the Governor and the Secretary for Education and Manpower to improve kindergarten education. As chairman of the Hong Kong Institute of Education, I am particularly supportive of the Government's goal of upgrading the training and qualifications of kindergarten teachers. Yet the Government will need to find a way to reward kindergarten teachers for their added skills. I strongly

believe that kindergarten education is every bit as important as primary and secondary education and that kindergarten teachers should receive the same level of education and remuneration as their primary and secondary counterparts. In the past, the education of kindergarten teachers has been substandard, limited to short-term, part-time, in-service training courses. Many teachers have entered the profession from Form III or Form V without any preparation, while primary and secondary school teachers have had to earn certificates in education. The way forward is clear and has been mapped out by the Ad Hoc Committee on Pre-Primary Education. We must offer more intensive in-service training to serving teachers while raising pre-service standards overtime from the present level to certificate level and finally to degree level. No institution is better suited to implement this policy objective than the Hong Kong Institute of Education. The Director of the Institute has advised me that the Institute can undertake the whole kindergarten teacher education programme for 1 130 teachers in 1995-1996 as mentioned in the Governor's address, provided that adequate funding is forthcoming. Concerns have been raised, however, that the Government's financial commitment to the programme may fall short of what is required.

MR MICHAEL HO (in Cantonese): Mr President, I will be talking about the part on labour and the question of medical and health services.

The Governor said in his policy address that "the economy comes first". In addition, as Hong Kong is to maintain its status as a financial and service centre in the Asia Pacific region, the importance of the economy is beyond doubt. The quality of the workforce of an area has a significant bearing on its economic development. Though lacking in natural resources, Hong Kong owes its present success to its human resources. However, the workforce does not only have its economic aspect, but also has its social and political aspects.

The Government has all along been attaching importance to the economic aspect of labour and regarded it merely as a figure and purely a factor of production rather than actual "human beings". Therefore, during the restructuring of industry and at the time of inflation, the Government put all the blame on wage increase and imported foreign workers to curb wage increase under the lobby of the commercial sector. Does the Government know that the rapid growth of corporate profits in Hong Kong in the past will also fuel inflation? Last year, however, the Government cut down corporate profits tax under no pressure whatsoever. It is indeed greatly regrettable that such a practice deals a heavy blow to labour and makes them scapegoats for inflation.

Under the pressure from the labour sector, the Government conducted the Employees Retraining Scheme in a bid to do some window-dressing work and, at the same time, continued to import foreign workers. The objectives of these two policies are basically contradictory. In the policy address this year, the Government indicated that it would further expand the quota for retraining. The Democratic Party considers that in order to make the retraining policy

effective, it is necessary to cut down the quota for foreign workers gradually or else the public money spent for this purpose will only become temporary unemployment allowances.

It is also disappointing that the Governor rejected again in his policy address the setting up of the Central Provident Fund Scheme which the labour sector has been striving for over a long period of time. The Government has been objecting to this Scheme on the ground that it will not bear fruit until two or three decades later. In fact, had the Government accepted the demand of the labour sector 20 years ago, the problem would have been settled now. The Government's unwillingness to make the first step forward and continuous evasion of the demand with such an absurd excuse will only lead to a vicious circle and can never bring an end to our problem of retirement protection. Just then, the Honourable Andrew WONG said that some political parties' insistence on fighting for the Central Provident Fund might be due to the fact that they had committed themselves. Admittedly, this is the only right solution to the retirement problem of Hong Kong workers!

The Democratic Party supports in principle the Old Age Pension Scheme. However, in the long run, there must be a central provident fund to tie in with this Scheme.

I am also very disappointed with the part on medical services because as in the past, the policy address this year only put forward several piecemeal improvement items. The only major difference is the proposal of a few objectives in the Policy Commitments which include prevention of disease, treatment of disease and improvement to the quality of service in our clinics and hospitals. Regrettably, the Government has not formulated any specific policy along the direction of these three objectives.

The objectives to prevent disease, to treat disease and to improve the quality of services are bound to be correct and are universally applicable. However, these are all "high, big and empty" objectives which are grand words and truisms.

This makes me doubt whether the Government has a good grasp of the overall situation and the problems, and that even the Government itself is not sure about these. Nor has it the sincerity to work out an overall plan.

The objectives should not be "high, big and empty". It should be measurable. It is meaningless to propose unmeasurable objectives.

The policy address has proposed some areas of improvement but has not set the standard to be attained for each of the services. Is government policy like the Olympic spirit which aims at participation irrespective of rewards and results? Does it mean that we have accomplished our task by just doing it or simply participating?

The proposals put forward in the policy address include the provision of an extra 950 hospital beds and the provision of medical treatment to 770 000 in-patients. But is it realistic to provide medical treatment to 770 000 persons? And on what basis is the decision to provide an extra 950 hospital beds made?

Basically, the Government does not have a good grasp of our demand for hospital services. The demand I refer to is by no means an expectation but an actual demand. It is a reasonable policy only if the ways to achieve the objectives are decided on the basis of demand. A policy means that the Government has to tell the public clearly how it will provide comprehensive services and the level of service to be provided. By level of service, I am not speaking in terms of quantity nor the number of hospital beds and the number of in-patients, but an overall estimate of hospital beds required by the 6 million people of Hong Kong, the number of persons who need to be hospitalized and the number of prospective users of public hospitals. Only by so doing can services be provided systematically and can it be called a policy. Let me cite a simple example: Some of my colleagues from the Democratic Party told me that even the Urban Council had some policies on recreation and sports, such as the provision of a squash court for every 10 000 persons and a tennis court for every 15 000 persons. Our medical policy has no provisions at all regarding the number of hospital beds required for our 6 million people, where a hospital is needed and so on to tie in with the population shift and growth and the aging population in different districts. Therefore I would like to remind the Governor clearly of the things which should have been done in the policy address: (1) To inform the public of his "macroscopic" view of the medical services and development with a comprehensive and clear analysis of the whole situation; (2) To list out the ways to address the various problems in the light of the actual situation, and set out the priorities clearly; and (3) To instruct clearly the government policy branches to formulate clear-cut and timely medical policy. The medical policy formulated by the policy branches should address the following main issues:

(1) Policy on hospital services

The Government should first assess the territory-wide demand for hospital services and to acquaint itself with the provision of the various medical services and the supply of hospital beds, and to have a good grasp of the co-ordination between the various services and manpower. In formulating the policy, the Government should map out plans to tie in with the population shift and our aging population, and work out the approaches for medical technology development in hospitals so as to cater for the current needs in respect of medical services. All these basic criteria should be laid down by the Government and adopted by the Hospital Authority.

We must first have a policy responsive to the population shift before we can provide medical services that match the local needs. With such a policy, the Government could know clearly the demand

and plan for the provision of new hospitals. The public would also know there is a policy to follow, and that it is not necessary for them to strive frequently for provision of new hospitals as in the recent cases of the North District Hospital and Tseung Kwan O Hospital. Since the Government has no policy in this respect, medical services in a particular district will not be increased automatically in response to the growth of population therein.

The policy has to be responsive to the changes of disease patterns and the particular needs of various districts so that the development of the different specialities and technologies can tie in with each other. I therefore urge the Government to co-ordinate comprehensively the development of the various specialities to avoid the present situation in which the Hospital Authority almost take the leading role, or the present near non-interference policy which allows different hospitals and specialities to drift along and scramble freely for resources. Those who have a bigger say will have more resources and be given a higher priority for development, resulting in the strong being stronger and the weak being weaker.

(2) Policy on primary health care services

Earlier on, there was a paper on primary health care services. However, what we should do is to conduct an overall assessment, specifying clearly the types of diseases to be prevented, the magnitude of demand for primary health care services and the degree of government involvement in these areas. Take the impact of the aging population on primary health care services as an example. When did the Government conduct a detailed assessment? The aging population would bring about greater demand for primary health care services in many aspects. How big is the demand in different districts? The Government has to acquire the above information before it can plan for improvement in health care services for the elderly. Although it is said that five health centres for the elderly will be provided, there is actually no way that we can tell without the above assessment what percentage of needy people can be served by these health centres, and whether the elderly people beyond the reach of such services are within the scope of service provided by the Government. All these questions have to be answered by the Government itself. I therefore consider that the policy should specify how to pinpoint the various health problems encountered by the elderly and the number of users of different services before deciding on the number of health centres for the elderly or well-woman clinics, instead of just stating the number of centres to be provided as in the policy address.

(3) Policy on manpower

The policy on manpower is obviously a significant issue in the formulation of medical policy. As the Government has already laid down the types and quantity of services required and the specific standard to be attained in the provision of these services, it has to supply the necessary manpower and set the criteria according to the demands for various types of staff. This will ensure that there will be sufficient nursing staff to provide the services and consideration be given to the types of manpower required while laying down the criteria. This will subsequently involve the formulation of some long-term policies such as whether the provision of nursing education at degree level is acceptable to the Government in the training of nursing staff. If the Government fails to answer these questions, it would be difficult to ensure that our investment in manpower training would not be abused or wasted. In fact, there is no clear-cut policy on manpower training at present. The Hospital Authority is simply drifting along, allowing its different departments to pursue their manpower training at their own sweet will. Under such circumstances, manpower training will fail to respond to the territory-wide demand and develop in a systematic manner.

Finally, I would like to remind the Government of the nursing degree places which the Governor promised to provide in his last year's policy address. If the 160 nursing degree places which he has promised cannot be provided in 1995, we would lose one year's time willy-nilly. The one year's time cannot be recovered no matter how much money the Government is willing to offer. I hope the Government will consider carefully at this critical moment the introduction of this degree course in 1995 and advise the tertiary institutions of its decision. Now is already October 1994. If the degree course is to be introduced in 1995, then October 1994 is the eleventh hour for the tertiary institutions to get the green light from the Government. I hope the Government will think of this seriously.

I so submit.

MISS CHRISTINE LOH: Mr President,

*An accountable government*

The Governor makes "Accountable Government" the starting point of his policy address. He is right to highlight at the top of his agenda this very important issue. But what he says is essentially deeply unsatisfying. There are inherent problems with the Hong Kong notion of "executive-led" government, because the executive is wholly unelected. The Governor tries to ameliorate the

lack of representativeness of the executive, by saying that the executive ought, nevertheless, to be more accountable to the community.

The Governor seems content that the "very considerable powers" which the Administration has, can be checked and balanced by merely having this Council question officials and to approve or reject government policies already in the form of legislative or financial proposals. Surely, this is not nearly going far enough, even within the context of having to live with a wholly unelected executive.

Perhaps I can give some examples of the Hong Kong version of "executive-led" government. The Port and Airport Development Strategy airport core projects will cost 25% of total government expenditure for the next five years. It will significantly alter the landscape and environmental capacity of the territory. And yet, no public consultation was ever carried out for project with such wide-ranging implications. The Government did not carry out any cumulative environmental impact assessment, or present any alternative development strategies. Further, the Director of Audit does not have the power to inspect the Provisional Airport Authority's spending and performance.

Our officials have wide discretionary powers in setting policy priorities. The Governor does not address how those powers will be made more accountable. Let us take one area of policy which this Council has spoken about many times — planning, which has wide-ranging implications for the community as a whole. If the Governor really wants to make the executive more accountable, for example, in the area he would have to put in a series of institutional safeguards to check the exercise of administrative powers and discretion.

The Governor could have suggested, for example, that territorial development planning and urban renewal process be required by law to consult the public. He could also have suggested that the planning process should have statutory controls; that there should be a right of access to planning information; that there should be public consultation and procedures for public objections; that the Town Planning Board ought to meet in public; and that there should be an independent body to review government planning decisions.

Until the Government is willing to put in place mechanisms with statutory backing which will hold the executive to account to the public for what it does, "Accountable Government" will, regrettably, remain a political slogan.

### *The Executive and Legislative Councils*

As to relations with this Council, the Governor poses the question: "Where else in the world is there a permanent government which does not have a party in the legislature to push through its policy proposals?" What do we make of his question? Well, the party of government in Hong Kong is the unelected Administration. So, what is the role of this Council? You could say

this Council is supposed to provide a check on executive power. You could say that this Council is the loyal opposition. But this Council has to try to check, and balance, the executive's enormous powers with minuscule resources.

Further, the executive is adamant that an "executive-led" government means that it alone sets policy and sets priorities. This Council, and the community, are therefore merely to react. This reactive role is reflected by the Governor saying that this Council only has the power to question officials, and to approve or reject government policies already set in store. But what about giving this Council a role in the formulation of those policies? After all, however imperfectly this Council is constituted, it is the only one that can claim to have true representatives from the people of Hong Kong via the directly elected Members.

Instead, the Governor pats us on the back and tells us condescendingly that Members are asking more questions than ever and that we are holding more meetings than we did 10 years ago. To add insult to injury, the Governor tells us that he recognizes "the importance of the business sector continuing to play a full part in government policy-making". As I am from the business sector I am pleased to hear that but I cannot understand that why the Governor wants to leave everybody else out? Of course the business community should be involved. But why not other groups in the community?

The Governor also seemed to suggest in paragraph 21 of his address that democracy might provoke tensions between groups with different legislative agendas. To give credence to the notion that democracy might exacerbate tensions between the haves and have-nots, between high taxpayers and non-taxpayers, between those who advocate one legislative agenda and those who advocate another, is to stand the problem, if there is a problem, on its head.

There will always be tensions in society between people with one set of goals and people with another set of goals. No political system of any sort can change that. The point is, given that such tensions will always exist, how can they be dealt with best?

Either you have a system that suppresses one group of people in favour of another group of people, or, you have a system which is designed to accommodate and to arbitrate between contradictory points of view.

If you do want a political system that accommodates and arbitrates, then democracy seems in practice to be the stablest and most successful way of achieving that end. If a democratic government does things that a lot of its citizens do not like, there will not be chaos, nor will a revolution be necessary. The Government can be voted out of office at the next election.

Political stability of that sort is good for the rule of law. It is good for property rights. It is good for civil order. In short, it is also good for business. Democracy must be better for business than an authoritarian government that

nobody trusts, and that pursues capricious policies with no enduring respect for private property, or for the individual, or for equality before the law. I am not suggesting that we have such a government today, but I do object to the suggestion that democracy is bad for business or good government.

If a government wants to put forward welfare proposals, or provide a system of social security, of course there will be public expenditure implications, but it will not be the end of Hong Kong. But to suggest, as the Governor seems to be doing, that democracy itself, or the speed of its introduction, could somehow provoke divisions, is quite wrong. Democracy expresses divisions. It addresses divisions. And it reconciles divisions.

Mr President, who is the Governor trying to please when he pitches "those who create our wealth" against "those who vote for our taxes"? It is shocking for someone like the Governor, who comes from a democratic parliamentary tradition, to get the emphasis so very badly wrong.

#### *Sino-British and China-Hong Kong relations*

On the issue of relations with China, many of my colleagues seem to think that by co-operating with the Preliminary Working Committee (PWC), that will ease tensions with China. Surely, the PWC has access to many background papers and confidential information which even this Council does not have. The head of the PWC is the Chinese Foreign Minister. The Chinese Foreign Minister is also the head of the Joint Liaison Group (JLG), and he heads all diplomatic dealings with Britain on behalf of the Chinese Government. Through these channels, the PWC should not be short of information, if the Chinese side wants to share that information with members of the PWC. Therefore, it seems to me that having Hong Kong officials to attend PWC meetings may be an insistence that is more form rather than substance. If the Chinese side wants to involve PWC members rather more in its dealings with Britain and the Hong Kong Government, PWC involvement in expert sessions of the JLG can go a long way to serve that purpose. Why not do that then, instead of insisting that unless Hong Kong officials can attend PWC meetings that there can be no thaw in Sino-British relations?

In the end, the PWC will be judged by the quality of its recommendations on the transition to Chinese sovereignty. So far, unfortunately, it has not impressed the people of Hong Kong. We are a pragmatic community. We value good ideas. It does not matter where ideas come from if they are good. If the PWC has good ideas, we will applaud them and will wish to see them implemented in due course. But, if the PWC has poor suggestions, it should not be surprised that those ideas will be roundly condemned.

As things stand, relations with China is poor. But does that mean we have to stand still? The Governor laments that "Hong Kong's performance has only been less impressive when there have been protracted discussions on straightforward issues which ought to have been decided promptly on their

financial and economic merits". Let him not just lament. But let the Governor tell us what actions this Government can still take, or is prepared to take, on its own. For example, why not set out its own timetable for the localization and adaptation of laws? We cannot let a lull in China relations to debilitate us totally in tasks that need to be done urgently.

### *Sustainable development*

Moving on, I would have liked to have addressed also the lack of a vision in the Governor's address on how to ensure that Hong Kong's economic developments can be maintained on a sustainable basis. It seems neither the Governor nor the Administration have any idea. The issue is an urgent one, otherwise, very soon, Hong Kong will have nothing left to develop. Our environment would have gone to hell. The challenge of ensuring economic development that is sustainable will require us to adjust our political systems. I would like the Secretary for Planning, Environment and Lands to tell us what plans he has next week, when he responds to this Council. After all even China has adopted the Earth Summit Agenda 21 Conventions. I do not see why Hong Kong should not put forward its plan on how to implement sustainable developments in the long term.

### *Conclusion*

Regrettably, time does not permit me to speak about many other matters which I would like to. Mr President, that was why I published my "An Alternative Policy Address". It was an attempt to widen community debate on Hong Kong's policy agenda. I believe more people will be challenging the Government's agenda in the years to come. That should not be seen as dangerous or bothersome by the executive. It is a healthy and indeed, necessary, development towards a more representative system by the government. It is also the community's, and this Council's, attempt to assert their rightful influence in the formulation of public policy. Better still, is for the Government to put in place a system which actively and positively cultivates participation during the early stage of policy formulation.

Mr President, I support the motion.

MR MARTIN BARROW: Mr President,

### *Overall direction*

This year's policy address provides the community with the framework of the Government's plans for the future. I welcome the substance of the programme being devolved to policy secretaries presenting their own branch commitments.

The Government is right in empowering this dedicated high echelon of our Civil Service with the responsibilities of explaining what needs to be done, what is being done and why. Many of them are members of the new up and coming generation who will lead the Civil Service into the next century.

The lead role in setting out policies and — importantly — being accountable for achieving these stated objectives must be encouraged.

I have been critical in the past on the overall presentation of government material. The Progress Report, as an addendum to the 1994 policy address, turns criticism into congratulation. The Efficiency Unit, who has done much to improve presentation standards and encourage the introduction of performance pledges, has done an excellent job in casting light on accountability, a concept only too often enshrouded in the mists of bureaucracy.

My main focus today will be the economy but I will touch on one or two other subjects, including the Civil Service.

#### *The economy*

"The Economy Comes First" is the bold heading to the part of the Governor's address that deals with the very substance of Hong Kong's remarkable success. The economy is indeed first in where it appears the speech, but not in terms of the detail and attention should be paid to it. Social and welfare issues dominated the address.

I appreciate the Government's dilemma in balancing priorities in an increasingly sophisticated community, but I am ever wary of our seeming to move away from the successful policies that have brought such success and rising living standards to our population.

"*Laissez-faire*" yielded to "positive non-interventionism", which has since become "maximum support, minimum interference". Whatever "ism" is current, it should not be based on a political appeasement of certain sectors.

Let us remember that it is the extraordinary partnership between the people of Hong Kong and its entrepreneurs which has made Hong Kong one of the most prosperous territories in the world.

The Government's role is to provide the playing field and act as referee, no more and no less. Providing the playing field means creating the infrastructure and making rules which are clear, fair, and entail only a minimum level of interference. Acting as a referee means ensuring that Hong Kong is a caring society with proper standards of industrial safety, health, education, consumer protection and so on. What it does not mean is that we should build government bureaucracy or artificially distribute wealth through higher taxation.

There is a heavy legislative workload that must be addressed in 1994-95, and beyond. I hope the Government will reveal to this Council all legislation in the idea stage or in the pipeline. Yet the Government must not fall into the trap of seeking legislative answers to every problem. To do so would make us an over-regulated society at a time when there is so much to be done in bringing existing laws in line with the Basic Law. I understand there will be 550 amendments.

I recognize, of course, that some of the proposals in the legislative programme are urgent and should be supported. The Airport Bill is a matter of high priority. As is the Court of Final Appeal Bill — which we now should get on with in line with the Joint Liaison Group agreement. As I have said before in this Council, the business community alongside the community as a whole must know the law and uphold the rule of law and there must be effective sanctions against wrong-doers rather than implementing a more complex regulatory environment. I am often surprised, Mr President, at the low level of fines imposed.

### *Inflation*

Let me now turn to inflation which remains a community-wide concern. True it has abated somewhat but it remains at a very high level compared to many other economies in the region. Hong Kong's position as a prominent business, tourism and convention centre in Asia cannot be anything but undermined by our persistent, nagging inflation figures. It is not enough to argue that our trade remains competitive because of the lower cost of production over the border.

The Government continues to persuade us that the options in combating inflation are limited. For the seventh policy address in a row, I urge greater action in an area that has a direct influence on inflation and that is the labour shortage.

The Financial Secretary last March, described our labour shortage as extremely serious. The Government's reaction? To allow 250 professionals in from China, with a further 750 at a later stage. Mr President, 250 is less than 0.01% of our workforce! This is hardly a bold initiative from an executive-led government!

There remains an overwhelming argument for adopting a more flexible policy on selective labour importation. I appreciate this is an emotional issue within this Council and among our labour force, but I am not advocating the indiscriminate importation of workers. I fully accept that any scheme must be on a "limited and controlled basis". But certain economic sectors need and must have a little more rein.

Take for example, hotels which are so vital to Hong Kong's position as an international business centre and as a tourism destination. The hotel industry has been allocated only 152 under the 12 000 places in August to replace the 1992 quota. This underlines the inadequate and bureaucratic arrangements currently in force. That such a sector of our economy could be treated so disdainfully suggests, Mr President, a complete lack of understanding of industry needs, and a wider absence of appreciation as to just how vital service industries are to our economic growth.

Even a doubling of our current territory-wide labour importation quota would add less than 1% to our workforce. Nobody can seriously argue that this would affect the livelihood of Hong Kong people. Nor have current schemes had a negative effect on our "social services" as predicted by some opponents. Abuses have really been very few and far between.

Mr President, the Government has a duty to explain to the community that the inflationary spiral we are on is in fact a staircase down to eroding purchasing power, not an escalator up to having more dollars in the pocket in anything else but in the short term.

Mobility of labour is a norm throughout East Asia and indeed around the world. Hong Kong should be no exception. Manufacturing can migrate to a lower cost labour supply area, but a hotel in Tsim Sha Tsui or Central, a Convention Centre in Wanchai cannot relocate.

Mr President, the business community generally is being asked to accept a whole raft of new legislation to provide better protection to the workforce, some of which I fully accept is right and necessary. It is also being asked to support an Old Age Pension Scheme. But where is the *quid pro quo*? The Government might find more support on the pension scheme if it were to listen to the business community on the particular issue of labour supply. Many in the business community find it difficult to support the pension scheme without a corresponding move in other areas such as a labour supply issue.

### *The Civil Service*

Let me turn to our Civil Service. I congratulate the Civil Service on what has been achieved over the past few years, as covered in the Progress Report. In particular, the performance pledges which are now widespread have done much to increase government efficiency and encourage an attitude that the community of Hong Kong is the Government's customer and should be treated accordingly.

Our dedicated and loyal Civil Service is the envy of many and the community can have full confidence in the Civil Service playing its vital role through the transition to Chinese sovereignty. This extends to the Police Force and other disciplined services who deserve our full support.

There is of course always more to be done and there is plenty of room for efficiency drives and seeking out and eliminating nooks and crannies of bureaucracy and inefficiency. I hope policy secretaries will give full support to the work of the Efficiency Unit and that it will continue to be given a strong set of teeth to get its job done!

A word of warning, Mr President. While the meaning of an executive-led government is not easy to define, it is important that this Council does not exceed its legitimate role in monitoring government performance.

It is in no one's interests for Council Members to indulge in counter-productive nit-picking for political purposes.

More openness from senior civil servants is welcome, but we do not want a situation where civil servants spend all their time reporting to this Council, rather than getting on with the job.

### *Conclusion*

Mr President, in conclusion, I would like to add a brief word on the links with China.

I returned this afternoon from China where I attended an economic conference. I was impressed by the very forthright approach being taken by policy makers and economists on their assessment of the current situation and the future. I remain confident that despite the short-term concerns of inflation and overheating, China's above average rate of growth — even by East Asia standards — will be maintained for the long term and that the role and participation of Hong Kong enterprises in China's economic development will continue.

Practical co-operation has continued to advance, as has the programme of civil servants visiting China. This I believe should be stepped up. The plans for very close links with the Preliminary Working Committee from 1996 are however nothing new and such co-operation was already envisaged in the Joint Declaration. What I feel the community would like to have seen is some specific announcements for closer links between now and 1996. Could the Government not have been bolder in planning co-operation over infrastructure plans? On relations with the Preliminary Working Committee, I believe the community would have welcomed somewhat more formal contacts and the recent circular to the Civil Service laying out the ground rules for the informal contacts seems rather bureaucratic in nature.

These issues aside, we must continue to strengthen in every way possible the economic links with the mainland. These links remain as ever fundamental to securing a sound future for the people of Hong Kong and for ensuring Hong Kong's continuing role as a great international business centre under the mantle of "one country, two systems".

I am confident, Mr President, it will remain just that, but only if we are open to exploring avenues of co-operation and understanding in all areas.

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

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

MR ERIC LI (in Cantonese): Madam Deputy, here we have "A Thousand Days and Beyond". Since the Sino-British Joint Declaration was signed, Britain has made it clear that the sovereignty of Hong Kong as well as the 6 million Hong Kong people would be handed back to China. True, if Britain is to lead the administration of Hong Kong strongly and with the back-up of our army of high-quality civil servants, it is possible that the last one thousand days of governing can still be "mastered". But on the "one thousand and first night", there will not be a political system recognized by China. It is simply impossible that either the political power or the fate of the people of Hong Kong will be "mastered" by the people themselves.

In the *Arabian Nights*, it tells of a sharp-witted maid of the imperial palace who spun one enthralling story a night for the king who would behead anyone whose story he did not like. The story-telling lasted for one thousand and one nights. Finally, not only could she manage to escape the fate of beheading, but save the lives of other people. To be fair, the policy address of the Governor is full of fine words; it "carries strong messages" to China. Though it sounds a bit unwilling, it is after all cautious in wording and friendly in outlook. To the people of Hong Kong, who have been weary of the long-lasting Sino-British row, this is something that people can put their minds at ease for the time being.

Enthralling stories would certainly attract a huge audience. But in reality, it is China alone who can change the fate of Hong Kong after listening to these stories. As soon as the policy address came out, the Preliminary Working Committee (PWC) of China proposed to set up a new "kitchen" which is the provisional legislature, and it made itself clear that "going beyond" the thousand days was out of the question, nor had it any confidence in the joint efforts by China and Britain in the setting up of the SAR Government before 1997. Should there be no unexpected turn of events, the ending could well be foreseen.

Perhaps Britain is only prepared to show China a feigned pose of truce but in fact making secret deployments to replicate a time-worn decolonization strategy. Put it simply, it can be called "the three moves of shirking duties" which starts with a false move of "handing back the administration to the people" as if administrative power would be handed back to those Hong Kong people who are elected democratically. Having formed the false appearance, it then exercises the second move which is "running away from it all". After 1997, the political power of Hong Kong people would be "getting out of

control", and political antagonisms would come to no end. At the eleventh hour, Britain would exercise the third move which is called "none of Britain's business", the most powerful move that puts all the blame on Hong Kong people by saying that they are not good enough, and that China is domineering and unreasonable.

Over the past hundred years or so, the principle with which the Hong Kong Government governed the territory had been one of "Britain assents to, Hong Kong people accept and China connives at". However, after the June 4 Incident, the British Government had obviously changed its policies across the board on Hong Kong affairs. It completely ignores the reaction of China, and by making use of some of the views of Hong Kong people it proceeds unilaterally with its "duty-shirking project", aiming at the time after the sovereignty of Hong Kong has been handed back. This leaves the people of Hong Kong "sandwiched" helplessly in the midst of the Sino-British power struggle.

Quite a number of political commentators describe the reform package of the Governor as a bold gamble between China and Britain with the people of Hong Kong footing the bill of losses. The reform package has now come to a conclusion, but the gamble is still going on. It is probably time "to settle the accounts":

- (1) Delay in the airport project: Government data show that should the completion of the Hong Kong new airport be delayed for one year after 1997, there will be a loss of \$3 billion, and should it be completed between 1997 and 2010, the accrued losses would be as much as \$400 billion;
- (2) Container Terminal No. 9 (CT9): Government data reveal that should the completion of CT9 fail to materialize by mid-1995, and if the worst comes to the worst, financial losses of Hong Kong between 1997 and 2006 will be as much as \$30 billion;
- (3) Partial withdrawal of Jardine Matheson Holdings: The market value of the Jardine Matheson group of companies is over \$100 billion. By listing shares in Singapore and moving operation headquarters there, a large number of job opportunities and hundreds of million dollars of tax revenue will be lost;
- (4) New functional constituencies: It is a sheer waste of time and manpower to have spent over \$100 million, that means \$50 million a year, to force employers to register for the nine new functional constituencies that live only for two years; and
- (5) Costs of the Sino-British row: It costs \$27,000 per question for Policy Secretaries to respond to the questioning of Members in the Legislative Council. And it can be imagined how great the cost has

been and how much time we have spent for top officials to collectively deal with the Sino-British row.

We can see from the above rough estimates that a high financial cost had been paid as a result of the Sino-British row. If Britain does not want to break this stalemate, the cost Hong Kong is to pay will be even higher. I can foresee that the faltering morale among civil servants and financial instability are the biggest challenges the future government will face.

Politicians may "change gears" for survival. Businessmen may "move assets" to preserve their strength. But for civil servants, unless they change their jobs there is no alternative but to do what is instructed by their superiors.

The Governor is the head of the Administration, but he was not elected by the people of Hong Kong. If he takes a neutral stance and serve the people of Hong Kong, the whole hierarchy of the Civil Service will also serve the people of Hong Kong loyally and impartially. But if the Governor cannot abstract himself from the inherent qualities of a politician, and obliges only to British electors by following the usual practice of the ruling party to implement some subjective policies obvious to the British minds, he will easily tend to call forth the service of his officials to "master" the government and face China and Members of this Council holding different views by sending the strong army of the Civil Service to the battle-front.

The policy address professes in a high-profile manner to give a "morale booster" to the Civil Service, but restrictions on contacts with the PWC follow in its wake. The Secretary for Civil Service then said openly that in view of the impact from Sino-British relations, a number of senior and middle level civil servants may have to retire early as 1997 approaches. He said that it may even give rise to succession gaps in some departments. All these have indicated that the alarm has been sounded.

Caught in the midst of the Sino-British discord, what the people of Hong Kong can "master" is really not much. A loyal and quality Civil Service is the most valuable asset which the people of Hong Kong can still count on for a limited smooth transition and to go beyond 1997. It is my earnest hope that my colleagues in this Council will exercise more self-restraint when they cry out loud for others to "shut up", that they should be more respectful and encouraging to our civil servants who are very well-mannered and loyal, that we ought to be more positive in monitoring the Government's "strong-man" policies, and we must not let it carry out its evil backstage manipulation to undermine the civil servants' objective and impartial judgment and morale.

Soon after the reform package was passed, the Governor has emphasized the strengthening of communication with the business sector. But so far he is still marking time, and the result is nil.

The policy address stresses that the economy is of first importance. China even said that the economy is the most important political consideration. It is clear from this that both sides have attached great weight to the economic aspect. Indeed, any accountable government must have known it very well that politics and the economy are simply inseparable. It will take positive steps to protect its investment environment and promote its economic development to improve the living standard of its people steadily. During the transition period before 1997, the confidence of the business sector is something both China and Britain need to join hands to protect.

In the matter of CT9, both China and Britain have put political consideration in the first place and the economic interests of Hong Kong people in the second. Hence we have the deadlock and lack of progress. The Hong Kong Government even refused to solve the problem with the flexibility of commercial principles, saying that it is for the sake of its reputation. The Hong Kong General Chamber of Commerce estimates that should the construction of CT9 cease to proceed, economic losses in the decade after 1997 would amount to \$160 billion. Is it really worthwhile to be so costly for China and Britain just for this "fit of pique"? Can we say this is putting the clock back by saying one thing and doing it in another way? Do you think the people have no idea of what is going on?

In the Budget debate of 1992, I said that the business sector is seen as one of minority interests in many countries, and since the business sector means the lifeline of a country, so, protecting the interests of the business sector is protecting the overall local economy. It is my opinion that the business sector generally believes that while Britain is planning for its withdrawal and shirking its duties, it has inadvertently produced a side effect, namely, it has indirectly groomed some "grass-root politicians" who are not conversant with the financial and economic affairs of Hong Kong and who tend to exaggerate the importance of the people's livelihood with their limited knowledge, and yet being treated as successors to the Executive and the Legislative Councils so as to make way for an easy stepping-down for Britain. If the Government is already unreliable, with this group of politicians who represent the interests of the grass roots wielding power indirectly, it would be extremely worrisome for the business sector to see that these are the people who will be governing a highly complex international financial centre. This is understandable. In the face of an outlook that cannot be seen as rosy, should some of them decide to be on the defensive by raising their borrowing and transferring their own capital out of Hong Kong for safety's sake, and if this has become contagious, the pegged Hong Kong dollar exchange rate would be the first to bear the brunt of the severe test.

A great length in the policy address has been devoted to explaining how existing policies on the people's livelihood are to be implemented in the coming year. It is my pleasure to commend on the part on welfare in the policy address. I think it has already taken account of the views of the constituency and raises, according to the order of priorities, first of all, the rates for single-parent families and children, and adopts most of the proposals by the Elderly

Services Working Group. On the amount of the Comprehensive Social Security Assistance (CSSA) payment, it also shows an open attitude without rejecting anything. On the contrary, we ought to note that the Government tends to "dish out money" directly when it overlooks the importance of other matching services. In view of the limit of time, I can only call on the Government in a gist that it should expedite in moving from the rehabilitation green paper to a white paper, laying down the policy objectives and catching up with rehabilitation services that are already lagging behind. On the services for the elderly, I am going to move a motion by early December concerning the working group's report which will soon come out. I shall do so in order that the importance of its matching services will not be buried in the vast expanse of the policy address debate.

On the administrative programmes, I wonder if they are as some comments put it that they are spending money like water, or is it far from enough? Information on financial costs in the policy address is in fact not sufficient. Even as a professional accountant myself and having years of experience in social welfare, I cannot determine the right or wrong of this matter right away. The Government failed to provide me promptly with the necessary information on costs. In this matter, I can only wait until the Budget debate to "settle the accounts" with the Government.

I am pleased to have heard that the Government, with the consent of China, is to introduce the United Nations Convention on the Rights of the Child, and I hope that the Government will hold a tolerant attitude and introduce without reservation this Convention which is not legally binding on the basis of the needs of children. And I call on the Government not to forget the motion I moved and was passed by this Council in early 1992 concerning the Youth Charter. By this motion, I asked the Government to have a comprehensive review of the existing legislation, policies and education measures in order to keep in line with the principle of the Youth Charter, and I hope the Government will be able to make a full report in the Youth Charter review session towards the end of next year.

In the Education Commission Report No. 4 published in November 1990, it was proposed that a pilot project should be carried out for the screening and identification of gifted children, the number of which was estimated to be about 20 000. What followed would be a matching training programme to be designed later. After four years, and after a number of scholars and parents working hard for a long time, tens of thousands of children with potentials have been selected. The first batch of gifted children have seen the light of the day this month. However, when I attended the parents' talk and spoke on the theme "The Matching Policies of the Government", in the face of the joyous parents and their earnest enquiries, I found myself wordless. As the Government has not made any advance in its policy in four years with respect to these gifted children, "sample schools" are left at a loss as to what to do. Moreover, as there is a lack of prospects and support in real terms, many "sample schools" would rather choose to give up participating in this project.

In a training programme held twice recently, only four teachers had taken part. The Government is just like an irresponsible father who has mobilized a great number of scholars from the tertiary institutions to carry out the pilot project enthusiastically; then, after four years' pregnancy when the first batch of gifted children are born, this father walks away as if he sees nothing and refuses to bring them up.

Both the Government and the Education Commission should face this matter squarely and meet the "sample schools" and the parents concerned with positive follow-up actions as soon as possible.

In the remaining 900-odd days, the people of Hong Kong do not want the Governor to do something perfunctorily from day to day before he leaves. What is still in everybody's control is every opportunity of co-operation to rebuild Hong Kong people's confidence.

On the part of Britain, it should concern itself with issues, not people, and act no more like an ostrich. It should pay due courtesy and respect to the PWC and recognize the importance of its work to Hong Kong people after 1997. It must be decisive in dealing flexibly with major economic issues in accordance with legitimate and commercial principles. China and Britain should jointly announce as soon as possible the agenda of the Joint Liaison Group and the matters it deals with which have an impact on Hong Kong, so that Hong Kong people can be prepared for them.

On the part of the Hong Kong Government, it should relax the restrictions on co-operation with the PWC. If the PWC has no access to information and the assistance of objective and impartial views, it will be forced to abstract itself from reality and act blindly. In this case, what are going to be lost? They are the very confidence of Hong Kong people and their future fate. Is it worthwhile for us to gamble on them? On matters of the people's livelihood, we should also discuss them with China actively so that everybody can have their own home. I support what the Honourable Andrew WONG said, but since I am running out of time, I shall have to discuss this on some later occasions. I look forward to improving the CSSA rates and the provision of effective retirement protection.

On the part of China, it should actively gather views. Whilst it sets up another "kitchen", it should also have trust in current Legislative Council Members and respect them as the main representatives of the people's will. After 1997, when the Legislative Council would have to be reaffirmed for its transition, China should try as far as possible to cast a vote of confidence for existing Members instead of having to hold another election which is a waste of time and energy. Even if a contingent appointment has to be made, preferential consideration should be given to incumbent or former representatives from various constituencies who were elected through free and open elections. These should include the chairmen of district boards, and the chairmen of different associations and their executive committees of various functional constituencies. This will enhance the reputation and credibility of the future legislature.

I believe we can have a safe transition through 1997 with the perseverance of the Hong Kong people. What China and Britain have to "master" is how to face the judgement of history. The policy address is not the Governor's personal production. It is the fruit of the collective wisdom and efforts of the entire Civil Service. It represents the sincerity to explain matters to the people and a year's hard work. I would like to take this opportunity to thank them for their loyalty and efforts.

I support this motion.

MR TIMOTHY HA (in Cantonese): Madam Deputy, the policy address this year focuses on people's livelihood. Among the various issues related to people's livelihood, the problem of elderly people is causing great concern. After all, it is only understandable that the problems associated with a growing elderly population should be put at the top of our priorities. But the other issues relating to people's livelihood, such as education, housing and medical services, are also of public concern and closely connected with the stability and prosperity of Hong Kong. Education is one of the topics under the heading "The Quality of Daily Life" in the policy address this year, though the coverage on which is the shortest among the other issues concerning people's livelihood. Despite this, the importance of education to social construction and the promotion of prosperity and progress should not be ignored for it performs the function of nourishing our next generation.

After 30 years' expansion, education has seen tremendous growth in terms of "quantity" where supply basically meets demand. Nowadays, of the deepest concern among the people is the question whether or not the quality of education can catch up with the needs of the times. I have discussed this question many times in this Council and on other occasions. As the Government has also indicated that this is the general way forward for future development, I am not going to repeat what I have said before. But I think we can look at the Government's sincerity and determination of improving the quality of education from the following aspects:

*1. Recurrent expenditure on education*

The growth of recurrent expenditure on education in real terms should not be less than that of economic growth. According to the policy address, Hong Kong's economic growth rate this year is 5.7%, but the recurrent expenditure on education for next year will increase by only 4.5%, a rate which is even lower than the 6.1% growth in real terms last year. In this year's policy address, the Government affirmed that the local economy has maintained steady growth during the last decade — itself an outstanding achievement. While enormous economic growth is certainly encouraging, it is also disappointing that funding for education has not increased at the same rate as economic growth. According to statistics, Taiwan's recurrent expenditure on education five years ago was 5.3% of its GNP, while the growth in Hong Kong's recurrent

expenditure on education in recent years has been less than 3% of GDP. Hence it is evident that Hong Kong has lagged behind some of our neighbouring countries in terms of recurrent expenditure on education. Given that Hong Kong is an international business city which relies heavily on human resources, the Government should therefore increase funding for education and affirm the role played by education in developing our human resources, so that the territory's economic growth can be sustained.

## 2. *Education planning*

From the angle of social investment, return from education takes a comparatively long time. For instance, children who enrolled at Primary I this September will only complete Form V by 2005. So planning for education must take a broad and long-term view. It has to be made 20 or 30 years ahead in order to fit its purpose. However, this year's policy address seems to have failed to embody such a vision. It is said that we should not cherish great expectations for a government caught in a complex about transfer of sovereignty in 1997. This I beg to differ because the demand for talents will still be great no matter what problems will arise from the transfer of sovereignty. Furthermore, a society under impact by dramatic changes will need more than ever high-quality human resources to help make it through. Hence, our negligence, shortsightedness and stinginess today must definitely be our scourges tomorrow. So while the Government may today be busily working for the handover of powers, it is still its responsibility to make long-term planning and commitment for the future. By doing so, we will then lay a solid foundation for prosperity and stability in the future. Our planning for education still lacks long-term commitment in a number of areas.

For example, there are still outstanding problems in relation to fundamental education, such as the floating class system continually extant in secondary schools and the lack of commitment to whole-day system for primary schools. I am greatly disappointed with the Government's attitude in failing to come up early with a solution.

## 3. *Status of teachers*

That the status of teachers has long been neglected by the Government has resulted in the present low quality of education. There is indeed no shortage of brilliant senior officials within the Government who, amongst them many being parents, understand the real problem. Nevertheless, their goodwill will never win the Financial Secretary's sympathy — a fact revealed no more clearly than in this year's policy address.

The Governor has made in his address several proposals to raise the status of teachers. But unfortunately, these are mere window dressing requiring little effort from the Government. The proposals failed to look deeply into the problem of brain-drain in the teaching profession. I agree that activities, such as producing a special television series, organizing a Teacher's Day and

presenting Outstanding Teachers Awards with a view to enhancing the image of teachers, thus attracting more brilliant young people to join the profession, will undoubtedly be productive to a certain extent. But I do not think that they are the best method to tackle the problem at source. Schools have been finding it difficult in recent years to recruit teachers, in particular, teachers of English Language, Economics and Computer Studies in secondary schools. About 80% of the English Language teachers for instance, are not graduates of English studies. The effect on the students is thus imaginable when specialization is lacking among our teachers. What can we do to attract graduates from various faculties to join the teaching profession? What can we do to retain serving teachers? In the final analysis, we can start by improving the teachers' salaries and fringe benefits. The Government should therefore bring the salaries of teachers in subsidized schools in line with their government school counterparts as soon as possible, so that the same jobs are remunerated invariably equally. I suggest, as I have all along done so, that the fringe benefits of teachers in subsidized schools be improved in the following ways.

As regards provident fund, the gap in government contributions for primary and secondary school teachers and tertiary institution and technical institute teachers should be narrowed down gradually. First of all, the 5% provident fund contribution by the employer may be increased to 10%, for the first five years of service and then 15% for years hence after. At present, subsidized school teachers are in an unfavourable situation whatever their length of service compared with their counterparts in technical institutes who obtain a flat 15% irrespective of their length of service. Certainly they are provided with better fringe benefits than subsidized school teachers.

The discrepancy in housing allowances granted to subsidized and government school teachers should also be narrowed down. I appreciate the spirit of the "Mortgage Interest Subsidy Scheme" implemented for teachers in subsidized schools. However, the monthly allowance granted under this scheme is so very small that it can be described as better than none. The gap between allowance granted under this scheme and that under the "Civil Service Home Purchase Scheme" is tremendously large. I therefore suggest that the Government should grant down payment allowance to subsidized school teachers to purchase homes while at the same time raising the monthly allowance for them.

Teachers in subsidized schools are not entitled to any medical benefit. I am very often deeply affected every time I come to the Legislative Council Building for meeting. Whenever I see government drivers in impeccable uniforms waiting at the carpark for the high ranking government officials, I will ask myself following question: Why are these drivers serving the high ranking officials entitled to medical benefit but not the teachers teaching the drivers' and the officials' children? Why does the Government not follow the practice of some tertiary institutions and technical institutes by setting up medical schemes in which a collective medical insurance policy is taken out for their employees?

Thus, the various "initiatives" proposed in the policy address to raise the teachers' status are mere lip service paid to pull wool over people's eyes.

#### 4. *Kindergarten education*

It is promised, in the policy address, that the Government will spend \$163 million to improve the training of kindergarten teachers. I am greatly delighted to see this breakthrough to be made by the Government in kindergarten education. But the policy address is short of details on how the enhanced training of kindergarten teachers will be implemented. The fact that the Institute of Education, which is responsible for teacher training, is facing a shortage of manpower due to the recent resignation of lecturers paints a worrying picture for the training of kindergarten teachers. After all, experts in kindergarten education well-versed in the Hong Kong situation are really limited in number.

Besides, the policy address has also evaded the question of unifying the administration of pre-primary education. Under the existing policy, pre-primary education is administered by the Education and Social Welfare Departments, thus leading to a lot of overlapping. I am indeed very disappointed that the policy address made no mention of this question, nor set a time frame for unification of administration.

While the education community and the parents have requested for a long time that salary subsidies be introduced for teachers engaged in pre-primary education, the policy address has once again evaded the question. Perhaps the Government fears that there will be no turning back once subsidies are introduced for the salaries of kindergarten teachers. To solve this problem, the Government can set up a pre-school education fund in a year when we have financial surpluses such as the recent ones. Proceeds accrued from the fund can then be used to increase the subsidy accordingly. Such a practice will make budgeting for pre-primary education subsidy manageable.

#### 5. *Conclusion*

With "accountable government" as a slogan of the policy address this year, it is therefore evident that the Government is determined to be more accountable to the people of Hong Kong. In order to achieve this purpose, the Government has formulated the Progress Report and the Policy Commitments to ensure that each and every policy initiative is accomplished. Such a spirit of accountability is indeed laudable. But the fact that the education policy's substance is principally filled with figures only is evident that the Government is gearing its policy more towards "quantity". However, we must bear in mind that the success of education hinges not only on quantity but also on quality. Only when both quality and quantity are attached with equal importance will the best effect of education be achieved. The Government has also promised to reduce, by September 1997, the ratio of pupils to teachers to 24 in primary schools and 20 in secondary schools as a means to improve the quality of

teaching. While some academics hold the opinion that lowering the ratio of pupils to teachers is the most expensive item in education reform, no conclusion can be drawn now on whether it is the most effective investment. But can we pick other problems that should be tackled with even greater urgency given the limited resources? I think the Government should probe further into the question in order to ensure a reasonable utilization of resources, before implementing any policy.

To utilize resources effectively to achieve a higher quality of education is a question which an "accountable government" should seriously consider in formulating its policy.

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

DR LAM KUI-CHUN (in Cantonese): Madam Deputy, the title of this year's policy address is "A Thousand Days and Beyond". In view of the contents of the address, it is easy to grasp Hong Kong's situation in these remaining thousand days, but it is difficult to go beyond that. Since China-Hong Kong relations are now under such an adverse condition, it is more appropriate to amend the title of the address to "Beyond 1997 - One Thousand and One Nights".

The policy address this year has two parts:

The first part fits in well with the address's title of utilizing the remaining thousand days because it is about the day-to-day work of the Administration. With the advance of the economy, the common plan of all government departments next year is to keep on increasing the quantity of their services. Frankly speaking, this suits the needs of Hong Kong and is most welcome. However, what is lacking is that the old problems have not been solved and new problems have not been explored well enough into. The policy address, on the whole, requires new directions, new strategies and long-term planning stretching beyond 1997.

Let us take health care policy as an example. Although the policy address proposes to increase hospital beds, provide more hospitals, reduce waiting time and recruit more nurses and so on, shortcomings can still be found:

- (1) Old problem: The Administration intends to construct a 400-bed Tseung Kwan O Hospital without paying attention to the shortage of more than 4 000 convalescent beds in Hong Kong. Last year's policy address assigned a new group to solve the problem. One year from then, the progress report of this group says nothing on the shortage of convalescent beds. The Administration sacrifices reasoning for politics and opts for the construction of Tseung Kwan O Hospital. It seems that the Administration has turned a blind eye to the wastage of resources by allowing convalescent patients to stay

in expensive acute general hospital beds, and convalescent patients in care and attention homes while receiving improper care and insufficient attention.

- (2) Old problem: Concerning the health centres for the elderly, the Administration still sets the target group at those aged 65 or above. As a matter of fact, heart diseases and stroke begin to endanger people's health when they are in their forties. For the three major killers, almost half of the incidence of morbidity falls before people reach the age of 60 or 70. Therefore, it is too late for screening after 65. Also, cholesterol and triglyceride tests are not included in the screening programme which in no way can prevent the occurrence of stroke and heart diseases. Therefore, we can see that the emphasis of this year's policy address is on quantity but not quality.
- (3) The policy address states that the Administration expects to achieve a net increase of 500 in the number of nurses. In actual fact, the problem lies not in the opening of more posts, but in attracting enough people to join. Some new suggestions are needed to solve this old problem. There is a lack of student nurses because Hong Kong youngsters nowadays prefer to lead a life of leisure and pleasure. The wastage rate of student nurses is nearly 50% because they cannot get used to the hard life of a nurse and married nurses need to take care of their families. The Administration needs some remedies: for example, to invite applications for student nurses from Guangdong province to fill the vacancies in Hong Kong, to explore the possibility of a flexible duty roster to give married nurses more time to look after their families, and to cancel the shift duties of day-time nurses by employing special night-shift nurses. The Administration should have the courage to try out all these new suggestions.

The Administration also needs other new directions and new strategies. For example, the Administration claims, "no one is denied adequate medical treatment because of a lack of means". This is a blank cheque, sooner or later, the amount written on it will exceed the Administration's upper spending limit and cannot be honoured. I am afraid that expensive and unnecessary medical services will eat into our day-to-day and essential medical resources. For example, when the teeth of an elderly fall off, he can choose to put on dentures or plant artificial teeth. The result of planting artificial teeth is better than dentures but the cost is much higher. If the Administration makes out a cheque with no upper spending limit, everybody would opt for planting artificial teeth. As a result, I am worried that the money for dentures will be used up. Concerning these expensive medical treatments but with low-priced substitutes readily available, the Administration has to discuss with the medical profession to set guidelines and annual ceilings to protect any infringement on efficient, common and low-priced conventional treatment by costly technology.

The only new strategy on public health in the policy address is to "improve collaboration between the public and private sectors". After two years of discussions with government officials, I am delighted to see that the Administration is willing to view the problem of efficient resource allocation from this angle. Since the situation is rather complex, I will move a motion to urge the Administration to come up with a workable solution.

Concerning the problem of transition in 1997, the medical profession is facing political pressure to reject Commonwealth medical qualifications in favour of qualifications from China. The Administration should take a stand and, if necessary, to amend the legislation with the Medical Council to protect the public's rights to good health.

The second part of the policy address concerns how to go beyond 1997. Obviously, this refers to the recent policies which the Governor takes a close interest in. He even used body language to emphasize this part. This includes China-Hong Kong relations and the Old Age Pension Scheme.

This year, the Governor has only two Chinese opponents concerning China-Hong Kong relations, one is the Preliminary Working Committee (PWC), and the other one is the Sino-British Joint Liaison Group (JLG). The Governor already declared that there will be no contact with the PWC so there is inaction for the year 1994-95 which reflects his determination to hand in a blank report in the year to come.

Concerning the work of the JLG, the Governor expressed strong frustrations. After commending a few successful agreements, he set out a list of agreements which are of no result. He slammed the table to show that while the Chinese side did not satisfy with Britain's proposal, she did not come up with any counter proposal, implying that the Chinese side should be responsible for the non-cooperative attitude. I mentioned many times in the political reform debates in the past few years that the Governor does not understand the Chinese mentality and the actual situation of Hong Kong. Chinese people (whether Hong Kong people or Mainlanders) treasure mutual relationship, attachment and trust very much. Kindness is always returned tenfold. However, if you stir up confrontation, I will follow suit. When the Governor just arrived, he denied the Sino-British diplomatic agreement, exploited the loopholes of the Basic Law and lectured the Chinese leaders. He set off on the wrong footing and the severed relations cannot be cemented again.

In the face of the 1997 problem, the common goal of Hong Kong people is to see Sino-British co-operation for a successful if not smooth changeover. On the day of the Governor's Question Time, I asked him about the remote and immediate causes for the lack of progress of the JLG. He did not give me any answer but only emphasized that vigorous action should be taken by both sides. What his answer reflects is that he does not understand that the Chinese side is deliberately not co-operating with him. Both the remote and immediate causes are that the Chinese side is not satisfied with him. The Chinese side demands

wholesale co-operation or no co-operation at all. Conversely, the British side does not want any compromise on the political system, but co-operation in other aspects according to the conditions set by Britain. Therefore, China and Britain are in hostile positions. Any discerning person can see that there is no chance of co-operation between China and Britain anymore. If Hong Kong people's livelihood cannot have a smooth transition to 1997, the last Governor should be held responsible for that.

The Old Age Pension Scheme is the second issue personally handled by the Governor. This is another example to illustrate that he wanted to make a wholesale transplant of the British system into Hong Kong without regard to the local situation. This receive-and-pay system was satisfactory in many countries at the beginning but collapsed eventually. The policy address already stated that this Scheme receives overwhelming public support although it is still in the consultation stage. The Governor also criticized all the opposing views, demonstrating his arbitrary decisions on this issue. After the implementation of the Old Age Pension Scheme, the Governor will earn commendation, but the Special Administrative Region Government will have to face the collapse and the victims are the Hong Kong elderly who have no savings or pensions. If the conspiracy theory has any chance to hit the truth, then the Old Age Pension Scheme is where it will score a direct hit.

Some press reports recently say that the prosperity of Hong Kong depends solely on the British system. If this is the case, why are the three countries on the Indian subcontinent which have practised the British system and western style of democracy still in abject poverty? I think apart from the British system, the prosperity of Hong Kong is also built on the intelligence and diligence of Hong Kong people and the geo-political position of Hong Kong as the southern gate of China. The prosperity of Hong Kong was already achieved during the terms of office of past Governors. I think there are two distinctive features of the responsibilities of the last Governor: First, in order to effect a smooth transition, he should be more humble, revising his attitude towards the Chinese and ask for co-operation. Secondly, to effect an honourable retreat. History will see whether his policies can be continued or not to determine his success in this aspect. The two policies (political reform and the Old Age Pension Scheme) which he personally handles at present have no chance to survive after 1997, they only serve to make a mess of the China-Hong Kong relations. There will be political unrest by 1997 and non-convergence of the business system, and the British businessman will have a hard time. The Governor wants to have an honourable retreat for the British, so he sacrifices the smooth transition of Hong Kong. As a result, China, Britain, Hong Kong and even the Governor himself will gain nothing, and the victims are Hong Kong people who are caught in the midst of the Sino-British strife.

In the past two years, both the Executive Councillors and foreign correspondents in the gallery would give a round of applause after the Governor had finished his policy address. However, it is no longer the case. There was not a single clap of hands from the gallery this year after the reading

of the policy address. Given this address, how can the Hong Kong people give it a cheer?

Madam Deputy, these are my remarks.

THE PRESIDENT resumed the Chair.

MR ROGER LUK: Mr President, in an open and accountable government, any policy initiative requires three "Ps" to realize, that is political consensus, policy consensus and procedural consensus. To draw an analogy, the initiative itself is a railway train. Political consensus is the locomotive; policy consensus is the cargoes of the wagons; procedural consensus is the system of signals along the track. The train cannot run without the locomotive. It is an empty train without the payload. It goes nowhere without the direction of the right signals.

*Protection for the elderly*

The current "gridlock" in the introduction of more structured support and protection for the elderly is a good illustration. We all share the view of providing a financially-secured retirement to those who have contributed to the well-being of this community. Having a political consensus, however, is inadequate. We have to load the wagons, and this is what the Administration and the political parties still disagree.

The Administration initially proposed to make occupational retirement protection mandatory but leave it to the private sector to decide what would be appropriate individually. Politicians, on the other hand, want a direct undertaking of the Government and their preference is a Central Provident Fund (CPF). Both sides had been close to reaching a compromise as politicians were prepared to accept the Administration's proposal provided certain shortfall guarantee would be given against defaults by private scheme operators. The Administration declined the request, and politicians have since been standing firm on the CPF.

It is against this background that the Old Age Pension Scheme (OPS) has been proposed by the Administration as a strategic counter-offer to defuse the political pressure on the CPF. The Scheme is so cleverly designed and so tactfully introduced that one political columnist describes it as a classical example of the concept of "executive-led government" in an open society.

The proposed Scheme will be financed by contributions from employers and their workforce together with a commitment of public funds. Contributions are tied to wages but payments are inflation-linked. So long as our labour force maintains an increase in productivity each year and so long as there are no dramatic changes in our demographic profile, the Scheme should be viable over time, at least in theory.

The Administration has made available volumes of reference materials including actuarial analyses by the consultants under different assumptions to support the proposed Scheme. Senior officials have taken every opportunity to market it and explain it at length. On the other hand, no critics to date have put forward convincing arguments supported by empirical evidence to prove otherwise. A group of leading economists, for instance, challenge the population projections used in the actuarial analyses, but they seem to forget that these figures are also used in their own research work.

We have been debating this issue for over 30 years but, as the Governor points out, "sheer demography precludes further procrastination". There can be no good excuse for further delays in reaching a policy consensus for action. Yet, is OPS our best long-term solution? Why is CPF more preferred? Why not revert to the original community-wide programme?

#### *An executive-led government*

No matter how this political "gridlock" will be broken through, we have perhaps found our *modus operandi* under an executive-led government. The key-word here is executive-led not executive-dictated, and in-built checks and balances do exist.

James MADISON wrote: "In framing a government which is to be administered by men over men, the great difficulty lies in this: You must first enable the government to control the governed; and in the next place oblige it to control itself."

The Administration has to demonstrate that its policy initiatives are sound and relevant to with community support. The legislature on the other hand has to ensure that these initiatives are as sound and relevant as demonstrated. This check and balance between the Administration and the legislature is to provide a safeguard that political and policy consensus exist before any policy initiative may be realized.

Within the legislature, there exists an internal check and balance among Members themselves as well. Directly elected Members are responsive to their geographical constituencies and tend to focus on quick-term results. Non-directly elected Members, by virtue of their different accountability, tend to focus on more long-term implications. It is unfortunate that unscrupulous party politics at play have upset this delicate balance. A challenge ahead for the future legislature is to restore such internal check and balance in the context of its composition. Democracy is not just deciding by the majority but also listening to the minority.

#### *Economic agenda*

In contrast to the conservatism in politics, the Government has been liberal in economic policy, subscribing to free enterprise and free market. Hong

Kong has an outstanding record of economic growth in the post-war years, not only in terms of output but also in terms of business opportunities. We are today a substantive economic entity, ranking amongst the top 20 richest and the top four most competitive economies.

Over the past four decades, Hong Kong has grown and prospered as an economic entity basically independent of China. However, economic forces have been bringing the Hong Kong and Southern China economies closer in recent years. We have relocated much of our industrial production capacities to the Pearl River Delta as they are no longer cost-effective to remain in the territory. We have revived our entrepot role after China reopens its doors to international trade and investments. The reunification of Hong Kong with Chinese sovereignty will further accelerate this reintegration.

It should be recognized that the Chinese economy is fundamentally a continental-type economy like the United States. This means that a developed Chinese economy in the next century will be domestic consumption-based supplemented by external trade rather than export-based. The focus on exports during the course of modernization is mainly to pay for the import needs.

Geographically, Hong Kong is similar to New York in that both are natural points for external contacts for the hinterland. In this regard, Hong Kong will play a role similar to New York. This natural role of Hong Kong, as a port city, is therefore a commercial, financial and communications centre in Southern China.

In this light, Hong Kong should capitalize on its comparative advantages in the context of a modernizing Chinese economy. As our greatest asset is our educated, intelligent and diligent workforce, we should perhaps focus ourselves as an international professional services hub for the Asia-Pacific Region at large. After all, Hong Kong cannot just keep on building new container terminals.

#### *Promoting competition*

If Hong Kong is to remain competitive in the world market, we must also ensure that we have a competitive domestic market. The Administration should be commended for its commitment "to promote fair and efficient markets, to defeat the speculation, and to protect the consumers" as reiterated by the Governor. In particular, the Consumer Council should be commended for its remarkable achievements in defending consumer interest, protecting consumer rights and promoting consumer education. In recent years, the Council has been playing a more proactive role by taking an initiative to study competition in selected trades important to our daily life.

It must be aware that trade practices and competition are always market driven. Any measure to promote further competition could not be realized without a favourable market environment. In the case of banking competition,

for instance, the abolition of the Hong Kong Association of Banks (HKAB) Interest Rate Rules would not have been possible had the market environment not been conducive to such a policy move. The Consumer Council's initiative is just a timely catalyst and the advocacy of political parties is no more than an additive to this catalyst.

While we are looking forward with aspirations to the Consumer Council's reports on other trades, there are important lessons for us to learn from the Council's first report of its kind on banking.

First, should a neutral title be used? Consumer Council chooses to use a very sensational title: "Are Hong Kong depositors fairly treated?" As that report only focuses on the deposit interest rates rather than deposits service as a whole, this title is very misleading. We have to ask: "Are banks fairly treated?"

Second, should expertise with practical experiences in the trade concerned be engaged in the study? In preparing the banking report, the Consumer Council relied on a consultancy team from a tertiary institution for technical support. However, neither the consultancy team nor the Council's Financial Studies Steering Group have practical experience in retail banking. It turned out that the findings of the consultants, upon which the Council's own conclusions are based, are subsequently proved to be unsubstantiated.

Third, could the Consumer Council prevent these studies from being used by insiders for pursuing political objectives? In the case of the banking study, a particular political party attempted to pre-empt public sentiments and to gain political mileage through a high profile campaign against the HKAB Interest Rate Rules months before the publication of the report. This is hardly a mere coincidence. It is indeed an embarrassment to an organization whose mission is to promote fair trade and competition.

Trade studies are sensitive. I urge the Administration and the Consumer Council to take positive steps to ensure that similar incidents will not recur. I also urge the Council to review and impose stricter ethical standards for its members engaging in these studies, particularly those associated with political parties.

### *A Thousand Days and Beyond*

"The sun sets and the sun rises," to borrow the words of the Governor. In less than 1 000 days, a chapter will end in Hong Kong's history and a new chapter will begin.

"One country, two systems" is not an end in itself. It is a means to an end. It is a means for both Hong Kong and the mainland to reconciliation of disparities in various respects over the next 50 years. It is a means to mutual realignment in the course of reintegration with a modernizing motherland. I share the belief that Hong Kong's proven system and values will be upheld in a

reunited country with a prosperous economy, accountable government, democratic politics and open society in the next century.

For 10 years, the people in Hong Kong have been looking forward with excitement and aspiration to the transition to 1997 in the light of the given agenda for further strengthening our economy and securing our freedom and values. Today, I am afraid many are looking forward with more anxieties and frustration than ever before. People are fed up with promises of delivery. People want delivery of promises.

Thank you, Mr President.

MISS EMILY LAU (in Cantonese): Mr President, I have listened to most of the speeches delivered in this two-day debate. Up to now more than 40 Members have risen to speak. Some colleagues criticized this policy address as "worthless" while some said that the policy address had "nothing concrete to offer". I am always considered as one of the legislators who have criticized the Hong Kong Government most severely. But this time I cannot share my colleagues' critical views.

This policy address was delivered by the Governor on behalf of the Hong Kong Government as a whole. To do the policy address justice, should we stand here and tell the 6 million Hong Kong people that the policy address is good for nothing? If we seek public views about the policy address, the respondents may put forward a great variety of views. Some people may hold that it is not a far-sighted policy address. But I must say that this is inevitable. How can we expect a government which will be in office for not more than 1 000 days to put forward some far-sighted proposals? We should not turn a blind eye to the proposals put forward by the Government and the achievements it made over the last few years. In addition, I am not one who kicks a man when he is down, so to speak. If other people want to do that, let them do so! I will adhere to my principle, that is, to put forward my views and comments to the Government in a down-to-earth manner.

Just now some Members have pointed out that, in delivering our speeches, we should refrain from fanning the flames, nor should we take a grossly confrontational attitude. Mr President, sometimes I raise my voice in the course of a speech and this is my own way of expression and my second nature. I hope that the Government will not take the same attitude it assumed last year in its forthcoming response to legislators' comments. Mrs Elsie TU once made a point that the Government should act like a rhinoceros which could withstand attacks from different quarters. Speaking in the same view, I hope the Government will be courageous enough to face criticisms instead of adopting a standoffish attitude when it makes a response to our reply next week. I hope the Government will understand that it is our duties to oversee the Administration and criticize government policies where necessary. It is our job, after all.

Mr President, the Governor states in the policy address that we have to seize these 1 000 days. In fact, many Members have already pointed out that it should be the Chinese and the United Kingdom Governments instead of the Hong Kong people to seize the 1 000 days. There is a point in the policy address which the public find most outrageous: the Governor says that it is the people of Hong Kong who would pay for a failure to complete the Joint Liaison Group (JLG)'s agenda by 1997. This gives Hong Kong people an impression that the British Government does not intend to go through thick and thin with the Hong Kong people. To put it in a slightly vulgar manner, the Governor will simply "pat his buttocks and go like the wind" in 1997. If so, how can we ask the Hong Kong people to have confidence in such a government? In other words, Hong Kong people do not have any say in matters which concern their own interests, while the Chinese and British Governments are holding meetings behind closed doors and make secret deals to sell the Hong Kong people down the river. Yet, if things go astray, the Hong Kong people will have to take all the consequences themselves. Why should they be treated like this?

The fate of Hong Kong people was, as we all know, sealed when the Sino-British Joint Declaration was signed in 1984. If we want to reject the agreement, I believe the Hong Kong people must have protested against it then. I have every reason to believe that the Sino-British Joint Declaration will be voted down by an overwhelming majority if it is submitted to the Legislative Council for a debate now. However, the British Government was cunning enough to submit the Joint Declaration for endorsement to a Legislative Council with no elected Members. At that time only Mr CHAN Kam-chuen and you, Mr President, abstained from voting. I am infuriated by such a decision made by the then Legislative Council. The Chinese and British Governments did not give the Hong Kong people a chance to hold a referendum on the Sino-British Joint Declaration. Yet the fact is that, according to the Joint Declaration, the Hong Kong people's future is held in the hands of the Chinese and British Governments. The Hong Kong people do not have a right to take part in it. But they have to bear the consequences if things go astray. This situation has lingered on for 10 years and it will still go on. The Hong Kong people's anxiety, misgivings and apprehensions about their future mainly stem from this situation. In the past few days, I heard some people talk about how to co-ordinate with the Preliminary Working Committee (PWC) and the ways to improve the Sino-British relations. I would like to ask them: Are you really so naive as to believe that the Hong Kong people's confidence will be boosted if China and the United Kingdom mend their fences now and local officials are allowed to attend PWC meetings? Have you really heard what the Hong Kong people say? The Hong Kong people said they did not have confidence because they were shut off from taking part in the secret talks, unable to take their fate in their own hands and unable to put an end to the secret deals. Were Sino-British relations not pretty good when Sir David WILSON served as the Governor? Why did some Hong Kong people, including some businessmen, go to London time and again to lobby for removing the Governor from office because they called him "a lame duck"? They blamed him for not standing up for the interests of the Hong Kong people! Then what makes you believe that

the secret deals between the Chinese and the British Governments can boost the confidence of our 6 million population? This logic is indeed beyond me.

Mr President, I am certainly not calling upon the Chinese and the British Governments to engage in open confrontation. However, the problems will remain unresolved so long as they do not care about boosting the Hong Kong people's confidence and so long as they deny the Hong Kong people the opportunity to have a direct participation in handling their own affairs so as to instill in them the feeling that their future is in their hands.

Some people often say that we should allow our civil servants to attend PWC meetings. What if they are allowed to do so? Will this set the mind of the people at ease? What positive objectives can be achieved if our senior civil servants are, for no obvious reason, dragged into this political tug-of-war? If the two Governments intend to co-operate, the British side can surely supply a lot of information through the JLG or other diplomatic channels to the Chinese side. It makes no sense to put the dozen senior officials in a difficult position? Does it afford great pleasure to the PWC if they successfully summon the policy secretaries to their meetings? This is totally beyond me. Some Members said, "Originally I did not support the establishment of the PWC because I think it had no legitimation, nor was it founded according to the law. However, now there is nothing I can do, despite the fact that I do not like it, but to accept it and establish communication with it because it is already there." Is it not an act of stooping to make a compromise? Do we still adhere to our principles? Although the Legislative Council's power is limited (the power actually rests with the Administration), I believe the public hope that Members of this Council could have some principles and some ideals. And we are expected to take a firm stand. Those who originally regarded the PWC as illegitimate should not change their own stand and support it when they found a shift in the political situation. The public's heart sinks when they saw legislators playing up to those in power. They could not help asking themselves how this bunch of people who are so skilful at currying favour with those in power can really act in the interest of our 6 million population.

Mr President, as regards the need to improve Sino-British relations, we certainly hope that the JLG can speed up its work because we are worried that there will be a lot of issues remain unsettled by 1997. Two days ago, some Members also mentioned the localization and adaptation of laws. I myself hope very much that the Government will in its reply to be given next week provide Members with a well-defined schedule which tells exactly how things will be done. I am not urging the Government to do so unilaterally. Yet, if the schedule is made public, we may have an idea about the details of the localization process with regard to some 80 United Kingdom enactments, the 600 or so Hong Kong ordinances and the 1 000 odd pieces of subsidiary legislation in the remaining 900 days or so. At the same time, we can also show the Chinese Government the urgency of these tasks. In fact, we often feel very worried the Chinese Government is not aware of the need for the localization of some United Kingdom enactments if a vacuum in the legal system of Hong Kong

is to be avoided. I was greatly shocked by the remarks made by the Chinese Government through the PWC yesterday. They stated that the Official Secrets Acts might be kept after 1997 because there could not be left any legal vacuum in that area and that the Official Secrets Acts would be repealed only after the Special Administrative Region (SAR) Government established in 1997 found the time to enact laws to replace it. Now the Chinese Government understands that there will be a possible legal vacuum if certain United Kingdom enactments cannot be localized. Then why do they only mention the Official Secrets Acts? There are also other laws relating to shipping and commercial affairs which need to be dealt with promptly. Why do they only have the Official Secrets Acts in mind?

Mr President, I hope the Chinese Government can understand that a legal vacuum is likely to happen. We cannot single out the Official Secrets Acts but brush other United Kingdom enactments aside. The localization of laws is a matter which should be addressed as early as practicable.

The right of abode is another item long on the JLG agenda. At present there are in Hong Kong more than 400 000 people (their ranks may grow to 600 000 to 700 000 in 1997) who are foreign passport holders. They have a strong desire to return to Hong Kong and make the territory their permanent home but they do not know whether they have the right of abode in Hong Kong. I hope the Chinese Government will expeditiously clarify its position so as to reassure these people, particularly those who have obtained the right of abode in the United Kingdom under the British Nationality Selection Scheme. I believe they are now quite in a stew because they are at a loss as to how the Chinese Government will treat them. Among these people there are a great number of senior civil servants and the Chinese Government has indicated that it would welcome them to stay in Hong Kong and continue to serve the SAR Government.

Related to the right of abode is, of course, the issue of passport. Whether the future SAR passport can be issued smoothly is a matter of concern to many of us. Another question is whether such a passport will be recognized by other countries and, mostly importantly, whether visa waiver arrangements could be successfully made. At present there are 80 countries which do not require BN(O) passport holders to apply for visa. This makes it very convenient to Hong Kong citizens when they make trips abroad. However, there are merely a dozen countries or so which have made visa-free entry arrangements with China for Chinese Passport holders. Hong Kong people are justifiably worried that we, despite our having a piece of paper called "passport" after 1997, may encounter many problems when travelling abroad if negotiations for such a visa waiver arrangement are not successful. As a matter of fact, there are so many problems that must be dealt with by the JLG and I can make a long speech about them. To conclude, I would only like to say that the Chinese Government is indeed capable of getting things done swiftly as long as it has the will to co-operate with the British side. China need not use all sorts of excuses to justify its position such as saying that it will co-operate with the United

Kingdom only out of the leniency it shows towards the British to allow them to have an honourable retreat. I hope that the Chinese Government could be more broad-minded, or I should say China should be lenient with Hong Kong people and allow these 6 million people to enjoy a smooth transition. I hope that China will be sincere enough to solve some urgent matters through the JLG. Yet, the most important thing is to let Hong Kong people see what the United Kingdom is doing and see whether our interests have been sacrificed. For this reason, I call upon the Chinese and the British Governments to enhance as far as possible the transparency of the work of the JLG so that Hong Kong people can know what have been discussed behind closed doors.

Mr President, another item Hong Kong people are also very concerned about is human rights and freedom. Many people are worried that they will enjoy no human rights and freedom after 1997. In this connection, I hope the Government will do as much as it can on that front during the remaining 900 days or so in order to reassure Hong Kong people that they may not necessarily be denied human rights and freedom. The Government said the United Nations Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) would be extended to Hong Kong but it had to consult the Chinese Government first. It seems that this matter would be put off indefinitely. We hope the Government will have CEDAW extended to Hong Kong expeditiously. It is regrettable that the Government has decided against the establishment of a human rights commission. The Government revealed that it would propose to amend some ordinances which are in contravention of the Bill of Rights Ordinance this year. Some ordinances in contravention of freedom of the press will also be amended this year. However, Mr President, these two items are nowhere to be found on the Legislative Programme proposed by the Government. Perhaps the Government does not think that these items should be accorded the highest priority. I hope that in its reply next week, the Government will tell me that this is only an oversight. It is also hoped that the Government will confirm that ordinances in contravention of the Bill of Rights Ordinance will all be amended in this legislative year.

Finally, I would also like to bring up the hearing that will be held in Geneva next month to discuss two United Nations conventions. The House Committee will discuss this matter tomorrow because the Legislative Council's Panel on Constitutional Development has already decided to send a delegation to Geneva. I hope that Members will support the House Committee tomorrow for allocating fund to our delegation. Furthermore, we hope that this will not be the last time Hong Kong people are allowed to attend such kind of hearings held by the United Nations. Mr President, I think you and all Members agree that human rights and freedom are of paramount importance to Hong Kong people. We would not like to see Hong Kong Government doing something which gives the public the impression that it intends to deprive us of our human rights and freedom. According to the Government, an amount of more than \$20 million will be allocated to the Committee on the Promotion of Civic Education for promoting human right education in the coming three years. The allocation is minuscule in a place so affluent as Hong Kong. I hope that the Government will

tell us next week that funding for the committee's promotion of human rights education can be increased.

These are my remarks.

MR LEE WING-TAT (in Cantonese): Mr President, I rise to speak on the housing issue in this policy debate on behalf of the Democratic Party. The policy address this year does not put forward any concrete new strategies to resolve the housing problem. I am also doubtful as to the Government's commitment to meet the housing needs of those on the Waiting List. I wonder when the 150 000 families on the Waiting List can be allocated public rental flats. Mr Marco M H WU, Senior Assistant Director of Housing, said at a press conference last Friday that there were only 75 000 households which were actually in need of public housing in 1993 and it was estimated that 70% of the households would be allocated public housing by 1997. I myself have doubt about his statement that there were only 75 000 households in real need of public housing.

The eligibility criteria for public housing set by the Housing Authority are very harsh. It is nonsensical to take this as a yardstick to assess people's need for public housing. Although the Housing Authority reviews and adjusts accordingly the income limit every April, it still means that to nucleus families in general, only those whose household members each earning about \$2,000 or so a month are eligible. Is it not too harsh in view of today's cost of living?

Moreover, past experience shows that the number of households on the Waiting List increases by 13 000 to 17 000 annually. According to the Housing Department, we will only be able to clear 70% of the backlog at its present level on the Waiting List by 1997. When will the housing needs of the households annually added to the Waiting List be met then? Yet the Housing Department neither gives an explanation nor makes any commitments. It is pointed out by the Department that, at the moment, the waiting time for 90% of the applicants is less than six years. However, as a result of the backlog built up year by year and the lack of government commitments, applicants on the Waiting List have to wait for at least eight to 10 years or longer but even then they may not necessarily be allocated public housing.

We have put forward proposals to meet the housing needs of those on the Waiting List. We suggested that the Government may grant land on a large scale for the building of public rental flats or the Government may consider making available resources to assist households on the Waiting List to rent flats in private sector so as to relieve the financial burden of such low-income families. On behalf of the Democratic Party, I would like to urge the Government to make the first public housing allocation for households on the existing Waiting List by 1997 and to formulate a performance pledge that all new applicants on the Waiting List will have their first allocation in three years' time.

Mr President, the answer to the housing problem lies in the supply of land. The pace at which land supply is released by the Sino-British Land Commission has been very slow over the past few years. In a paper presented by the Government to the Subcommittee on Property Speculation in May 1994, it was again revealed that the land supply schedule agreed by both the Hong Kong Government and the Chinese side sounded more like empty talks and might not necessarily be adhered to. It was originally agreed that 27.6 hectares of land would be released for the building of subsidized housing last year but eventually only 24.6 hectares of land were approved or more than 10% lower than what had been planned. It is mentioned in this year's policy address that the Government expects to grant an extra 70 hectares of land before 1997-98 for building 45 000 additional flats. It is still anybody's guess whether the pledge will be fulfilled. Should these 45 000 flats be built, only 5 000 of them will be public rental flats according to the Policy Commitments of the policy address. Let us do a simple arithmetic. If 5 000 flats are to be supplied in five years, then each year there will be an additional supply of 1 000. This is miniscule indeed, bearing in mind that there are 150 000 households on the Waiting List.

As a matter of fact, the land disposal programme this year has yet to be finalized. To meet the housing needs of the Hong Kong people, it is hoped that the Sino-British Land Commission will consider our proposal that allocation of land for the private sector and home ownership scheme should be restrained because such land would require the consent and approval of both the Chinese and the British Governments. Actually, the Government may grant land unilaterally for the building of public rental housing so as to speed up the provision of such kind of flats. Land granted for the public rental flats does not require the approval of the Land Commission and the British side can approve the grant unilaterally in accordance with the need.

There is a further point I would like to make. In the past, the Housing Authority has once made the record of building 60 000 public housing units in a single year but it is going to provide merely 35 000 flats this year. I feel that with determination, the Housing Authority is able to put its manpower resources to full use and it is an achievable target to build 60 000 public rental units a year. With such pace of building, we can then stand a chance of clearing the backlog on the Waiting List.

Mr President, property prices have dropped by 10% to 15% six months after the Government's announcement of the measures to dampen speculation activities. The Government has considered it no longer necessary to implement the second stage of measures to curb speculation. However, we should bear in mind that property prices went up 100% or more over the past three years. Although property prices dropped by 10% to 15% over the past three months, property prices are still beyond the affordability of the genuine home-buyers. In view of this, I hold that the key to our property price problem lies in the increase in the supply of land. Meanwhile, the land disposal programme mentioned in the Report of the Task Force on Land Supply and Property Prices

released in June this year is still on the drawing board. And the proposed 15 000 additional flats to be produced before the year 2001 can barely meet the demand. We earnestly hope that the Government will finalize the programme as early as possible and conduct a review in due course. It should further step up the supply of land if necessary.

Mr President, I would like to say a few words about temporary housing clearance. The Governor undertook in his 1992 policy address that two-thirds of the people currently living in temporary housing areas would have been rehoused by 1997. In 1993, the Governor again undertook to rehouse all the temporary housing area residents by 1997. From these undertakings, I took it that temporary housing areas residents living at shabby and congested houses in the temporary housing areas would soon have their living environment improved. However, the Governor suddenly makes a U-turn in this year's policy address by saying that by 1997, everyone living in a temporary housing area will have had at least one offer of rehousing. In other words, by 1997, the Governor and the Housing Department may fulfil their undertakings by offering to temporary housing area residents rehousing in, say, Tin Shui Wai regardless of whether the residents would accept it or not. We are of the view that to rehouse temporary housing area residents in new housing estates and at least one offer of rehousing are entirely different commitments. As a matter of fact, the Governor has broken the pledge he made in 1993. I hope that the Government and the Governor will make an open reply as to why the pledge has been changed.

Mr President, on the question of estate management and security, the Government undertakes to allocate fund for the installation of security facilities only when the problem has come to a head and reached a point where action must be taken. According to the Government's schedule, it will take three years to install security facilities for 200 harmony and trident blocks. As for the remaining 1 000 public housing blocks, only close-circuit television may be installed and no long-term solution is in sight.

As a matter of fact, this issue has been under discussion since the end of 1991 but it seems that the Government has taken no urgent actions to boost the security for public housing. The sheer number of crimes in housing estates (in particular indecent assault and rape offences) in recent years evinces the gravity of security problems in public housing. Any failure on the part of the Government to formulate plans to step up security measures in public housing estates expeditiously by installing entrance gates to buildings, employing security guards and improving the lightings means that the Government finds money saving more important than safeguarding the lives and properties of the residents. Here we have to reiterate our position that it is the Government's duty to protect the lives and properties of these people and to improve the law and order situation in public housing estates. The Housing Authority should bear the costs of the additional security measures. Priority should be given to districts where the law and order situation is worrying like Tuen Mun and certain remote areas and such security facilities should be installed in those

areas. The Housing Authority has \$18 billion liquid balance in hand. With these in mind, I think that the Administration should not dodge this urgent issue under the pretext of technical problems and tight financial resources.

The Housing Authority and the Housing Department are considering the feasibility of allowing public housing residents to participate in estate management. I would like to say something about this here. The formulation, and implementation, of estate management policy indeed has a very profound bearing on the daily life of the residents. Among the various estate management issues, environmental hygiene, lighting, lift services and repair and maintenance of flats are the major sources of complaints by estate residents. Should the residents be given a role to play in estate management, it will certainly have positive effects on the quality of estate management. Estate management is of immediate concern to the public housing residents. They can identify the problems readily and are capable of assessing the feasibility and merits and demerits of any proposed solutions. This would be conducive to the formulation of appropriate policies. The Democratic Party, therefore, urges the Government and the Housing Authority to set up a management framework with residents' participation. Appropriate monitoring power should be given to it to oversee housing estate affairs, such as maintenance work, environmental hygiene, security and contractors' service standard.

Mr President, lastly, I would like to make some comments on the Preliminary Working Committee (PWC), which the public have recently expressed much concern. Although some pro-China people had suggested the setting up of the PWC before Governor PATTEN came to Hong Kong to assume the governorship, the establishment of the PWC obviously stems from the lack of any agreement between the Chinese and British sides on the political system of Hong Kong. This was also a political gesture made by the Chinese side to put pressure on the British side during the Sino-British negotiation. The PWC has since developed into a body which fights the British Hong Kong Administration tit-for-tat and seeks to undermine its ruling power. Many colleagues and members of the public have suggested that the Hong Kong Government should build up communication links, and co-operation, with the PWC. Do these people ever give it a serious thought as to the PWC's *raison d'être*?

Some colleagues may say that since the PWC is a *fait accompli* and it is already working for the people of Hong Kong, like it or not, we had better recognize it. First of all, I do not agree with the argument that since it is a *fait accompli*, we have to recognize it and resign ourselves to our fate. The establishment of the PWC is evidently in breach of the Basic Law and the Joint Declaration. How can we accept a body whose establishment is in breach of the Joint Declaration and the Basic Law? If we were to accept it, does it follow that should the Chinese Government set up other committees to effect an early takeover of Hong Kong in future, we shall have to accept them and co-operate with them?

What actually has the PWC done for the people of Hong Kong? Many colleagues have already given their views about its work. Are we expected to support and co-operate with the PWC for everything it does? What has the PWC achieved? In fact, since its inception up till now, every piece of announcements the PWC made after each meeting always sent a shock wave through the community. The recently proposed provisional legislature, the proposals to amend the Bill of Rights and Public Order Ordinance and the suggestion about the recognition of academic qualifications conferred by universities in China are some examples that have made Hong Kong people's hair stand on end. What it has done fail us time and again. How can the PWC win the Hong Kong people's confidence?

As a matter of fact, members of the PWC are appointed by the Chinese Government and they are not accountable to the people of Hong Kong. So long as they show patriotism or behave more leftist than the lines followed by the Chinese Communist Party, their political stars will be in ascendancy under the appointment system with Chinese socialist characteristics. I can see that more and more Hong Kong people are eager to be appointed to the PWC or even to higher bodies. These people very often have to betray their principles and outrage their conscience.

No one knows how the PWC operates. The PWC often works behind closed doors and its meetings are of very low transparency. A pro-China person once told me that he suspected that the PWC sometimes held discussions in a very "spontaneous" and "*ad hoc*" manner. In other words, they do not have any agenda for the meetings. They simply sit down and have a discussion and if they come to any conclusion, they will then give a briefing to the public. If the PWC really works in this manner, it will be extremely terrifying. However, if we take a look at the recent performance of the PWC, we should not feel surprised if it really works that way. The PWC has been in operation for quite some time. Yet we never know its agendas prior to its meetings. We have to depend on the verbal briefings to the press by some convenors and individual members after the meetings. Up to the present, members of the PWC would only go so far as to brief the public through a microphone. Not a single study report or progress report has ever been produced, let alone the agendas and minutes of meetings to which we would like to have access. Now one may compare it with the district boards. District boards are set up by the British Hong Kong Administration which has been severely criticized by the Chinese side. They have a formal agenda, minutes of meetings and progress reports even though they are playing an advisory role. How can the public have confidence in, and give support to and co-operate with, the PWC, a body whose mode of operation is less favourable than that of the district boards? Mr President, I pray that the PWC would be put to rest and go to heaven as soon as possible.

Mr President, these are my remarks.

MR HENRY TANG (in Cantonese): Mr President, the Governor's policy address this year has only focused on three items as far as education is concerned, namely the spending of \$163 million to improve the training of kindergarten teachers; the provision of an extra \$325 million in loans and grants for the students in our tertiary institutions; and the spending of \$340 million to build special schools over the next four to five years. These are what the Governor has offered. If we sum up the above, only an additional \$190 million will be allocated to implement the new education initiatives each year. Is that enough? I believe that my colleagues in this Council have their answer in their mind already.

It is not hard to imagine that the Government is under intense pressure and has to shoulder great responsibility during this latter part of the transition period. It is also because Hong Kong has to straddle 1997 with its sovereignty returned to China that our demand on the incumbent Government becomes greater. It is hoped that before the transition takes place, all the affairs and policies pertaining to people's livelihood can have a macrocosmic development so as to boost the public's confidence and make them more optimistic about the future.

Of course, this is by no means a matter of simple ideology. We do, in fact, have such a practical need. For example, it has been quite a long time since the implementation of the nine-year free education in the 1970s, yet no comprehensive review has been seriously conducted by the Government. To date, even the curricula of the primary and secondary schools are unable to cater for the needs of general education. Certain practical subjects are taught only for window-dressing purpose and are not geared to our practical needs. The issue of the medium of instruction has long been debated among members of the community, but is still lingering in the stage of plodding its way forward and is even caught in a dilemma. So far, no satisfactory solution has been proposed with regard to how to teach those students with genuine needs in mother tongue and, at the same time, raise their English standard effectively. Hong Kong will soon be united with China. From now on, our economic and trading relationship with China will get even closer. As far as the training of personnel in Hong Kong is concerned, it is imperative for us to work out ways to tie in with China's economic development so that our younger generation can recognize the legal provisions, converse in Putonghua and, have a good grasp of the economic pulse of the various provinces and counties in Mainland China and so on. Otherwise, we will encounter tremendous difficulties in facing the new challenges of the 21st century.

Mr President, with the sovereignty of Hong Kong to be handed back to China, it is also the right moment when the colonial colour of our education system should be erased. By enriching our younger generation's knowledge of contemporary Chinese history and geography, it can help them foster a greater sense of identification with their own country. Faced with the transfer of sovereignty in 1997, many students are worried about the future and have doubt about the development of a democratic political system. I believe a guiding

government has the absolute responsibility in assisting and guiding the students to positively prepare themselves for the new era and the historical changes. The civic education should be strengthened by inculcating the students with knowledge like the concept of "one country two systems", the nurturing of the sense of human rights, the development of Hong Kong's political system, the interpretation of the Basic Law, the importance of the spirit of the law, civic responsibilities and so on. These textbook knowledge can actually link us with the reality, thus enabling the younger generation to know more about social activities which will eventually lead to their own participation.

The above-mentioned proposals and the existing education policy should complement each other. A comprehensive review should be conducted on the basis of the development direction for the next 10 or 20 years. The Government should work out a package of far-sighted education policies to lead us through 1997, instead of leaving all matters, great and small, to the Special Administrative Region (SAR) Government to decide. I see no reason why we cannot have a through train for such kind of non-politically sensitive issues in particular. It is a pity that no matter how many times people from the education sector and I have tried to fight for these, the Government still turns a deaf ear to our demand. In the policy address this year, not a single word concerning this issue has been mentioned. It is regrettable indeed.

In my view, the Government's indifference to such a need can, to a certain extent, reflect the perfunctory attitude of the Hong Kong Government. The Democratic Party has said that we cannot place our hopes on this "sunset government". If this is really the case, it will be grossly deplorable. As a matter of fact, except for Mr Chris PATTEN, who will leave Hong Kong on 30 June 1997, I believe the overwhelming majority of the Administrative Officers and the civil servants will remain in Hong Kong and continue to serve in the SAR Government. Therefore, they should have every responsibility and obligation to continue carrying out their own duties, and to formulate the best policy to serve the public. It is particularly during this transition period that they should double their effort to fight for the best from this "sunset Governor" for the benefit of Hong Kong people. Sticking to the past stop-gap strategy as the administrative guideline will only hinder ourselves from making progress. Such a mentality is unacceptable. Mr President, if we do not take the initiative today, there may not be any more chance for us tomorrow. Opportunities do not come by all the time.

Let us look at the three major initiatives put forward in the policy address this year again. The Governor states that \$163 million will be spent on improving the training of kindergarten teachers over the next four years. Obviously, this will not do much help to pre-school education in general and to the serious wastage of kindergarten teachers. At the last Budget debate, I already called upon the Government to offer, in a progressive manner, a full and direct subsidy to pre-school education as soon as possible. However, up till now, the Government has been acting evasively and stated that it would not "study" the possibility of offering subsidy to kindergartens until the end of next

year. This is perhaps the usual bureaucratic attitude of the Government. By adopting a stalling tactic, there is virtually no intention on the part of the Government to shoulder the responsibility of pre-school education. I really wonder whether next year it will leave the matter to the SAR Government on the excuse that 1997 is approaching. We should encourage more kindergarten teachers to receive training to become qualified teachers. However, without Government subsidy for salary adjustment, improvement of the quality of kindergarten teachers is doomed to failure. Therefore, I urge the Government to address this problem as soon as possible. Any more delay will only further hamper the development of pre-school education.

It is further mentioned that the Government will provide \$325 million in loans and grants for the benefit of 6 000 students in our tertiary institutions over the next four years. Similarly, this initiative has absolutely nothing to do with government policy. Nor has it any relevance to development of tertiary education. It should at most take up a small corner in the Budget. Since the pegging of the tuition fees with costs, the average increase in tuition fees for tertiary education has gone up by as high as 40%. The Government has promised long ago to increase loans and grants in response to the increase of tuition fees. Therefore, there is nothing new with the initiative at all. Besides, the provision of an additional \$300 million or so over four years means that only \$80 million will be given each year. It is expected that even the students who are in financial difficulties may not be given reasonable assistance. In fact, the policy address reveals that the overall expenditure on education will be reduced year by year. The real increase of 4.5% is even lower than the expenditure growth rate last year and the economic growth rate this year. How can we regard this as a commitment to quality education?

As we all know, Hong Kong is a small island without any natural resources. The success that Hong Kong achieves today is wholly attributed to the talented people in Hong Kong. Owing to the diligence of the Hong Kong people, the knowledge they possess and the passion they cherish for this territory, Hong Kong has been able to establish its present status as a world-famous financial and economic city. To a large extent, it is also due to the efforts we made over the years that we can, during this transition period, bargain with the deceitful British Government and the conservative Chinese Government to fight for the utmost rights and interests on behalf of the Hong Kong people. Mr President, no matter it is before or after 1997, we have to strive to consolidate our only asset which we depend on for survival, and that is to continue developing Hong Kong as a "talent-intensive" city, so as to avoid being beaten by the various big cities of China one day. Therefore, I call upon my colleagues that we must pool our efforts to press the Hong Kong Government to make a commitment for providing more resources. In so doing, we can provide education for our next generation so as to nurture more people of even greater capability. We are not advocating a "pro-Hong Kong doctrine". Nevertheless, if we have only very few talented people in the sense that there are a lot of university students but they do not possess the requisite knowledge and quality, the future of Hong Kong will be gloomy.

Mr President, at present, the community's utmost concern is still Sino-British relationship and how the Governor solve the political impasse. The Preliminary Working Committee (PWC) is the embryo of the Preparatory Committee. A few more years for preparation of matters concerning the transition should have a positive effect on the smooth transition of Hong Kong. Sadly, the message conveyed by the policy address and the subsequent official command of "three prohibitions" handed down by Mrs Anson CHAN, the Chief Secretary, to the Policy Secretaries have demonstrated the lack of sincerity on the part of Mr Chris PATTEN in improving Sino-British relations. Worse still, he is likely to stir up another dispute. I am disappointed about these.

If the Governor really wants to show the people of Hong Kong his sincerity to improve Sino-British relations, he should:

- (1) promptly permit government officials in Hong Kong to make contacts with members of the PWC. The contacts should include the formal attendance of the Hong Kong Government officials at meetings of the PWC and its sub-groups; the offer of clear explanation to the Chinese Government and the PWC in regard to the operation of the Administration, the objectives and procedures of our policy formulation as well as the scope of those matters which require early negotiation for the sake of straddling 1997. These will enable the Chinese side to understand our usual practice of operating the Administration, thus minimizing the unnecessary suspicion between the two sides.
- (2) prove his sincerity to improve the relationship with the Chinese side by taking action from now on. As the Chinese saying goes, "Listen to what a person says and watch what he does". It is the most pragmatic of all. We have already listened to what the Governor said, but have not seen any of his action yet. If he gets up to little tricks which go contrary to what he has said and, at the same time, ignores the well-being of the 6 million Hong Kong people, I cannot see it will do any good to the honourable retreat of the British Government in 1997.

Finally, since the National People's Congress formally resolved that the three-tier representative government of Hong Kong had to be reorganized after 1997, the people of Hong Kong have long ago given up their high hope of a through train in regard to the transition of our political system. However, regarding the general matters on society and our livelihood as well as various urgent issues concerning legislation and transition, we still hope that both Government can set aside their differences as soon as possible and fight for the greatest interest of the people of Hong Kong in a pragmatic manner. In respect of the Governor's policy address this year, I cannot see any breakthrough in areas like improvement of Sino-British relations, betterment of people's livelihood, education policies, labour welfare, promotion of economic growth and so on. I consider that since Governor PATTEN came to Hong Kong in

1992, this policy address is the least innovative and the least contributive. I reiterate that I feel regret for this. But I would like to thank the three *ex officio* Members who are willing to sit here and listen to our discussion.

MR FRED LI (in Cantonese): Mr President, I did not know that the Honourable LEE Wing-tat had some pro-China friends who even revealed to him insider stories of the Preliminary Working Committee (PWC). I do hope that he can continue to keep in touch with these friends so as to let us know of more insider stories of the PWC. If I can finish this speech ahead of time, I would like also to talk about my sentiments about the PWC.

Mr PATTEN has published three policy addresses so far. In 1991 when he published his first policy address, it was something of a "bombshell" which galvanized the local political scene. The impression of last year's policy address was that "things had turned from being zesty to vapid". As to this year's policy address, it is, in a word, "flat, tasteless and nothing new".

I shall focus my comments on three aspects, namely welfare policies, consumer interests and public finance.

The many initiatives mentioned by the Governor this year have been drawn mainly from documents of established policies of the Government, for example, the 1991 White Paper: Social Welfare into the 1990s and Beyond, the Five-Year Plan for Social Welfare Development, and the Green Paper on Rehabilitation. There is actually nothing new about it.

Most regrettably, the policy address had not heeded the vigorous demand from various sectors of our community to raise as soon as possible the Comprehensive Social Security Assistance (CSSA) rate for elderly people to \$2,300 a month. The failure to do so is entirely running against the objective to improve the well-being of elderly people as stated in the policy address. I must stress once again that the Democratic Party has found the decision and policy most unsatisfactory and regrettable, and we once again strongly demand the Administration to raise the CSSA rate for the elderly to \$2,300 a month as soon as possible.

We are in support of the decision to set up an Elderly Services Division in the Health and Welfare Branch as a central co-ordinating mechanism for services to the elderly. However, we hope that the Administration can elaborate on its terms of reference, structure and *modus operandi*.

The Administration will set up a \$200 million Elderly Services Development Fund. This will certainly help to promote elderly services in future. But the policy is silent on how the Fund is to be run and its uses. Therefore, the Administration is obliged to explain clearly to the public the operation of the Fund. Also, we suggest that the Administration should consider

setting up another fund to help non-governmental organizations to develop and launch some pilot schemes specifically designed for the elderly.

Furthermore, the policy address says that financial assistance will be given to private homes for the elderly to improve their facilities for compliance with the safety requirements stipulated in the new legislation. But if the subsidy is to be paid out from the Lotteries Fund, it certainly would have an impact on the expansion or improvement of other welfare services. Besides, the Administration has not clearly indicated which items will be subsidized, nor suggested a specific programme of implementation. Such a method of subsidizing would also run the risk of discouraging the private homes from taking the initiative to improve their facilities, but relying on the government subsidy instead for compliance with the law. Comparatively speaking, it would be unfair to those responsible operators who have spontaneously improved the safety of their facilities. We are of the view that a more reasonable and fair option, which will also help to improve the safety facilities of the homes and truly benefit the elderly, is for the Government to provide those substandard private homes with low interest loans, thereby helping them improve their safety measures and bringing them into compliance with the new legislation as soon as possible during the two-year grace period stipulated by the legislation.

We are gratified to learn that the Government has issued 320 000 Senior Citizen Cards (SCC), with 1 700 organizations participating in the scheme. However, most of the 1 700 organizations are either branch shops or subsidiaries of major groups of companies, and also a substantial number of government departments. We think that the Government has not been active enough in encouraging private companies to participate in this scheme. We call on the Administration to be more aggressive in encouraging, by way of open commendations, recognition or awards, more private companies to join the SCC scheme. Among the benefits, we think health care is especially important to elderly people. Meanwhile, the eligibility age for SCC should also be lowered to 60 in keeping with the expectations of the community.

Whilst the Governor has promised an additional \$200 monthly grant to single-parent families, it is still insufficient to resolve the difficulties most CSSA recipient single-parent families face. Besides, the Administration has not put forward a long-term and comprehensive policy for single-parent families which cover areas such as housing, compassionate rehousing, education and social discrimination, leaving these families stuck in hardship. Therefore, we urge the Administration to set up as soon as possible an inter-departmental working group, comprising representatives from single-parent families and social workers, to work out a long term policy to solve the problems faced by single-parent families.

On rehabilitation policy, the Administration has yet to come up with a comprehensive policy to cater for the needs of the disabled. For example, only four additional routes of the Rehabus service are provided, but a transport system and building facilities designed to truly look after the disabled are

lacking. In the long run, the Administration should make legislation and amend existing laws to require that all buildings must be so designed with feature like wheelchair passage, lifts, toilets and so on to facilitate access by disabled people.

In a word, the Governor's latest policy address has failed to offer a long-term and comprehensive policy orientation in many aspects of its welfare policy, especially the CSSA and elderly services. I hope that the Administration will give us a more positive response.

On the protection of consumer interests, we found that this year's policy address, comparing with what was mentioned last year, is "a loyal replica" and a "cheese-paring" one. There is only one single so-called new initiative, that is, to set up a Trade Practices Division.

Although the Administration has reiterated that response will be made with respect to the findings by the Consumer Council on the competition within individual trades, and that competition policies will be formulated according to the findings, the policy address as we now see it has shown that the Government is still unable to set down a clear and precise policy direction, not to mention any basic ideas. For example, in response to the Consumer Council's report entitled "Are Hong Kong Depositors Fairly Treated?" which was published in February this year, the Administration accepted only some of the recommendations made by the report, dismissing entirely the possibility of abolishing the interest rate agreement before 1997. One just cannot help suspecting whether the Administration has any objective criteria as to what constitutes fair transactions and market monopolization and how infringement of consumer interests is defined. Nor can one make head or tail of how any competition policy can be equitably formulated for individual trades.

I made a month-long visit to the United States between September and October. During that time, I had a thorough discussion with anti-trust officials of the Department of Justice and Federal Trade Commission on the United States Government's work and policies on cracking down on monopolization. I do not seek a Hong Kong rendition of the United States example as this model is too complicated and smacks too much of bureaucracy. But from the discussion, I realized that the purpose of anti-trust legislation and policies is aimed at deterring rather than bringing businessmen under prosecution.

The purpose of formulating a policy on fair transactions is to provide against the situation in which big enterprises may infringe upon the interests of consumers by way of pricing or other transaction clauses once they have gained a certain share of the market. Fair transaction policies enable a set of criteria to be open to all on what commercial practice is acceptable and what is not. For example, through legislation, investors will have something to follow, and consumers a clear understanding of their legitimate rights.

The Democratic Party welcomes the Administration's commitment to set up by the end of 1994 a Consumer Representative Action Fund with

\$10 million. This Fund will pool relatively disadvantaged individual consumers together to take legal action against unscrupulous businessmen. It is also a powerful weapon to protect individual consumers.

The setting up of the Trade Practices Division to study trade practices for the benefit of promoting competition is in principle a progressive concept. But in the Policy Commitments of the Government, there is no clear explanation on its terms of reference and specific operational structure, thus making it difficult for people to gauge exactly how effective the Division will be in promoting competition.

The third point, which is also my last, I would like to talk about is the management of public finance. All along, the Administration has strongly emphasized the importance of prudent management of public finance and a solid budgetary policy. In the Policy Commitments of the policy address this year, the notion "that government expenditure grows at a rate no faster than the economy" is even made the prime objective in the management of public finance. In our opinion, it is merely a subjective and arbitrary policy in want of sound justification.

Whilst the Democratic Party raises no objection to prudence in expenditure, we disagree with the Administration in its rigid pegging of expenditure with economic growth. So doing would only place the expenditure policy of the Administration in a passive position which is inflexible. A sound public finance policy should, apart from setting priorities within limited resources, also make proper arrangements in the revenue policy to stimulate economic growth, and to explore and open up new sources of revenue, so as to achieve an equitable distribution of the tax burden.

Whereas the Hong Kong Government has always boasted a simple and low tax system to attract overseas investment, this year's policy address has made it the guiding principle of government. However, in face of a fast changing Hong Kong society, on-going economic transformation and the ever-expanding gap between the rich and the poor, the simple and low tax system simply cannot meet the actual needs of our community.

While the narrow tax base of Hong Kong has made the Government's revenue-expenditure policy inflexible, the tax system is not sufficiently fair and fails to perform the function of redistributing the community's income. Therefore, the Administration should expeditiously set up an independent tax system review committee to conduct a comprehensive review of the existing tax system. This is a proposal which I have been striving for with the Administration which unfortunately consistently rejects it. In conclusion, I think the Government is short-sighted and lacks vision in financial management.

Having read the whole policy address, one cannot find any pleasant surprise in it, nor is there any breakthrough. There are merely patchings and mendings within the old frame, and this is really disappointing.

Mr President, I reckon that I still have two to three minutes, and I would like to turn to the PWC. Actually, I did not intend on the outset to discuss this topic, but I just cannot help speaking up. This freak PWC is really the result of China and Britain having failed to come to secret agreements, as they did before, in deciding every aspect of our future, including the most important electoral arrangements for 1995. Hence we have this second "kitchen" — the PWC. On this premise, the PWC is, in a word, the "hatchet man" of China, tasked to counter Britain by downgrading the status of the Sino-British Joint Liaison Group, spinning out the work progress, thus putting the PWC at a very prominent position. Members of the PWC speak on public occasions (just as the Honourable LEE Wing-tat has mentioned earlier) from time to time, but there is not a system of formal statements, nor is there any official spokesman. There is no knowing of their agenda. What we know is that they hold meetings all the time, but what they have been discussing is a mystery. However, the views expressed by those who are in it are frightening, giving rise to much of the town-talk in Hong Kong. The Honourable TAM Yiu-chung said that we deliberately smear the PWC and speak ill of it. But we think that the public's view is not meant to vilify the PWC. Several leftist newspapers in Hong Kong vilify the democrats on a daily basis. But what about the support democrats get then? I think people do not really become worthless simply because the newspapers vilify and speak ill of them everyday. It is not like that. What really matters is whether what they say have the support of the public.

In this connection, many Members have quoted a number of examples just now and I shall not repeat them. What China ought to do is to establish the public's confidence. Many of us often criticize the Governor for "saying one thing but doing it in another way" in reference to his failure to improve Sino-British relations. I cannot agree more. But in comparison, have we also asked China to do what they should? Improvement of a relationship requires efforts from both sides. Is it possible that one can accomplish this unilaterally? It is true that the Governor has talked much but done little, and very often they are political postures. But is it not the same for China? It is not right to lay all the blame at Britain's door. Is China's attitude worth our support? China is now using the PWC as a tool to undermine the prestige of the British Government. And a lot of views have been expressed in this connection. I wonder if they would become the backbone of the future Preparatory Committee for the Hong Kong Special Administrative Region? But it is too bad that they do not have popular support. I have this to tell them: Credibility is earned not by casual remarks on what you have done, but by doing something concrete and by listening to the people of Hong Kong of what they really think; nor by brainstorming at meetings behind closed doors. These are my personal observations.

Mr President, I so submit.

MS ANNA WU: Mr President, our Government is not elected but it is supposedly accountable. Just how accountable is accountable one might ask?

Neither the Governor nor his Secretaries are elected. They do not have to run for elections and make election promises. They do not hold office on the basis of their election platforms and their performance is not measured against how well they delivered their promises. The Governor would argue that he provides a comprehensive policy address at the beginning of each year and that the Secretaries spell out their Policy Commitments. The legislative agenda is set out in the Legislative Programme and performance and delivery of service to the public are monitored by the Progress Report.

Undeniably, the policy address, the Policy Commitments, the Legislative Programme and the Progress Report are important and useful documents. We do not want a slippery administration. But we know we cannot disagree with the priorities because we cannot reset them and we know we have no hold over the Government because the Government cannot be sacked. In political terms, the Government remains unassailable and unimpeachable.

The terms in which the Governor described the Legislative Council's role within an "executive-led" government are disconcerting — even alarming — for their omissions.

"The Administration proposes and the Legislative Council disposes." The Governor accords the Legislative Council a single function: to reject or approve the laws and expenditure laid before it by the Administration. Under an executive-led government, the formal levers of power are held tightly in the hands of the executive. The Government initiates bills, formulates policies and sets budgets. The Legislative Council merely reacts to them.

The Governor is on record as saying that the Legislative Council is not a "rubber stamp" — and will not become a "rubber stamp". These are fine words. But his actions indicate otherwise. His actions indicate that he expects the Legislative Council to be little more than a "rubber stamp".

When all the political parties in the Legislative Council agree to freeze rates for two years, the Governor used his power under the Royal Instructions to disallow the proposal.

And when the Legislative Council was close to success in amending a government bill on severance and long service entitlements of employees, the Government, to avoid a defeat, withdrew its bill.

And what if the Legislative Council proposes? On the proposal for a Human Rights Commission to be established, the Governor argues that it would be "irresponsible" to allow Private Members' Bills to "disrupt" the legislative and funding priorities set by the Government. The Governor says governments "across the world" set similar limits on individually-sponsored money bills.

On the proposal for access to information, the Government, while conceding the principle that the public has the right, refuses to oblige itself to provide information. It says it needs flexibility. The more honest way of putting it would be that the Government is not itself to be bound by law — and punished for violating it.

The principal function of the Legislative Council is to express the views of the public that the Legislative Council represents. A government that is permanent and unelected — if it really aspires to be accountable — must pay close attention to the expressions enunciated in the Legislative Council. These expressions take the form of Members' questions, motion debates and, yes, Private Members' Bills.

A Private Member's Bill is the constitutional remedy to executive inertia and unresponsiveness. The response of the Government to strong criticisms of its inaction in many areas has been, characteristically, more of the same interminable "study" of the problems.

No government is infallible. An executive-led government can fail to lead — or worse, lead backward. The Bill of Rights as we all know was originally intended by the Government to be applicable to both the public and private sectors. Thus the prohibition against discrimination would have applied to the private sector as well had there not been a last-minute change to exclude the private sector. The Government undertook at the time that detailed legislation prohibiting discrimination would be drawn up to supplement the inadequacies.

After passing the Bill of Rights, the Government considered that to be the end of the story rather than using the Bill to commence a programme of action. It steadfastly refused to admit the need for additional legislation to extend or to enforce the Bill of Rights. In response to a Private Member's Bill proposed to remedy the situation, the Government hastily proposed something much less to placate the public.

In the area of gender discrimination, the Government's Green Paper on sexual equality baldly asserts that sex discrimination was not a problem in Hong Kong. Up until recently, the Government has refused to legislate to make discrimination unlawful. Now that the Government has conceded that legislation is required, it seeks to exempt some of the most deeply entrenched forms of discrimination in Hong Kong. It does not, for example, seek to cover age discrimination. And even in the area of gender discrimination, it seeks a reservation over the small house policy in Hong Kong which entitles only the male indigenous population in the New Territories to apply for the entitlement.

The Private Member's Bill seems to be precisely the constitutional mechanism required to deal with such executive paralysis and retardation.

In fact I seriously question the Government's *bona fides* in the area of protecting the disadvantaged against discrimination. Its motives for delaying action by saying there is a need for consultation are suspect. While proclaiming to the world that it agrees with the principle and indeed says it cannot object to the principles of the comprehensive Equal Opportunities Bill, the Government has advanced the production of a much smaller bill. The exercise is duplicative, is intended to confuse the public and serves no purpose other than to scuttle a Private Member's Bill. I question also how much the Government respects the notion of accountability, to which it continues to pay lip service.

In other parts of the world, elected representatives play a part — the dominant part — in setting legislative and funding priorities. Here we use the notion of executive-led government to crush the Legislative Council initiatives and to excuse executive inertia. It is irresponsible for a government to claim that an unelected administration should have both the right to ignore legislative sentiments and the right to pre-emptively veto legislative initiatives.

The power of the executive should not be used to withhold any bill from the legislative agenda. An executive-led government should be seen to be engaging in public debate and not frustrating it. For it to remain credible, it must be seen to be defending its position in public and not deliberating behind closed doors.

Our brand of accountability should not be a one-way dialogue, where if the Legislative Council proposes a measure, the Government simply disposes of it by refusing to act. Accountability does not mean ignoring the Legislative Council, and stifling further action and debate.

It would be making a mockery of accountability for the Governor to override the will of the Legislative Council. When he does, he undermines and weakens the democratic process.

The role of the Legislative Council continues to change from being a "rubber stamp" to being an independent monitor. And as its elected component has grown, the Legislative Council has become more credible and more politically accountable. With this development, it is only right that we review its resource requirements and its relationship with the Government and the Executive Council.

The Legislative Council can only do its job properly if it is in possession of sufficient facts based on which it can make independent judgement. This means it must have the capability to look for the facts and to undertake research and analysis. The Legislative Council cannot even rely on the Administration to gauge public opinion.

We all remember that, in 1987, the Administration tried to manipulate public opinion surveys to justify not holding direct elections in 1988. Today, the Administration is again manipulating public opinion, for instance, to get support

for its Old Age Pension Scheme. Instead of asking the public what it thinks about the Government's proposals, the Administration is saturating the airwaves with so-called public service announcements about the merit of its plans and telling the public — here is your chance to secure your old age pension. Write in and support the Government's proposals! If this is not manipulation of public opinion, I do not know what is.

At the moment, the Legislative Council suffers from operational restraints. It is dependent on the Government for supply of information and expertise. It does not have adequate resources to secure either information or professional support to monitor the Government more effectively. Holding its own public hearings, establishing its own commissions of enquiries, engaging consultants, making contacts with overseas organizations on Legislative Council business — and, in future, developing working arrangements with the Standing Committee of the National People's Congress, which will vet our laws — all require money.

The Legislative Council has a small staff and an almost non-existent research capability. Its library is full of empty shelves. The now independent Secretariat represents a welcome change but the Legislative Council's budget remains controlled by the Government. I would ask the Governor to be generous with resource allocation for the Legislative Council and to provide the Legislative Council with the capability to set its own budget. I would also ask the Honourable Financial Secretary to hear the same.

Mr President, I would ask the Governor to consider the issue of confirming the appointment of Secretaries only after discussion with the Legislative Council members and increasing the representative element in the Executive Council. The latter can be achieved in part by having the Legislative Council Members appointed to the Executive Council or have the Legislative Council nominate candidates for appointment to the Executive Council. The measures will enhance the partnership relationship between the executive and the legislature. A two-way dialogue will reduce the chance of having a deadlock between the executive and the legislature.

Mr President, that would have been my last point had it not been for the speech of Mr Roger LUK. As the Vice Chairperson of the Consumer Council, I hear the comments, advice and criticisms of Mr CHENG and Mr Roger LUK relating to the work of the Consumer Council. I certainly agree that the study of the Consumer Council must be well formulated and researched. The credibility of the Consumer Council is ultimately subject to assessment by the public whom it serves. The Consumer Council has only one client and that is the consumer. It should not be dissuaded from the task by the wrath of the bankers. Consumers deposit their money with their banks and bankers protect their money. This is a relationship of trust. Bankers should have enough confidence to say "we have an open book, we welcome your inspection and we compete for your custom".

I am also duty bound to refute any suggestion of lack of expertise on the part of the consultants retained by the Consumer Council, or that the Consumer Council would tolerate insider use of information. We would welcome, of course, any information, analysis and expertise that the businesses and industries are able to provide. The Consumer Council seeks to improve investment environment in Hong Kong in recognition of its importance to Hong Kong.

Thank you, Mr President. I support the motion.

MR TIK CHI-YUEN (in Cantonese): Mr President, I shall comment on the policy address on behalf of the Democratic Party in respect of the education policy, the problem of flooding and the development of new towns.

### *Education Policy*

As far as education is concerned, it can be said that the policy address is one which "lacks commitment and foresight".

The Democratic Party has consistently held the view that the Government has not taken up its full responsibilities as far as education is concerned. We ask that the percentage of funding for education (which is below 3% of our gross domestic product) be gradually raised so that various education policies can be implemented in accordance with the needs of society. Although it is mentioned in this year's policy address that our expenditure on education next year will rise by 4.5% in real terms, the increase is disappointing because it is not only lower than the 5.7% of our economic growth rate in real terms, but also lower than the 6.1% increase in our expenditure on education in real terms last year. Given our adequate finance, the Democratic Party strongly believes that ploughing more resources into education is a reasonable social investment which is also in line with the aspiration of society.

Further, like the policy address last year, this year's address is lack of foresight and vision in respect of education policies. The majority of proposals put forward this year is actually a compilation of the unimplemented piecemeal proposals put forward in the Education Commission Report. For example, the proposals of building three more practical schools and seven more skills opportunity schools have already been put forward earlier in the Education Commission Report No. 4. They are not "new initiatives" at all. Although the part on education takes up six pages of the Policy Commitments annexed to the policy address, most of the contents are harping on the same string without responding to the calls for improvement which have been made by the education sector for many years in areas like special education, floating classes in secondary schools and insufficient Secondary One, Secondary Four and matriculation places.

*Kindergartens*

In respect of kindergarten education, the policy address announces the plan that the Government will develop high quality kindergarten education. In fact, this has long been the demand made by the education sector and parents over the years. Regrettably, the policy address has not provided any comprehensive and corresponding improvement measures in this regard. According to the address, the Government will spend \$163 million to further improve the training of kindergarten teachers over the next four years. In addition, starting from September 1995, the Government will require that at least 40% of the teachers in each kindergarten have to be trained teachers. Providing more training opportunities and setting requirement for more trained teachers are all admirable measures but without additional funding for the kindergartens, how can these measures achieve the desired effect? If 40% of the teachers of each kindergarten have to be trained, the operating cost will be increased and this might then be shifted onto the parents by increasing the school fees, thus aggravating the burden on the parents. The rise in operating cost might also force some kindergartens to close down. As a result, children attending the kindergartens might be forced to discontinue their studies. Moreover, some kindergartens might not employ trained teachers at salaries recommended by the Government in order to reduce cost. Consequently, teachers would not be motivated to receive training. This shows that we cannot depend solely on the provision of training and the requirement of a certain number of trained teachers for solving the present problem. Quite the contrary, the problem might be worsened which might lead to increase of school fees and discontinuation of studies. The Working Group on Kindergarten Education under the Board of Education has submitted a report to the Government which consists mainly of two proposals: (1) to provide direct government subsidies to kindergartens; (2) to increase training opportunities to raise the standards of teachers. These two proposals are complementary and have to be implemented simultaneously. Yet only the latter proposal is mentioned in the policy address and the question of whether to subsidize kindergartens will only be decided in 1995. We think that the Government is dragging its feet in the improvement of kindergarten education. The Board of Education has already made comprehensive and reasonable proposals in its report and such proposals have also been agreed by non-governmental educational bodies. Hence, the delaying tactics adopted by the Government is contrary to the wishes of the public. We therefore strongly urge the Government to carry out various proposals and set aside funding in 1995 to subsidize all kindergartens directly starting from the school year of 1995 so as to improve the quality of kindergarten education.

*Tertiary Education*

We are dissatisfied that the policy address has only touched on the provision of additional grants and loans without conducting a comprehensive review on the policy of tertiary education fees in response to the request made by Members of the Legislative Council. The policy address has also the

shortcoming of failing to address the issue of improving the quality of tertiary education.

*Immediate Issues*

There are only three tasks listed as immediate issues in the policy address. Does it mean that those which are not on the list are unimportant? The Democratic Party considers that the immediate issues on education should embrace the following:

(1) Medium of instruction

We think that it is too passive for the Government to promote the use of Chinese as the medium of instruction in secondary schools by mere encouragement. The parents' preference for English is strong because there is still a preference of English to Chinese in society. The Government's persuasive approach, though well-intended, is not sufficient. The Government should play a more active role in promoting the use of our mother tongue as the medium of instruction.

(2) Target Oriented Curriculum

The Target Oriented Curriculum still remains an issue of great controversy in the education sector. Although it has been suggested that with the Target Oriented Curriculum, pupils will find it "possible to work at a pace which matches their ability and to work towards realistic targets", the Government had virtually done nothing to change the curriculum when the targets were set. Since the initiative is a curriculum reform campaign which carries far-reaching impact, we hope that, after the completion of the pilot scheme in the 70 primary schools in 1996, the Government will conduct a review before considering full implementation of the Target Oriented Curriculum.

(3) Parents' right to know

The Government should prepare a charter for parents as soon as possible. In recent years, parents in Hong Kong have begun to concern themselves with school policies. The Government should address this phenomenon by acknowledging and recognizing the parents' right to know about matters concerning education.

(4) Quality of curriculum

Since the implementation of universal school education, most of the curriculum of primary and secondary schools still preserve the flavour of elitism. We think that the Government should, with

determination, carry out the curriculum reform through the Curriculum Development Council and in accordance with the principle of universal school education. The specific measures should include reviewing the curriculum of each subject and proposing concrete reform packages to further promote the activity approach and other curriculum reform packages.

### *Long Term Challenges*

- (1) We are astonished that the Government has failed to mention that education has to address the needs arising from political changes. Our society has to face the historical reality of the transfer of sovereignty to China in 1997 on the one hand and meet the political demands of the public on the other. Education is an important means to guide our next generation to face these problems. We consider that the Government should play a more active role in this area and introduce elements of nationalism and democracy in the curriculum. In the process of formulating education policies, the Government should also advocate democracy and increase its transparency.
- (2) In relation to raising the status of teachers, what the Government proposes are merely window-dressing measures. We think that it is more important for the Government to set up an association for the teaching profession as soon as possible in order to promote the professional development of teachers and to raise teachers' status.
- (3) Language proficiency

We agree that "we shall continue to need people with a high level of proficiency in English and Chinese (including Putonghua)". However, plans to improve language proficiency in the past have focused on the improvement of the standard of English only. We hope that the Language Fund set up by the Government, with improving the quality of teaching as the foremost objective, can divide the allocated funds equally between improving the quality of teaching of Chinese and of English.

As it is mentioned that "the Language Fund Advisory Committee has formulated a long-term strategy", we hope the Government can elaborate on the long-term strategy for public discussion.

### *Problem of Flooding*

Mr President, although Hong Kong is an advanced and modernized city, the residents of some areas still have to live under frequent threats of flooding which is supposed to be a natural disaster that occurs only in a primitive society. Over the past few decades, flooding has occurred in the northwestern part of the

New Territories every year. For example, flooding has occurred every two days on average in the New Territories over the past five years. The number of flooding that took place last year was recorded to be more than 400. But unfortunately, not a single word was mentioned in the policy address about it. Mr President, I remember there was a severe flooding which occurred on 26 September 1993 in the northwestern part of the New Territories. On the following day, the Governor immediately paid a visit to Ho Sheung Heung of the North District during which he said he would urge the authorities concerned to address the problem of flooding and to speed up the works on improving the river courses in the hope that the problem can be solved as soon as possible. Now a year has lapsed, we are still unable to cash the cheque issued by the Governor. So far, he has not done anything to put his words into practice. Neither did the policy address make any mention of it. This is highly disappointing to the people who have been tolerating the protracted nuisance of flooding.

We think that the following matters merit our attention:

- (1) To allocate funding to step up regulating river courses, including regulating the Shenzhen River as soon as possible and allocating additional resources for desilting river channels.
- (2) To strictly forbid any illegal alteration of land use, including strict enforcement of the Town Planning Ordinance and careful consideration of grant of land and projects.

#### *Development of New Towns*

Mr President, as an elected member of the New Territories North Constituency, I would like to say a few words on the problems of the new towns in my district for Government's improvement:

- (1) Inadequate family services: The lack of community services in the new towns has given rise to a number of family problems such as marital conflicts, broken families and teenage problems. At present, the Government is mainly focusing on the provision of remedial family services but fails to play an active role in the promotion of developmental and preventive services. We hold the view that the Government should introduce new services for families living in the new towns and allocate more resources to satisfy the needs of the families and to prevent family problems.
- (2) Traffic problems in northeastern New Territories. The policy address has mentioned nothing at all about solving the traffic problems in northeastern New Territories. We hope the Government can understand that with the increasing volume of cross-border traffic the people of the district have to face the ensuing problems of traffic congestion and noise nuisance. We also

hope that the Government can realize that external bus services are inadequate and the congestion in the Lion Rock Tunnel and the Tate's Cairn Tunnel are causing problems as well. It is hoped that the Government can address these problems positively and make improvement.

- (3) Inadequate rural services: In spite of the ageing rural population and the worsening living environment, the Government has not provided adequate services for the local residents. We therefore urge the Government to review the strategy of the provision of services to rural residents, especially to the aged and the children.

Mr President, the Governor has put much emphasis on "co-operation" in the policy address. In addition, he has stressed the importance of co-operation between Britain and China and co-operation between the Administration and the legislature. However, it seems that the Governor has disregarded the co-operation between the Government and the public. Apparently, the Government's policy on people's livelihood has not satisfied the public's demand. Does it imply that the Government is ignoring the co-operation with the public and hence is not respecting the public's opinions?

Mr President, these are my remarks.

MR JAMES TIEN: Mr President, a Sunday columnist wrote that the Governor's annual address is becoming useless. I disagree. For as long as he is Governor, even if only for another 900-odd days, what he plans for the community matters. Everyone is affected by the decisions he makes, whether these are right or wrong. Without his policy guidelines, Hong Kong is a ship minus a compass.

Each time the Governor talks about strategies beyond his tenure he is entering uncharted waters. But he cannot restrict himself to just the immediate and must sail ahead. No administration, nor responsible company executive, does a job for a couple of years and then consigns the rest to fate. The Governor has to leave Hong Kong in good order for it is his own sworn obligation. Hong Kong people are in that sense his jury.

I applaud the Governor for carrying through with a promise made by one of his predecessors in 1986 to free 70 hectares of land in Tseung Kwan O for development — a project whose impact will be felt right into the next century. The same goes for the pledge to invest \$260 million this year through the University and Polytechnic Grants Committee on technology research and application for industrial expansion. Such largesse is the high tech industry's "spur", to borrow one of his favourite words.

How the Governor's place in "our history", as he puts it, will be judged does not depend entirely on the grand schemes for the future. Years from now

his record will be assessed on what his government may do between now and 1997 in areas, large and small.

Mr President, I have made many speeches about the acute labour shortage on behalf of the business sector. The Government has not responded as my business colleagues would have liked as it sticks to the 1989 quota of 25 000 import workers, excluding domestic helpers who belong to a separate category.

The Governor says the low unemployment rate — now about 1.6% — is convincing proof that his economic policy works and that people are well off. I concur with the second but not the first part of the assertion.

The record low unemployment rate is also a sign of trouble. What this means to business is that there is no room for expansion. There will not be enough qualified workers for certain jobs which eventually leads to businesses expanding elsewhere.

Another adverse consequence is inflation that hurts everyone, the poor in particular. A dollar five years ago is worth about 60 cents today and this hardly bodes well for the average family, let alone businesses faced with fierce competition. The Governor has basically conceded that inflation is beyond control. But is it? After a year in which inflation edged down slightly, it is on the rise again. Should everyone simply ignore it, hoping his wages will catch up in a never ending spiral that surely cannot be sustained?

If Hong Kong exists in a vacuum, this blase attitude may be justified. But this is not the case. Our main rival is gaining an advantage because its inflation rate is low matched by improved productivity. What constantly appeared in double digits in Hong Kong of the recent past was the gross domestic product (GDP) growth rate. Now such figures only appear in the inflation column. We had better be worried. Singapore's inflation is 3.7% compared with our 8% or 9%. The Lion City's GDP growth is expected to be 9.3% in contrast to our 5.5% — and much of ours is coming from China trade.

The Government is shy about drawing a correlation between low employment and high inflation. I am not. The Government is afraid to try a solution. I do not think we should. Singapore, for one, adjusts labour import to demand because its Government believes the city state can be both a manufacturing base as well as a financial centre. Our Government is telling everyone and convincing itself that the territory has to be one or the other, but cannot be both. I find this self-defeatism and self-limitation distressing.

Bringing in import workers is always unpopular and controversial. Local unions and some political parties oppose it on the simplistic — and wrong — assumption that foreign workers only take away jobs. The reality is that import workers are paid a competitive wage, not only take on jobs locals do not want, but also foster demand for services which could create more attractive

occupations and opportunities for our own people who thus can move up the social ladder.

I suggest that the Government should consider allowing in another 25 000 foreign workers through gradual phases by 1997. The present 25 000 quota equals less than 1% of the 2.8 million-strong labour force. The Labour Department ought to be more generous to some categories of trade and industry which are particularly hurt by the shortage. The present offer to the electronic sector of 19 guest workers, for example, is derisory. Any single electronic factory hires more than 19 workers. The garment sector got 1 400 guest workers in 1992 and 435 this year. Unless the Government becomes flexible on labour policy, it will end up driving the rest of the manufacturers to China when it is to our advantage to retain a viable industrial base.

Local workers thrown out of trades because of a changing economy cannot be ignored. Through vocational retraining courses implemented by the Government and government subvented institutions the Government has tried to teach them skills that are not always suitable. Many emerge from these classes only to remain unemployed or in menial occupations in which their training is wasted. Businesses support the on-the-job retraining scheme which is more successful. When workers finish their retraining, they will have the right experience for jobs that already exist and the ability to earn decent wages.

Mr President, the appeal of our territory to foreign investors is being diminished by prohibitive commercial and residential property prices and rents. Some companies already find locating personnel and headquarters in Hong Kong untenable. Many can cite horrific examples of rent doubling inside two to three years and overheads going up like a rocket.

All the talk about Hong Kong being friendly to business does not console a company executive who is better off being based in Singapore and commuting weekly to southern China by jet or setting up the whole operation in Shanghai. Going with the investors, too, will not just be capital but the cultural diversity that adds to the territory's charm.

The Government has to procure more urban land urgently through the Sino-British Land Commission and to renew old neighbourhoods as the Land Development Corporation is mandated to do. Just to prepare a site for development takes about four to five years. When supply meets the demand, prices stabilize in a market that is now too volatile. Corporations with regional headquarters here would be relieved that they can budget rationally and for the long term in a still buoyant, but not wild, real estate market.

Mr President, I have discussed the pension issue with many business organizations which object to retirement benefits being confused with social welfare. My colleagues there have arrived at a consensus that the proposed Old Age Pension Scheme (OPS) is not feasible. Both international and local academic and private sector experts have likewise warned against adopting a

universal social security programme which bankrupting countries have subscribed to it. The "social security crisis" in the United States, Italy, Britain, Australia and Canada should be enough to convince us not to go the same way to ruins.

We of the business and industrial sector advise against universal state pensions but strongly for a two-pronged approach that is fair, sensible and compassionate. The Government can, without difficulty, raise the means tested social welfare benefits for the needy elderly to \$2,300 a month. The annual cost for that may be about \$1.8 billion more which would not be a strain on the \$8 billion fiscal surplus estimated for this year. I endorse the Governor's promise to upgrade facilities and health care for the elderly.

However, I find it incredible for the Government to content that all the half a million people aged 65 or above are paupers desperate for aid and alms. I have the same misgivings about the Governor's threatening to add 4% to the corporate tax to finance his OPS out of General Revenue. Such crude scare tactics would not succeed.

My colleagues would much rather add to their present 5% of total salary input in retirement benefits for their own workers even if this means chipping in more money over time than in contributions to the OPS. This willingness to pay out clearly refutes the usual accusations that employers are "selfish", "greedy" and "do not care about their own employees' welfare". We are keener to help our own staff, to boost their morale and to reward their loyalty with these benefits than to pour money into a haphazard pension scheme that effectively takes money out of circulation, out of individual, private investments and perhaps out of corporate retirement funds which are professionally managed. We are unabashed about backing mandatory retirement for which the Government should initiate legislation as soon as possible. For the small minority genuinely in need or are not covered by private funds, social welfare should be given to them without stigma.

Mr President, every time Container Terminal 9 (CT9) is mentioned these days it draws insult from both the Hong Kong Government and China — and it is getting very tedious. However, the truth is CT9 is even more politicized than this Legislative Council, and that is saying a lot. Hong Kong will just have to accentuate the positive and press ahead with Container Terminal 10 (CT10) while leaving CT9 in limbo until Britain and China settle their differences. Unless we shelve CT9 for now and go full speed with CT10 a lot of cargo business is going elsewhere — particularly Singapore, which has surpassed Hong Kong already as the busiest port — we would be struck with recriminations and have nothing to show for the effort.

This subject brings me to the question of business confidence which the Governor has referred to only in passing his speech. Such confidence is not built on a sweet overture and empty gestures.

The Governor has pledged unconditional support for the Preparatory Committee (PC) when it is conceived in 1996 but not for the Preliminary Working Committee (PWC) which is the PC in embryo. The PWC has been told that it can sit in on Joint Liaison Group meetings. This is not help because the PWC can already get that kind of information from the Chinese side. The Government has insisted that there is no ban on informal meetings between civil servants and PWC members. This, too, is a ruse because PWC members do bump into civil servants at banquets, parties and other social occasions simply because Hong Kong is a very compact place. Reconciliation is more than verbal but has to be actual.

By crossing arms and crossing swords with China, the Government harms business confidence which is best enforced by signs of real progress, real achievements. The Governor constantly regrets so much work left undone by the JLG and of time dwindling. I share the anxiety. But some of that work can be facilitated by the Government in dealing formally with the PWC. 1 July 1997 is just over two and a half years away and would it not be sad that a year and a half of that time is spent posturing?

Once the Government gets over its loathing for the PWC, and the implied disrespect for China, then business confidence will be boosted. Finally, Mr President, the Governor's policy address would be so much more impressive if he were to say: "Judge by not what I say but by what I do". The Governor believes the history of Hong Kong is "our history too", meaning that of Britain. If that is true, then it is imperative for co-operation with China. If not, joint Sino-British history in Hong Kong would read like a tragedy.

MR ALFRED TSO (in Cantonese): Mr President, first of all, I wish to take this opportunity to commend the Governor, Mr Chris PATTEN. Under his leadership, government officials have become more positive in their dealings and more efficient in their work progress. The policy address this year is lavishly produced. Apart from the Governor's address, there are the Policy Commitments consisting of as many as 163 pages, which include transport policy, and also a Legislative Programme published to provide a large amount of information which enables the public to have a more in-depth understanding of the Government's administrative objectives this year. Although the actual content has been criticized by the community at large as "loud thunder but small raindrops" and is similar to "a dragonfly skimming the surface of the water", we have to agree that the Government's provision of a detailed breakdown of its policies and commitments is both responsible and more transparent. The "Progress Report on Undertakings in the 1992 and 1993 Policy Addresses" published on 4 October is also helpful to the Members of this Council as well as the public in monitoring the work of the Government. We all welcome and support these.

But at the same time, I have to exhort the Government not to be "too artificial". Because excessive flaunting of its attainments and political achievements may lead to a "proneness to boasting and exaggeration", and this will affect the progress of work of the Government. The Government's administration has all along been following the "pragmatic tradition", that is, in accordance with the practical needs of society and, given the limited financial resources, the Government carries out the policies through a highly efficient civil service system. If the Government flaunts too much on the "success rates" and the political achievements, it is inevitable that some of the officials, in order to maintain prestige and authority, will be forced to play with statistics or to place the emphasis on quantity instead of quality. Eventually, adverse effects will result.

The present policy address contains a superb array of items but, unfortunately, lacks in substance. No specific solutions have yet been worked out for such major issues as the ways to improve people's livelihood, to solve the traffic problems, to take care of the aged and the weak, to curb inflation and property price, to assist in the employment and the job-shifting of labour in manufacturing industries. On the contrary, it only conveys to the public an impression of being evasive and is comparable of "frying the leftover rice". What is "frying the leftover rice"? That is, the rice to be fried has already been cooked, and is not fresh. It is fried together with some scrambled eggs, spring onion, oil and salt to fill up a whole plate. What is more, even the glutinous rice in others' bowls is taken to be fried together in the wok, so as to make it more "colourful" and more "tasty", to be at least pleasing to the eyes although not really delicious.

Let me take an example from the transport issue which is of my utmost concern. In the Policy Commitments, it is mentioned that \$8.9 billion will be spent on the construction of new roads to the new airport and the improvement of Tuen Mun Highway, as well as the building of Ting Kau Section and the Country Park Section of Route 3; \$80 million will be spent on the installation of a traffic surveillance system on Tuen Mun Highway. All these arrangements are "old stuff". The new initiatives and new undertakings are "trivial" or "vague". In the absence of any innovative ideas, the Government even includes as part of the government plan the investments on improvement projects of the Mass Transit Railway Corporation and the Kowloon-Canton Railway Corporation, the two independent statutory bodies operating under commercial principles. I can hardly subscribe to this approach. What is even worse is that the Government fails to put forward any long-term measures in redressing the problem of traffic congestion and to formulate a macro-development plan of a China-Hong Kong transport network. And even the Northwest Railway, a project which has been unanimously recognized by the Government and the community as being the most urgently needed and highly cost-effective, cannot be identified and incorporated into the construction programme this year. This is really disappointing to the public.

I think that the package of measures to ease road congestion, which is expected to be released by the Government this December, is merely a proposal to control the growth in vehicles by tax increase rather than taking a far-sighted view to develop and invest in the transport infrastructure. Can the Government's only concern about revenue and its reluctance to be involved in long-term investment strategy reflect a kind of sunset mentality? If so, there is actually no point for the Government to boast about its major objective which is to give top priority to economic development, not to say the grand words of "A Thousand Days and Beyond".

Mr President, let me turn to a subject of public concern, which is "how can China-Hong Kong relations be improved".

The Governor has stated, at great length, a series of undertakings and actions. As an improvement to China-Hong Kong relations, this is extremely positive and highly sincere in appearance and thus has inspired much hope to the public who care about this issue.

However, if we read through the part in the Governor's policy address in 1993 concerning China-Hong Kong relations and the work objectives of the Sino-British Joint Liaison Group, we will discover that there is little difference in the content this year, and the difference is only in degree. Even if the Governor really wants to improve China-Hong Kong relations, it seems that he is still unable to shake off the burden of Britain's "honourable retreat" from her last colony. Together with his opinionatedness, what results is a helpless situation full of blind moves. The title of last year's policy address is "Today's Success, Tomorrow's Challenges". It seems that this year's policy address should be more appropriately retitled as "A Thousand Days to Mark Time, (and regarding China-Hong Kong relations) Moving in Situ".

Since the Governor and the United Kingdom deliberately produced and, by a combination of threats and inducements, urged this Council to endorse the 1992 political package, in an attempt to create an illusion of democracy, an unclosable breach has already appeared in Sino-British relations. At that moment, China no longer dares to harbour any illusion with Britain, she only wants to be fully prepared for the political changeover, the practice of "one country, two systems" and "Hong Kong people ruling Hong Kong", with the understanding and trust of Hong Kong people. If Britain is unable to improve the relations, she can only maintain the *status quo* by taking things as they come. In 1997, she will hand over to China a Hong Kong with normal operation in the administrative, financial and legal aspects, and then retreat with a tint of sadness.

It is probable that the Governor and the British Government are not reconciled to taking that fact. What is more important to Britain is the economic interests gained from Hong Kong and her participation in Asia through Hong Kong. Thus it is sensible that the Governor undertakes to

strengthen Sino-British co-operation in this year's address, but unfortunately, it does not seem to be able to secure China's trust.

The initiatives that are promised are those the Hong Kong Government should and need to do. In 1993, the Governor stated repeatedly that he would improve China-Hong Kong relations, but his action ran counter to it. Although there appears to be more sincerity and undertakings this year, they are merely post-dated cheques to be cashed only in 1996. The Government even still insists not to accept the role played by the Preliminary Working Committee (PWC) and to provide assistance only through "agreement" when the handover with the Preparatory Committee is underway in 1996. The guidelines handed down by Mrs Anson CHAN, the Chief Secretary, on 6 October created a lot of restrictions on the contact between the Branch Secretaries and the PWC. That has inevitably eroded away China's confidence in the Governor's proposals and even gives China an impression that Britain is still trying to delay deliberately the transfer of authority in the later part of the transition period, which will probably affect the administration of the Government.

Both China and Britain have common interests and shared responsibility over the issue of Hong Kong. While Britain cherishes the wish of an "honourable retreat", China has the historical task of "the return of Hong Kong to the motherland". If China and Britain can reach a compromise sincerely, it will be beneficial to all the three parties of China, Britain and Hong Kong. Otherwise, it will lead to tripartite suffering. Hong Kong people are the most innocent of all. They have no right to decide their own future. But if the Sino-British negotiations break down, the price paid by the Hong Kong people will also be the greatest.

I am against the "single-track action" proposed by the Democratic Party to the British Hong Kong Government. I also advise others not to strongly criticize the Governor and the British Government. We have to understand the mentality of Britain. We should persuade Britain to "mend the fold even after a sheep is lost", and should also assist and co-ordinate with China in taking over the sovereignty of Hong Kong and in formulating the details of "one country, two systems". As the Chinese saying goes, "A wise woman will be tactful towards her parents' family and that of her husband's", we should therefore be careful in handling matters at a critical moment like this and hope that a breakthrough can be made in the relations of China, Britain and Hong Kong.

As a Hong Kong citizen, I wish to offer the following pieces of advice:

- (1) The Governor should be sensible enough to face the fact that the various initiatives mentioned in the policy address are insufficient to resolve the basic conflicts between China and Britain. The Governor should replace his politician's mentality of "never a loser" with a diplomatic and realistic approach in getting along and co-operating with the Chinese officials. Only in this way can his future work be carried out smoothly.

- (2) Both China and Britain should, in a calm manner, discuss thoroughly those issues related to the later part of the transition period, strike a balance between them over the distribution of decision-making powers in Hong Kong affairs, and then should reach a new consensus on the specific issues of the handover, so as to facilitate a smooth transition.
- (3) Hong Kong people should not entangle themselves any further in the Sino-British question or the question of political system so as not to intensify any existing conflicts. We should devote our time and efforts to improving people's livelihood and developing the economy of Hong Kong, from which the public at large can be benefited. We can also assist in China's development with the experience and resources of Hong Kong, and thus contributing to China's progress towards the historical milestone of becoming a rich, strong and unified country.

Mr President, although the Governor's policy address is lacking in substance and foresight, its degree of transparency and sincere wish to improve China-Hong Kong relations are still worthy of our acceptance.

With these remarks, I support the Motion of Thanks to the Governor.

PRESIDENT: Mr James TO, I shall have to interrupt you in four minutes, at eight o'clock.

MR JAMES TO (in Cantonese): Mr President, ideally speaking, this policy address by the Chief Executive of the Administration should have dealt with current ills and put forward some solutions to certain long-standing problems. The policy address should also have contained some new policies which are forward looking in response to new developments.

In reading the policy address, one certainly would not set one's eyes only on new policies and new initiatives. Nevertheless, I was taken aback after I had gone through the entire policy address (I was not in Hong Kong back then), I thought that I must have read a wrong paper because the policy address did not mention any specific measures to deal with problems associated with urban redevelopment and certain security issues with that I, myself, have been very concerned.

In the two-day debate on the policy address, many Members described the policy address as "rehashing the same old stuff", a case of "deja vu" and so on. Even Mr Alfred TSO has just now also said that the policy address is "rehashing the same old stuff". I do share his views. These exquisitely printed copies of the so-called Policy Commitments are simply brief accounts of what have been doing over the past few years and such accounts are grouped under the

On-going Programme Highlights. As for the so-called New Initiatives, they are practically items under the On-going Programme Highlights, not designed to address the current ills.

A motion was passed in this Council in 1992 urging the Government to set up an inter-departmental committee to resolve and look into matters relating to urban redevelopment. Two years have lapsed and nothing has ever happened. This prompted us to put forward a motion of reproof in May this year. We held that it took too long for the Government to put an end to the plight of the old district residents and urged the Government to come up with concrete improvement proposals in three months' time (actually I would have hoped that the Government would do so "immediately"). Notwithstanding our request, it is a pity to note that this year's policy address does not carry a word on this and seems to sweep the issue of redevelopment under the carpet as if it has never existed at all.

It is only in the subsequent official briefing that the Administration revealed that it would have come to certain preliminary conclusion or formed some views by the end of the year. This is totally unacceptable. The Governor said in the policy address that the Government will provide quality public housing at reasonable rents to those who cannot afford any other types of housing. I must point out to the Government that eligible residents affected by redevelopment are hankering after rehousing in public housing estates. Their wish to be rehoused nearly drives them crazy. Many of them have been waiting for many years, from three years, five years to 10 years, but have yet to be allocated a public unit. I earnestly hope that the Government will give the relevant policy a serious review.

There is one interesting thing that is worthy of mentioning here. I received a paper entitled "Supplementary pages to the policy address" drafted by two community concern groups on urban redevelopment. The type-font used in this paper is identical to that of the policy address. Besides, its wording, paragraphing and format are entirely the same as those of the policy address. Of course, the paper cannot be attached to the policy address because it is not part of the Governor's policy address. I understand that the Government has also received the paper. I hope that the Government will care to read it. The Democratic Party supports the proposals and arguments put forward in the paper and hopes to see the proposals being implemented in the shortest possible time.

Should redevelopment only bring hardship to the affected residents, I would not hesitate to say, "I would rather see no redevelopment". My remarks may draw many criticisms, such as "throwing hindrances in the way of urban redevelopment" or "making it impossible to improve the environment". I do not wish to "throw hindrances in the way of urban redevelopment" and I do not want to see our environment get no improvement. What is more, I do not wish to be criticized as advocating a reduction in the supply of land for building new houses. However, one may, in the name of the long-term interest of the

majority, justify the move to suppress or sacrifice the interests of the minority and ask them to put up with the plight they are in. However, could their plight be eased or see an early end?

The Democratic Party has striven for in situ rehousing. It is a feasible move except that certain people's profit margin may be reduced .....

8.00 pm

PRESIDENT: It is now eight o'clock. Under Standing Order 8(2) this Council has to adjourn.

ATTORNEY GENERAL: Mr President, with your consent I move that Standing Order 8(2) should be suspended so as to allow the Council's business this evening to be concluded.

*Question on the motion proposed, put and agreed to.*

MR JAMES TO (in Cantonese): There is only one point I would like to add. Urban renewal is not simply a matter of technicality and how to improve the environment by redeveloping in the best, fastest and most effective way. I do not want to dodge the fact that indeed this also involves a question of conflicting interests. This is a conflict between the developers' interest and the Government's revenue on the one hand and the request for in situ housing by the affected residents and their rights to be protected on the other. I hope that the Government, having realized the hardship of the people, will tip the balance a bit in their favour. At the moment hundreds of thousands of the affected residents are on tenterhooks all the times. They are not sure when clearance will take place and indeed clearance may mean moving from one old district to another and waiting for yet another clearance to come. In this connection, should the Governor be unable to resolve the urban renewal issue properly before he leaves office, I believe that it will become an indelible stain in his governorship.

The Secretary for Security depicts some highlights in respect of security policy. He says that an extra 400 police officers will be put on the streets and 600 additional police officers have been recruited. Forty-five additional police officers are assigned to anti-triad activities whereas another 38 are assigned to the Police Narcotics Bureau for combating abuse of soft drug. If I were an extraterrestrial visitor, in seeing several hundred officers added here and several hundred there, I would have thought that this looks real good and the number of officers seems quite substantial. But bearing in mind the gravity of the problems, the proposed moves may not necessarily serve much practical purposes. The Government said that 600 additional police officers have been recruited. I just wonder, in view of the wastage of some very experienced

police officers, if the new recruits can really strengthen the police force. We have many new police officers and I hope that they would have high aspirations to uphold the good tradition of our force, demonstrate dedication and show bravery in their law enforcement duties. Yet we are sorry to see the wastage of some experienced police officers who have rich experience in law-enforcement duties — they know how to catch thieves and how to collect intelligence; they are able to see through the tricks of the cunning culprits. In view of the wastage of experienced police officers, does the Government have any concrete measures to retain them. The frontline police officers are concerned with matters such as staff quarters, their outfit and the future attitude of China towards the Police Force. How is the Government going to deal with these problems?

Meanwhile, a comprehensive review of police management and manpower deployment has been launched for two to three years. In this regard, the Panel on Security has been urging the Government again and again to provide some basic information for Members' and the public's deliberation so that we may put forward some informed views. We only wish to put forward our views, not seeking to participate in the decision-making process. But strange enough, after the announcement of the policy address, the Secretary for Security said that it would seek this Council's approval for appropriation of funds for proposed programmes to be implemented in the context of next year's Budget. The question is: What are the proposed programmes? Is the Government going to disclose the proposed programmes only when it seeks this Council's approval for the necessary appropriation? As a matter of fact, the proposals will affect over 20 000 police officers and clerical staff serving with the Police Force. Could the Government give the Panel on Security, Members of this Council and the public more chances to voice a piece of their mind? After all, it is an important matter to our entire community.

When commenting on matters relating to our police officers and the structure of the Police Force, we should not merely look at the number of police officers. We should also pay attention to their quality and morale and see if they are enterprising and approach their job with determination. I do not intend to heap praises on any particular police district. But of the districts that I know and am familiar with, I am obliged to praise the incumbent Sham Shui Po District Commander who has just in this post for not more than two years. He really commands my admiration. I seldom admire the police officers, then why this time? It is because under his leadership, together with the concerted efforts of the police officers in the Sham Shui Po district, some concrete operations were seen to be taken everyday. To name a few, they have cracked down on the vice establishments, combatted illegal gambling and solved blackmailing cases of the fish market. Some frontline police officers once confided to me that they were totally exhausted. Why? It is because the Commander has brought up new objectives and strategy of action everyday. The Commander would like to see them achieve the objectives and attain good results. Perhaps some may say that the police officers are working for their own career advancement, fame and fortune. However, as a Member of this Council representing Sham Shui Po, I

am pleased to see such achievements about which the people are over-joyed and take delight in talking. It is really amazing that a new Commander can enhance the efficiency of the same number of police officers by tens of times than before. I hope that the Government will take a square look at each police district and issue some sort of objective guidelines so that police officers in each district may be deployed in an effective way and mount some positive operations.

On the issue of triad societies, I understand that China adopts a united front approach towards triad members in the territory. DENG Xiaoping said in 1984 that the triads had enormous clout but not all of them were necessarily "law-breakers" and quite a number of them were good people. Last April, China's Director of Public Security commented that the Chinese Government would accept patriotic triad members who loved China and Hong Kong. He said that China would accept them and rally them, the more, the better. And they would be encouraged to engage in lawful business. Director TAO's quoted remarks have never been denied officially afterwards. This has further intensified our worries and has dealt a blow to the morale of our law enforcement officers.

It is well known that the triads are gradually spreading their influence across the border. Some have received preferential treatments in return for their politically motivated donations and become "patriotic businessmen". I hold that should the Chinese Communist Party (CCP) resolve to wage war against the triads, it could be as merciless as the way it dealt with the dissidents. When the CCP adopts the policy of appeasement to rein in the triads, it is actually doing united front work. I hope that the British Hong Kong Administration will earnestly convey this message to the Chinese Government. It would be a miserable state of affair if the days come when the police officers need to keep looking over their shoulders in their operations against the triad leaders. I believe that the police officers' morale will remain high in their fight against street level crimes after 1997. But if they find themselves in a situation where they have to keep their hands off the triad leaders, then it will be futile no matter how many organized and serious crimes Bills we have managed to enact.

Furthermore, there is one very worrying law and order issue that the policy address fails to mention, that is, problems associated with juvenile delinquency and drug abuse. The rate of juvenile crimes has risen sharply in recent years and the number of juveniles involved in drug abuse and drug trafficking cases has multiplied. I have to sound a note of warning to the Government that the number-one law and order problem at the moment is not cross-border robberies, nor the theft of luxury vehicles. The real number one problem that we must deal with cautiously and urgently is juvenile delinquency. A reporter has once challenged me to offer some solution to this problem. I made a simple reply. I asked him: In your opinion, which is more effective — doubling the manpower of police officers or to double the care parents and teachers show to the youngsters? Obviously the latter is the answer. To resolve

the problem, we could not merely expand the ranks of police officers so that a few more police officers could be deployed to maintain contact with school teachers. These are only follow-up actions and a matter of law enforcement. After all, I believe that the solution lies in genuine love and care by the parents towards their children. However, the problem is that many parents have the guilty conscience that they owe their children too much and compensate them in monetary terms and leave them to the care of Filipino domestic helpers. This is the case for the well-off people. As for the middle and lower income families, the situation may be even more deplorable. I hope that the Government will step up the family education drive. Such long-term drive cannot brook a moment's delay.

With regard to cross-border crimes, apart from strengthening the co-operation with China (this must be done), we also have to co-operate with the international community. Credit card frauds, international drug trafficking, money laundering and the latest trend of crimes — illegal sale of nuclear materials and nuclear weapons are, as a matter of fact, highlighted in some international reports. Many of these reports express concerns about Hong Kong's situation in view of the free movement of funds in and out of Hong Kong and the busy international traffic in Hong Kong. For this reason, it is necessary for Hong Kong to co-operate fully with the international community to tackle the problems.

Finally, on top of enhancing the outfit, morale and manpower of the law enforcing officers, the Democratic Party hopes that the Government will introduce an independent monitoring mechanism. We shall continue to strive for a police complaints committee independent of the police. It is hoped that the Government will give this idea a serious consideration. Although our proposal has been turned down time and again, we still hope that the Government will not shoot down the idea but show some flexibility and see if it is feasible to have an independent monitoring system, even though the Government will reinforce the role of the monitoring committee.

These are my remarks.

MR WONG WAI-YIN (in Cantonese): Mr President, according to the results of a survey conducted by the City and New Territories Administration recently, the public are most concerned about traffic congestion, which is at present also the most serious problem. Regrettably, it seems that the Governor, Mr Chris PATTEN, has completely failed to feel the pulse of the community. This problem has affected people's livelihood seriously. However, the Governor only touched on this topic lightly in his three policy addresses delivered ever since he took office. In Mr PATTEN's first policy address, not even a word was devoted to transport problem which has affected more than two million residents in the New Territories. In his second policy address, although references were made to transport problem, the suggestions for improvement .....

MR MARTIN LEE: Mr President, I think we need a quorum.

THE PRESIDENT directed the Clerk to summon Members to the Chamber.

President: Yes, we have a quorum now.

MR WONG WAI-YIN (in Cantonese): Most of the suggestions were about the new airport and did not help with solving the problem of traffic congestion in Hong Kong. As for this year's lengthy policy address which is over two million words, only two sentences are related to transport. Perhaps the Governor thinks that the Government has been doing fine in tackling transport problem; or the Governor is completely ignorant of the fact that traffic congestion has made the public suffer great losses in terms of time, vitality and money; or the Governor can hardly find a satisfactory solution. The Government has said time and again that they have been improving the situation strategically in a planned way. Yet, the situation is worsening. Take New Territories West as an example. The capacity of the Tuen Mun Highway has already reached saturation. With people gradually moving to Tin Shui Wai, population of New Territories West has increased to 700 000, thus placing an even greater strain on the Tuen Mun Highway. Traffic congestion is more than common. Besides, the use of land in the New Territories has mostly been converted illegally as parking lots for container trucks. Trunk roads in the New Territories leading outward to the urban areas are therefore occupied by heavy vehicles everyday, resulting in serious traffic congestion. There have been several occasions when serious traffic congestion was seen in Kwai Chung and Tsing Yi and for once or twice, traffic in New Territories West, New Territories South and Kowloon West was even paralyzed. Should there be torrential rain or serious traffic accidents, all we can do is to "sit idly". Therefore, we can imagine how bad the situation is.

However, it is never too late if the Government is willing to act with a view to address the problem. Regrettably, I really cannot see in this year's policy address any resolution or dedication on the part of the Government to tackle this utmost serious problem — traffic congestion.

Firstly, out of the 12 projects designed to improve the transport network as undertaken last year, only two are completed while the rest are still in progress. The so-called "New Initiatives" under the section of Transport Infrastructure in the Policy Commitments is actually no more than a repetition of the road projects undertaken previously, such as the Country Park Section of Route 3, Ting Kau Bridge and so on. If the Government acceded to our request a year ago and proceeded to construct Route 3 at its own expenses, the project would have been in progress now and could be completed one year ahead of schedule. The traffic problem of New Territories West would also be alleviated to a great extent as regards linkage with other parts of the territory. In fact,

many trunk roads in Hong Kong are in urgent need of widening or extension. To name a few, these include Castle Peak Road, roads in Hong Kong West, and the Tsing Yi Duplicate South Bridge. If the Government really wants to achieve the goal of "expanding and improving our transport infrastructure", the Government should forthwith release the timetable for these projects but not keep on procrastinating. As for the Northwest New Territories Railway and the Mass Transit Railway Tseung Kwan O line, we are happy to learn that the Tseung Kwan O line will be constructed concurrently with the Northwest New Territories Railway.

Although the Government has acceded to part of our request and extend the Northwest New Territories Railway and move the terminus from Tin Shui Wai to Tuen Mun North (Siu Hong), we think that this is inadequate. The Democratic Party will continue to strive for further extension of the Northwest New Territories Railway with the terminal station at Tuen Mun Town Centre. The most important point is that no reference has been made as to the progress of the railway in question in the policy address. The Secretary for Transport has made an undertaking that the project can be completed by 2001. If this is to be the case, the construction of the railway will have to be commenced in 1996, which is only two years from now. To our understanding, the resumption of land alone will take two years. If construction work is still not commenced at present, we are worried that the railway will not possibly be completed in the year 2001.

As for the policy on public transport, the objective of the Government is to improve the availability and quality of public transport. But from the "On-going Programme Highlights" or the so-called "New Initiatives", we fail to see any "new" commitment on the part of the Government. First, the Mass Transit Railway Corporation and the Kowloon-Canton Railway Corporation intend to spend billions of dollars to upgrade their equipment by 1996 in order to increase train frequencies and expand their capacities. These suggestions have long been made known to the public and are by no means new initiatives. Second, as we know that 80% of the population in the territory travel by public transport, the Government has the obligation to assure the public of a comfortable and reliable public transport service. Yet, the Government has not formulated any long-term and effective policy on public transport. That is, to encourage the increasingly affluent community to continue using public transport on sufficient and reasonable grounds and to encourage public transport operators to improve their services through proper competition. We hereby strongly urge the Government to strengthen the monitoring of bus operators so as to force them to improve the quality of their services. For instance, abolition of the Profit Control Scheme as enjoyed by the Kowloon Motor Bus Company Limited; bringing in proper competition while contemplating the renewal of franchise to the China Motor Bus Company Limited with a view to improve the quality of services. The Government should also formulate a long-term ferry policy to foster the development potential of ferries.

We are aware that in order to upkeep the prosperity of Hong Kong, the development of transport system must not lag behind the growth of population and regional development. In order to maintain a transport network with a free flow of traffic, the foremost objective is to improve the efficiency of the mass transit system so that the community need not rely on goods vehicles and private cars anymore and the road system may be fully utilized. In the third part of the transport policies — "traffic management" — embodied in this year's Policy Commitments, it is mentioned that the Government is going to spend hundreds of millions of dollars to improve the Area Traffic Control system as well as the traffic surveillance and information systems and so on to alleviate the adverse effects posed by traffic congestion on the environment, the economy and the quality of life. It is beyond doubt that improved traffic signalling or control system will enable drivers to be aware of the traffic conditions on roads and thus conducive to improving the efficiency of roads. But as there is no "alternative" to most trunk roads in Hong Kong, these measures are inapt to prevent traffic congestion. If the Government fails to make emergency traffic diversion arrangements in the event of traffic accidents, even though the traffic signalling system is improved, it will be of no avail in solving the congestion problem.

In the course of improving the transport system in the new towns, the Hong Kong Government shall take into account future demand on transport services seriously when formulating plans. That is, the Government should, on the basis of accurate data on demography, the growth and movement of population and a reasonable projection of urban development, devise a comprehensive layout of circular system of surface transport and railway service and arrange for an alternative to the circular systems on trunk roads and in various new towns. The Government should also provide sufficient back-up facilities in order to solve the congestion problem in different regions. The Government is to advance the development of its 200 hectares of land reserve located in Tin Shui Wai North and has emphasized that more residential units will be built. Nevertheless, no corresponding transport facilities is mentioned in the policy address. The Government's sincerity in this regard is therefore open to doubt. Will Tin Shui Wai become another black spot of traffic congestion in future?

Mr President, everyone knows how serious the congestion is at the Tuen Mun Highway. Colleagues in this Council are also scared at the mention of this problem. In fact, to the 700 000 residents of Tuen Mun and Yuen Long, congestion at the Tuen Mun Highway has become something which they have to resign themselves to helplessly. We cannot find in the policy address any specific measures to address this issue.

The Governor only reiterated the construction of the Country Park Section of Route 3 as well as Northwest New Territories Railway. Yet, these measures are slow, remedies which cannot meet our emergency. In this connection, the Democratic Party wishes to make a daring suggestion, that is, to conduct a tidal flow measure at the Tuen Mun Highway with "four lanes out,

two lanes in". We have, of course, taken into consideration the road safety aspect. We sincerely hope that the Government will study the Democratic Party's suggestions seriously and adopt necessary safety measures, such as converting the fourth lane, which is a fast lane going from Tsuen Wan to Tuen Mun, into a lane going from Tuen Mun to Tsuen Wan. This lane can also be designated as a bus only lane and the speed limit should be reduced to 50 km, just as the speed of many two-way roads in Hong Kong. Additional police officers should be deployed for patrolling so as to deter drivers from speeding. As far as we know, a certain kind of traffic channelizers made of plastics is harder in texture and can be used to divide roadways. The Democratic Party has submitted its suggestion to the working group on traffic improvement for the Yuen Long/Tuen Mun-Tsuen Wan/Kwai Ching corridor. We hope that the working group will convene a meeting as soon as possible to consider this suggestion.

Other than the above daring suggestion, the Democratic Party also suggests the implementation of short-term measures on the Tuen Mun Highway. For instance:

- (1) to set up a traffic patrol team on the Tuen Mun Highway immediately to prevent accidents caused by speeding and cutting lanes;
- (2) to enhance ferry services, such as opening a new route from Tuen Mun to Tsuen Wan;
- (3) to improve traffic arrangements and management through better road maintenance, the provision of assistance in the event of accidents and emergency traffic diversion;
- (4) to step up efforts to study the feasibility of allocating land for the purpose of building bus interchanges on trunk roads in new towns leading to the urban areas so as to minimize duplicate bus routes, thereby reducing the number of buses on roads and easing the burden on these roads; and
- (5) to step up efforts to encourage the operation of estate buses with a view to improve the efficiency of the mass transit system.

Mr President, the Governor, Mr Chris PATTEN, has undertaken that the Government is determined that Hong Kong should continue to have a transport system worthy of a first-world city. We hope that this is not merely a political slogan and the Government will earnestly take actions to honour this undertaking. I hope that the Government will cease its procrastination and draw up as soon as possible effective suggestions which fit in with the feeling of the public, and explain to the public the details of such suggestions.

Mr President, occasionally I find that some writers will express their dissatisfaction towards certain things by leaving blank the editorials of newspapers. But it is impossible to stand mute if one wants to speak. Originally, I planned to utter only the word "congestion, congestion ....." in these 15 minutes and see how many times the word can be uttered. The congestion problem especially that at Tuen Mun and Yuen Long can then be brought to the Governor's attention. But I know that putting it in such a way is pointless and not much can be achieved. For this reason, I hereby extend an invitation to the Governor on behalf of our 700 000 residents in Tuen Mun and Yuen Long for him to spare a Sunday and spend his holiday in Yuen Long and Tuen Mun and then take a bus to Government House for work on Monday just as the residents do. I believe that the Governor will be deeply impressed by just one such adventure. I do hope that the Governor can go there in person to get the full picture of the traffic congestion problem in New Territories West.

Finally, I would like to use the remaining one minute or so to express my opinion regarding the Governor's refusal to accept the report of a study on Comprehensive Social Security Assistance Scheme conducted by Dr MacPHERSON of the City Polytechnic. I am extremely dissatisfied with the Governor in this regard. It is really very disappointing for the Governor to refuse to increase the public assistance payment at a time when our economy is sound and the community is affluent. The elderly have in fact contributed a lot to the present prosperity of Hong Kong so they should be cared for by society. The Governor has also said that this is at the top of the social priorities. Although many measures pertaining to social service were mentioned in the policy address, if the elderly cannot afford even the basic living expenses, will they visit the social centres? Will they enjoy other services? In this connection, the Democratic Party sincerely hopes that the Governor will come to realize the mistakes made in the past and what he should do now is to summon up his nerve to accept the recommendations contained in Dr MacPHERSON's report and improve the quality of living of those elderly who are currently receiving public assistance payment. This is also our last request.

Thank you, Mr President.

DR YEUNG SUM (in Cantonese): Mr President, during this two-day policy debate, my colleagues from the Democratic Party have given their general comments on various aspects of the policy address. I will, on behalf of the Democratic Party, make some concluding remarks in respect of the address and reiterate our major appeals to the Administration regarding the implementation of government policies.

My speech is divided into three parts. I would like to respond to "accountability" and "commitments" which were mentioned by the Governor in his policy address. The first part of my speech will focus on "accountability", which mainly refers to the relationship between the Administration and the legislature. The second part will focus on "commitments", and proposals will

be made on retirement protection and services for the elderly which are of much concern to the public. The third part will centre on Sino-British co-operation and the Preliminary Working Committee (PWC).

Let me start with the first part, the relationship between the Administration and the legislature. Mr President, in the Governor's policy address, it is emphasized that the Hong Kong Government is an accountable government which is having a constructive partnership with the legislature in the way that "the administration proposes and the legislature disposes". Of course, we hope that this ideal can be attained. After all, we, in the legislature, have no intention to make things difficult for the Government. We do share the mutual goal of serving the community.

Yet the reality makes us doubt whether this ideal has been attained. I would like to elaborate from several aspects.

Firstly, let us look at how motions passed by the Legislative Council are being dealt with. Undeniably, the Government seems to have adopted a more positive attitude towards the motions carried this year. At least, the Government will give us some responses, take follow-up actions and submit reports regularly. However, upon close examination, one will find that a number of the reports submitted merely reiterate some measures that have already been implemented by some executive departments or merely repeat the Government's old objection. In fact, the Government still shut its ears to quite a number of motions. For instance, last year's motions on "Employee compensation", "Setting up of an independent commission on Civil Service pay rise", "Increase of the standard rates under the Comprehensive Social Security Assistance", "Re-consultation of the public's views on the consultation paper, Towards Better Health" and "Cancellation of the agreement in interest rates for current, savings and fixed deposits" have all met with opposition from the Government at meetings or in its reports. If not, the Government would simply do something as a gesture to round out the matter. This reflects that the Government is still highly resistant to public opinions. Is that the so-called partnership of the Administration being accountable to the legislature?

Secondly, I would like to talk about the issue of an open government. The Governor has declared in public that he is open-minded and that he endeavours to set up an open government. But the reality is even the legislators and various panels frequently press for information for study or reference, the Government is still employing a stalling tactic. An obvious example is a report concerning the review of the structure and establishment of the Police Force. Even though the report has been completed and some of its recommendations have been implemented, the legislators have only been provided with a few pages of information. The Government has also once refused to provide information on policy files and indexes. On many occasions, the Government spends public money on a lot of investigations and study reports. If the legislators do not have the relevant files and indexes, they may not know whether these documents do

exist at all, then how can we acquire enough information to monitor the Government?

The most important event this year is the exercise by the Governor of his autocratic executive power in spite of the lack of the people's support to disallow the study and discussion of major Bills by the Legislative Council. I believe no one will forget that the Governor has applied the Letters Patent to veto an amendment Bill on rates moved by three political parties as well as other Members in this Council. This eventually led to condemnation of the Governor by this Council. Apart from this incident, the Governor, again, formally disallowed a Private Member's Bill on the establishment of a Human Rights Commission proposed by Ms Anina WU this month.

In view of the above facts, how can one believe that it is the Administration which proposes and it is the Legislative Council which disposes? How can one believe that the executive departments are seriously accountable to the legislature rather than exercising colonial autocracy under the pretext of an executive-led government?

The second part is concerned with services for the elderly and retirement protection. Let us look at the services for the elderly first. Although the issue of such services has been accorded high priority over the past two years, what have been achieved so far are miserable. One wonders whether an accountable government should have such performance when most of the commitments made in the previous year concerning services for the elderly remain unfulfilled. The Democratic Party thinks that the focus of services for the elderly should be on community support services. My proposals in this regard are as follows:

Resources should be actively deployed to expand the services for the elderly. But first and foremost, we need the implementation by a responsible department. As provision of this kind of services involves other policy branches such as Housing, Lands and Works, it is very important for us to have an executive body to co-ordinate and deploy the resources of these policy branches, otherwise, the commitments will turn into castles in the air as the present situation is. The Government has taken the first correct step by proposing the establishment of an Elderly Services Division under the Health and Welfare Branch to act as a central co-ordinating unit. Nevertheless, the Government must ensure that the terms of reference and operation of the new Division can achieve the objectives of deploying and co-ordinating the resources as mentioned above. Care for the elderly can be divided into two aspects. The first aspect is concerned with the provision of services by residential institutions, nursing homes, care-and-attention homes and day care centres. The second aspect is concerned with supporting community services for the elderly. At present, the provision of residential services still lags behind the demand. A lot of promises made in the Policy Commitments are yet to be fulfilled. For instance, although this year's target has been reached, the Government expressed that it still could not guarantee that the problem of shortage could be solved by

1997. In other words, the problem of shortage of services for the elderly will continue to exist in 1997.

Similarly, it is doubtful whether shortage of places in care and attention homes can be solved by 1996-97 as forecasted by the Five-year Plan on Social Welfare in 1993-94.

According to the Census and Statistics Department's population projection, the population of old people will increase from 790 000 in 1993 to 890 000 over the next five years. Facing the growing number of elderly people coupled with unfulfilled commitments, the Government must adopt a more positive attitude and put forward practical solutions.

Community support for the elderly is also disappointing. It is important to note that the provision of better community support for the elderly will alleviate their demand for residential services. Last year, the Governor highlighted the importance of care in the family in his policy address, but regrettably, no progress has been made so far.

We strongly urge the Government to consider the following suggestions regarding community support services and provision of assistance to families which have to take care of an elderly relative:

- (1) Expansion of the outreaching service for the elderly: According to the findings of a completed review on an experimental project undertaken by two outreaching elderly service teams, the project was a successful one. But why does the Government not increase the number of teams? As far as I know, the Working Group on Care for the Elderly has recommended the formation of integrated outreaching teams to provide outreaching service for elderly street sleepers. Nevertheless, this recommendation has not been mentioned in the Policy Commitments.
- (2) Provision of additional support to families which have to take care of an elderly relative: Such supporting services should not be confined to home help and medical teams. Psychological counselling and more resources to subvented organizations should also be provided to help set up mutual help groups and the support networks so that members of these families can enlist more support and share their experiences.
- (3) Improvement of the way by which primary health care is provided to the elderly: Although the Government promised last year to provide health care and assessment services to those non-hospitalized elderly sick people through specialist medical teams, the scope of these services is still very limited. The Democratic Party suggests that the Government should actively consider incorporating health care for the elderly into primary health care

provided for the community and operate the health care service in a way similar to the running of the student health scheme. In so doing, the elderly will be provided with health care and physical examination services whenever they want. Such preventive measure will help alleviate the demand for nursing facilities provided by residential institutions.

Besides community support, retirement protection is another important issue in relation to caring for the elderly. The Governor reiterated in his policy address that he would not re-consider the introduction of a Central Provident Fund (CPF). In response to the Governor's decision, the Democratic Party has expressed its deep dissatisfaction and regret. We, in principle, support the Old Age Pension Scheme (OPS) currently proposed by the Government although there are numerous loopholes in it. If the CPF can be provided in parallel with the OPS, we believe the loopholes can be remedied and retirement protection be better provided.

The OPS currently proposed by the Government has the merit that it can provide immediate income protection to the elderly for the next 10 to 20 years. However, as the proposed amounts are only linked to inflation, the relative value of the pension the elderly get 20 years later will lag far behind the cost of living at that time. On the other hand, though the CPF cannot provide immediate assistance to the elderly in the next 10 or 20 years, the protection it renders after 20 years to those who have worked before will complement and exceed the level of protection offered by the OPS, thus enabling the two systems to supplement each other.

From the standpoint of protection for the public, the OPS can be regarded as the first line of security which ensures the protection of basic living for all the elderly people. The CPF can be regarded as the second line of security for those old people who have worked in the past to get better protection after their retirement.

From the standpoint of the commitment of society as a whole, the OPS will raise funding through a contributory scheme to relieve the Government of the increasingly heavy burden of providing welfare for the elderly and solve the problem of financial overburden caused by the commitment made out of the general expenditure. However, it still cannot solve the problem of making social commitment due to our aging population. The CPF, on the other hand, will be consistent with the principle of providing for a rainy day and will alleviate our future social commitment in the face of increasing needs of the elderly.

The above analysis shows that the simultaneous implementation of the OPS and the CPF will be the best way to straddle 1997 as far as caring for the elderly is concerned. The Democratic Party is prepared to propose a Private Member's Bill regarding this issue and to consult the public on the outline of this plan in early 1995.

The third part is concerned with Sino-British co-operation and the PWC. Sino-British co-operation is mentioned again in the Governor's policy address. Nowadays the public at large share the earnest hope that the Chinese and British Governments will work together to solve the problems arise at the final stage of transition which concern people's livelihood, the economy and infrastructure. It is the Democratic Party's view that Sino-British co-operation is a commitment by the two Governments to the people of Hong Kong when they signed the Joint Declaration. It is a task to be accomplished by both parties. Besides, it has been stated clearly that mutual co-operation and communication should be undertaken through the Joint Liaison Group (JLG). The Democratic Party, therefore, hopes that the two Governments can speed up the work of the JLG and solve, as soon as possible, all issues involving the transfer of sovereignty at the final stage of transition. The Chinese and British Governments should note that the work of the JLG is a mutual commitment and responsibility. They have no choice at all.

In the policy debate yesterday, a number of Members touched upon the issue of co-operation with the PWC. The Democratic Party would like to reiterate that Sino-British co-operation must be consistent with the Joint Declaration and the Basic Law. The PWC, which is a premature organization intended as the second stove for the Chinese side, is virtually lacking recognition or representativeness. It is merely used as a tool of struggle with the British Hong Kong Government. We consider that both the Chinese and British sides should act according to the Joint Declaration. They should not change or break their promises arbitrarily for the sake of struggle.

Since the PWC was set up, nearly all their discussions are against public opinions and the will of the people. It seems that the PWC is trying to throw the world into disorder. The PWC's attitude has attracted censure from other Members from the Democratic Party and I am not going to repeat what they have said. The comments made by the PWC have indeed undermined the confidence of the Hong Kong people in "one country, two systems" and "a high degree of autonomy".

We have less than three years to go before the return of Hong Kong's sovereignty to China. The people of Hong Kong, who have experienced a lot of ups and downs since 1984, find that the future of having "one country, two systems" and "a high degree of autonomy" remains blurred. The reason is that both the Chinese and British Governments lack trust in the people of Hong Kong. The will of the Hong Kong people has never been respected, no matter it was during the honeymoon period between the two sides or the present confrontational period. Owing to the lack of trust, how can we expect to see the goal of "one country, two systems" and "a high degree of autonomy" to be realized one day?

However, nothing will let us down. Even if our hopes are gradually fading away and the promises unfulfilled, we shall face the reality with a stronger conviction and pursue our cause with concrete action.

Mr President, I have made the above concluding remarks on behalf of the Democratic Party. Incidentally, I would like to point out that the efforts made by the Government in preparing the Policy Commitments and the Progress Report are unprecedented. In so doing, the Government has enhanced its transparency. I believe the government officials have made a lot of efforts in preparing these reports. We, as representatives of the people, are responsible for monitoring the Government. We hope the Government will understand that we criticize because we are playing a different role and are having different responsibilities.

Mr President, I so submit.

CHIEF SECRETARY: Mr President, I move that the debate on this motion be adjourned.

*Question on the adjournment proposed, put and agreed to.*

#### **ADJOURNMENT AND NEXT SITTING**

PRESIDENT: In accordance with Standing Orders I now adjourn the Council until 2.30 pm on Wednesday, 26 October 1994.

*Adjourned accordingly at twenty minutes to Nine o'clock.*

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