

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 10 May 2000

The Council met at half-past Two o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE MRS RITA FAN, G.B.S., J.P.

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

THE HONOURABLE JAMES TIEN PEI-CHUN, J.P.

THE HONOURABLE DAVID CHU YU-LIN

THE HONOURABLE HO SAI-CHU, S.B.S., J.P.

THE HONOURABLE CYD HO SAU-LAN

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

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE MICHAEL HO MUN-KA

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

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LEE CHEUK-YAN

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

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

THE HONOURABLE LEE KAI-MING, S.B.S., J.P.

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

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

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

THE HONOURABLE NG LEUNG-SING

PROF THE HONOURABLE NG CHING-FAI

THE HONOURABLE MARGARET NG

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

THE HONOURABLE RONALD ARCULLI, J.P.

THE HONOURABLE MA FUNG-KWOK

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE HUI CHEUNG-CHING

THE HONOURABLE CHRISTINE LOH

THE HONOURABLE CHAN KWOK-KEUNG

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE CHAN WING-CHAN

THE HONOURABLE CHAN KAM-LAM

DR THE HONOURABLE LEONG CHE-HUNG, J.P.

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

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE GARY CHENG KAI-NAM, J.P.

THE HONOURABLE SIN CHUNG-KAI

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

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE WONG YUNG-KAN

THE HONOURABLE JASPER TSANG YOK-SING, J.P.

THE HONOURABLE HOWARD YOUNG, J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH

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

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

THE HONOURABLE AMBROSE LAU HON-CHUEN, J.P.

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

THE HONOURABLE CHOY SO-YUK

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE SZETO WAH

THE HONOURABLE LAW CHI-KWONG, J.P.

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

THE HONOURABLE FUNG CHI-KIN

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

MEMBERS ABSENT:

THE HONOURABLE BERNARD CHAN

THE HONOURABLE YEUNG YIU-CHUNG

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

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE MRS ANSON CHAN, G.B.M., J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

MR RAFAEL HUI SI-YAN, G.B.S., J.P.
THE FINANCIAL SECRETARY

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

MR CHAU TAK-HAY, J.P.
SECRETARY FOR TRADE AND INDUSTRY

MR JOSEPH WONG WING-PING, G.B.S., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

MISS DENISE YUE CHUNG-YEE, J.P.
SECRETARY FOR THE TREASURY

MRS LILY YAM KWAN PUI-YING, J.P.
SECRETARY FOR THE ENVIRONMENT AND FOOD

DR YEOH ENG-KIONG, J.P.
SECRETARY FOR HEALTH AND WELFARE

MRS REGINA IP LAU SUK-YEE, J.P.
SECRETARY FOR SECURITY

MR CLEMENT MAK CHING-HUNG, J.P.
SECRETARY FOR CONSTITUTIONAL AFFAIRS

MR STEPHEN FREDERICK FISHER
SECRETARY FOR PLANNING AND LANDS

CLERKS IN ATTENDANCE:

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

MR LAW KAM-SANG, J.P., DEPUTY SECRETARY GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

TABLING OF PAPERS

The following papers were laid on the table pursuant to Rule 21(2) of the Rules of Procedure:

Subsidiary Legislation/Instruments	<i>L.N. No.</i>
Rules of the High Court (Amendment) Rules 2000.....	129/2000
Factories and Industrial Undertakings (Confined Spaces) Regulation (L.N. 18 of 1999) (Commencement) Notice 2000	130/2000
Factories and Industrial Undertakings (Safety Management) Regulation (Cap. 59 Sub. Leg.) (Commencement) Notice 2000	131/2000
Electricity Supply Lines (Protection) Regulation (L.N. 96 of 2000) (Commencement) Notice 2000	132/2000

Other Papers

- No. 97 — Traffic Accident Victims Assistance Fund
Annual Report by the Director of Social Welfare
Incorporated for the year from 1 April 1998 to 31 March
1999
- No. 98 — The Government Minute in response to the Report
No. 33 of the Public Accounts Committee dated February
2000

ADDRESS

PRESIDENT (in Cantonese): Address. The Chief Secretary for Administration will address this Council on the Government Minute in response to the Report No. 33 of the Public Accounts Committee dated February 2000.

The Government Minute in response to the Report No. 33 of the Public Accounts Committee dated February 2000

CHIEF SECRETARY FOR ADMINISTRATION: Madam President, laid on the table today is the Government Minute responding to Report No. 33 of the Public Accounts Committee (PAC). This Minute sets out the measures the Government has taken on the conclusions and recommendations contained in the Report.

The PAC has selected for detailed study seven of the 12 subjects investigated by the Director of Audit in his Value For Money Report No. 33. The PAC's conclusions and recommendations on four of them are contained in the PAC's Report No. 33. The PAC also completed its deliberations and published its conclusions and recommendations on the remaining three subjects in its Report No. 33B tabled in this Council on 12 April. The Administration will respond separately on the latter report before this Council rises in July. For the other five subjects not selected for detailed study by the PAC, the relevant bureaux and departments will follow up the Director of Audit's recommendations and make regular progress reports. Through this reporting system, every recommendation to improve the use of public resources brought to the Administration's attention will be vigorously pursued.

The Honourable Eric LI, Chairman of the PAC, spoke in this Council on 16 February when tabling the PAC's Report No. 33. He commented at some length on each of the four subjects. I would like to respond to them in turn.

The Administration attaches great importance to improving the administration of sale of land by tender. To prevent losses arising from default by successful tenderers for Private Sector Participation Scheme (PSPS) projects, the Lands Department has amended the relevant standard Tender Notice. The successful tenderer must now submit a bank guarantee or a written parent or associated company guarantee to the Lands Department within 14 days from the award of the tender. The Director of Lands has issued internal instructions to remind his staff to strictly enforce the Tender Notice requirements.

The Department has also responded positively to the suggestion of the PAC that the relevant parties should be consulted on the need to impose additional requirements in all land sale tenders. These may take the form of requiring prospective tenderers to provide evidence of their ability to discharge obligations under the Conditions of Sale and successful bidders to procure a bank, parent or associated company guarantee. The Lands Department is conducting the necessary consultations which will last until the end of this month.

Land is a valuable asset in Hong Kong and an important source of government revenue. We will draw on the experience from the land sale cases examined in the PAC's Report No. 33 and take into account the outcome of consultations to improve continuously the land sale procedures.

We welcome the PAC's useful comments on the administration of allowances in the Civil Service. These are most timely as the Administration is embarking on reviews of our fringe benefits and job-related allowances under the civil service reform. In all our endeavours, I believe that the Administration and the PAC share a common goal, and that is, payment of various allowances and benefits with public funds must always be justified.

We have detailed in the Government Minute the action taken in respect of individual allowances examined by the PAC. I do not wish to dwell on those, except to make a few general points.

First, we acknowledge the need to review and update regularly allowances both as part of the fringe benefits and on job related cases to ensure that they remain appropriate in the light of changing circumstances. However, in so doing, we have to recognize that fringe benefits are provided to officers as part of their conditions of service. We believe that as a responsible employer, we should not alter such benefits unilaterally. Where practicable, we do offer the changes to serving officers as an option. Our policy has so far contributed to the morale and stability of the Civil Service. Nevertheless, we will continue to consider carefully whether this "non-deprivation of existing benefits" rule should be applied in each case.

Secondly, we have always followed established procedures in consulting staff on any proposed changes to fringe benefits and allowances, with a high level of transparency. We have to ensure that in finalizing our policy changes, we are striking the right balance between the legitimate interests of the staff side and public interest. I am pleased to note that Members generally support the approach we have adopted and acknowledge the importance of staff consultation in abolishing outmoded allowances. We will continue with this long-standing practice. Like PAC members, I am hopeful that the staff side will act reasonably and positively towards the Administration's proposals.

Thirdly, the review of existing benefits and allowances could not be driven solely by cost savings. To safeguard the quality of public service, the Administration has a duty to ensure that the revised benefits are more akin to private sector practice and at the same time are attractive enough to recruit and maintain officers of suitable calibre in the Civil Service.

Much work lies ahead in reforming the Civil Service to meet new challenges. We will keep this Council informed of the progress.

The Administration's policy on management of on-street parking spaces and parking facilities is clear. The eventual aim is to extend metering to all on-street parking spaces in urban areas and new towns. The Transport Department has been installing parking meters in urban areas and new towns under a five-year rolling programme. It is planning to install some 3 300 new parking meters in the coming three years and to extend another 3 000 existing meters to operate on Sundays and public holidays this year. In the process, it will take into account the views of the local community.

New technologies have opened up possibilities in the transport field. the Transport Department has since March been conducting trials to extend the e-park system to smart cards. It is also conducting trials and will continue to search for new technologies to address the operational and enforcement problems of charging on-street motorcycle parking spaces.

The Administration is pleased to note that the PAC supports in principle the park-and-ride facilities. We have carefully reviewed the trial scheme at Sheung Shui. It has met the traffic management objective of reducing the number of car trips and parking demand in the urban areas. We have therefore included the provision of such facilities as a planning parameter in new railway projects. The Kowloon-Canton Railway Corporation has submitted proposals to incorporate park-and-ride facilities in five stations along the West Rail and the Ma On Shan Rail. It is worth noting that the proposed park-and-ride facilities will not affect the development potential of the station sites.

The Administration is committed to improving the management of on-street parking spaces and parking facilities. We will continue to explore ways to enhance the efficiency of our management of parking facilities using the latest technology and learning from the best practices overseas.

As regards the use of more energy efficient air-conditioning systems, we are taking active steps to promote and facilitate the wider use of water-cooled air conditioning systems (WACS) in Hong Kong, both on a short-term and a long-term basis. We will also step up monitoring of the operation and maintenance of existing cooling towers to ensure public safety.

In order to proceed with full-scale implementation of WACS in Hong Kong, we need to address carefully a number of concerns and constraints. For example, we need to examine in detail the environmental, regulatory, financial, infrastructural, land administration and Legionnaires' Disease issues. We also need to formulate a master development plan for a phased implementation of WACS in Hong Kong and to establish the necessary controls to safeguard public health. We shall deal with these according to a timetable as detailed in the Government Minute. We shall, of course, keep Members informed of our progress.

I wish to express my sincere thanks to the Chairman and members of the PAC for their valuable work and sound advice. The Administration will continue to work in partnership with the PAC in a positive and constructive spirit. Thank you, Madam President.

ORAL ANSWERS TO QUESTIONS

PRESIDENT (in Cantonese): Questions. First Question.

Use of Less-polluting Vehicle Fuels

1. **MR MARTIN LEE** (in Cantonese): *Madam President, I am really flattered because no sooner had I raised this question than the Government under the leadership of the Chief Executive answered it in high profile yesterday*

PRESIDENT (in Cantonese): Mr Martin LEE, please raise your main question in accordance with the Rules of Procedure. *(Laughter)*

MR MARTIN LEE (in Cantonese): *Madam President, regarding the use of less-polluting vehicle fuels to reduce air pollution in Hong Kong, will the Government inform this Council:*

- (a) *of its specific plans to promote the switch to ultra-low sulphur diesel by diesel vehicle owners;*

- (b) *of the progress of the discussion with the mainland authorities on unifying the specifications for diesel fuels used in Hong Kong and the Mainland; and*
- (c) *apart from the introduction of liquefied petroleum gas taxis and minibuses, of the progress of the study on the introduction of less-polluting vehicle fuels, and the proposed target dates for their introduction?*

SECRETARY FOR THE ENVIRONMENT AND FOOD: Madam President, as I informed the Honourable Martin LEE informally just before this meeting, rather than the Administration pre-empting his question on ultra-low sulphur diesel (ULSD), it could be that he was too late in raising this question. I first mentioned the possibility of giving some incentives for the widespread use of ULSD in mid-April. Thus, what I announced yesterday was not anything new.

My answer to the specific question raised by Mr LEE is as follows:

- (a) With regard to the first part of the question, the Government will take the lead in using ULSD. About 100 government diesel vehicles will begin using it in July. Our objective is for all 2 200 diesel vehicles in the government fleet to switch over to ULSD by the end of the year.

I understand that the franchised bus companies also support the use of ULSD. The Administration will be asking them to follow the Government's lead in switching to this cleaner fuel.

To provide an incentive for diesel vehicles to switch to ULSD — and therefore, to create a demand that stimulates suppliers to ensure steady provision of sufficient quantities of this cleaner fuel — the Government intends to create a differential duty rate between standard diesel and ULSD so that the latter can be sold at a competitive price compared with standard diesel.

- (b) With regard to the second part of the question concerning discussions with the Guangdong authorities on fuel standards, a proposal for adopting similar fuel standards in Guangdong and Hong Kong was made at a meeting of the Hong Kong - Guangdong Environmental Protection Liaison Group last year. It was later decided that a sub-group be set up to study the issues involved, under the new "Joint Working Group on Sustainable Development and Environmental Protection" announced in the policy address last year.
- (c) With regard to the third part of the question concerning the introduction of less-polluting vehicle fuels apart from liquefied petroleum gas (LPG), I have in the first part of my reply referred to the introduction of ULSD. The specification for petrol was tightened on 1 April to reduce benzene levels, and we will continue to introduce measures to ensure that the cleanest possible conventional fuels are used in Hong Kong, together with engine standards that can make most efficient and least polluting use of these fuels.

In addition, we have already been giving support to the introduction of pure electric vehicles through waiver of First Registration Tax. While progress so far in developing commercially viable electric vehicles has been slow, we continue to encourage new experiments in this field. In the forthcoming trial of cleaner alternative public light buses, five electric vehicles will be used alongside LPG vehicles under normal operating conditions.

A study into implementation issues for electric trolley bus systems is underway and should be completed before the end of this year. One of the bus companies is preparing for a trial of such a system.

Some hybrid engined private cars are likely to be available on the market next year. Both Towngas and China Light and Power Company Limited are considering trials of natural gas vehicles and we have been encouraging these trials.

We have been taking a close interest in the development of fuel cell technology. While commercial production is still several years away, we are working on trying to bring some of the latest advances in fuel cell vehicles to Hong Kong for trials.

MR MARTIN LEE (in Cantonese): *Madam President, since few Southeast Asian countries are currently using ULSD, the fuels have to be imported from the West and thus adding to the costs concerned. Could the Secretary inform this Council whether the Government has discussed with the relevant mainland authorities the feasibility of setting up ULSD production plants in the Mainland, with a view to lowering the fuel costs on the one hand, and unifying the specifications for diesel fuels used in Hong Kong and the Mainland on the other? If no discussions have been held in this connection, will the Government consider doing so in the future?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, it is true that ULSD is currently produced in Europe only. So far we have not discussed with the relevant mainland authorities the possibility of refining ULSD in the Mainland, but we will look into the feasibility of the Honourable Member's suggestion.

PRESIDENT (in Cantonese): Honourable Members, since more than a dozen Members have indicated their wish to raise supplementary questions, would Members please keep their supplementaries succinct so that more Members can raise theirs.

MISS CHRISTINE LOH: *Madam President, it has been covered by the media that the Secretary is planning a trip to Guangdong Province in the very near future. In response to part (b) of the question, can the Secretary inform us that during the forthcoming trip to China, whether this issue is actually on the agenda and what else is she going to do when she is there?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese):

Madam President, I will set off for Guangzhou tomorrow morning to visit the newly appointed Director of the Guangdong Province Environmental Protection Agency. Since this is meant to be a courtesy call paid on the Director who has just assumed office, there is no special or formal agenda. Nevertheless, I do hope to work out with the Guangdong authorities during the visit when we could promptly commence work under the Joint Working Group on Sustainable Development and Environmental Protection announced by the Chief Executive in his policy address last year.

MR EDWARD HO (in Cantonese): *Madam President, in part (a) of the main reply, the Secretary has referred to demand that "stimulates suppliers to ensure steady provision of sufficient quantities of this cleaner fuel". The supplementary I should like to raise is: When does the Government think there could be steady provision of sufficient quantities of this cleaner fuel?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese):

Madam President, since we disclosed our intention to promote the switch to ULSD, several oil companies have indicated that they could supply this cleaner fuel. One of these companies said that if the Government undertook to create a differential duty rate, it would be able to supply the fuel in a few months' time. However, it should be noted that the Government does not wish to have only one oil company supplying ULSD. For this reason, we will also be negotiating with other oil companies that have indicated their capacity for supplying ULSD. I expect we could achieve considerable progress in this respect towards the end of the year.

DR DAVID LI: *Madam President, will the Government consider introducing legislation to increase the fines substantially for people operating smoky vehicles in order to achieve deterrent effect?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, actually the strategy to improve air quality comprises three very important elements, one of which is to ensure the proper servicing of vehicles by educating and inducing vehicle owners and drivers on the one hand and stepping up law enforcement on the other. If vehicle owners do not have their vehicles properly serviced, undue pollution will still be resulted however environmentally friendly the diesel fuels and the engines are.

With regard to the problem of smoky vehicles, we have already submitted a proposal to this Council to increase the fixed penalty for smoke emission to \$1,000. As I said yesterday, we have also noted the proposals put forward by the All-Party Coalition of the Council in relation to the measures to tackle second and repeated offenders. One of the first and foremost task of the newly established inter-departmental task group is to work out a most effective way to punish people operating vehicles which have been found emitting excessive smoke again or repeatedly.

MR DAVID CHU (in Cantonese): *Madam President, could the Secretary inform this Council whether the Government would consider using bio-diesel?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, the Government has considered using bio-diesel before. As I have pointed out many times, we will actively look into any measures that are environmentally friendly and feasible. It is true that bio-diesel could help to reduce the level of suspended particulates emission. However, if pure bio-diesel is used, it will give rise to yet another problem, which is the emission of nitrogen oxide. As Honourable Members are aware, nitrogen oxide is second to suspended particulates as a major health hazard. Moreover, bio-diesel is a very expensive kind of fuel the price of which is approximately three times higher than that of standard diesel. That is why bio-diesel is normally used together with standard diesel in countries overseas. But most importantly, the ULSD we are now making an effort to promote is more effective than bio-diesel in reducing the suspended particulates emission level.

MR RONALD ARCULLI: *Madam President, of course, we welcome the move set out in part (b) of the main reply concerning discussions with the Guangdong authorities in this particular area. However, as we all know, there is a difference in fuel prices in Guangdong Province and in Hong Kong. I just wonder how the price of the new ULSD would compare with the prices of diesel fuels from our neighbours?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I believe there is a vast difference in not only fuel prices but also the prices for many other products and services between Hong Kong and Guangdong Province. As regards the prices of fuels, and particularly that of diesel in Guangdong Province, I am afraid I do not have any information on that at hand. However, for Members' reference, according to the information provided by an oil company, the pump price for a litre of ULSD in Hong Kong is some \$0.8 more expensive, compared to the price of standard diesel. That is also the reason why we intend to create a differential duty rate as an incentive to encourage owners of diesel vehicles to switch to ULSD.

DR LUI MING-WAH (in Cantonese): *Madam President, may I ask the Secretary whether the Government has assessed how effectively the air pollution problem in Hong Kong could be mitigated upon implementation of all these measures?*

PRESIDENT (in Cantonese): Dr LUI Ming-wah, your supplementary appears to be hypothetical. Do you wish to answer that, Secretary?

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, if we implement only the measures announced in the policy address last year, by 2003 we should be able to reduce the total amount of suspended particulates by 60%. If we take one step further and implement also the measures introduced by me yesterday, by then we should be able to cut down total suspended particulates by 70%. So, there is a difference of 10%.

On the other hand, with regard to nitrogen oxide reduction, the difference in effect is not so obvious. If we implement only the measures announced in the

policy address last year, by 2003 the total amount of nitrogen oxide in air would decrease by 13% to 15%; if the measures introduced yesterday are also implemented, there will be 19% less nitrogen oxide by the same year. Given the various problems confronting us, I believe any measures that could help to improve the air quality more effectively and more expeditiously are worthy of consideration.

MRS MIRIAM LAU (in Cantonese): *Madam President, with regard to part (c) of the main question, I believe the Government would also agree that LPG, which produce no suspended particulates and only a very limited amount of nitrogen oxide, is more environmentally friendly compared to diesel or petroleum. In addition to taxis and minibuses, there are also 73 000 light goods vehicles in Hong Kong currently.*

PRESIDENT (in Cantonese): Mrs Miriam LAU, what is your supplementary question?

MRS MIRIAM LAU (in Cantonese): *Madam President, given that certain models of LPG light goods vehicles are available in countries overseas, would the Government consider allowing light goods vehicle owners to immediately switch to LPG provided they could find the right model of light goods vehicles? If the Government's answer is in the negative, may I know the reason why?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, one of the major task of the newly established task group is to work out ways to tackle the 70 000-odd light goods vehicles referred to by the Honourable Mrs Miriam LAU just now. With regard to the switch to LPG fuel, the question remains whether we can provide enough LPG filling stations. As we all know, our priority target at present is to provide enough LPG filling stations for 18 000 LPG taxis. Besides, we must also look after the need of the LPG minibuses which will be used on a trial basis starting next month. If the results of this trial scheme should be satisfactory, we would need to provide enough LPG filling facilities for these some 6 000 LPG minibuses as well. However, if more than 70 000 LPG light goods vehicles should also switch to LPG, I am afraid we will certainly have problem providing enough LPG filling

stations to meet their needs. The crux of the problem lies in the safety requirement of LPG to which we attach great importance. Since safety is our prime consideration, the provision of LPG filling stations is very much unlike that of ordinary petrol filling stations, in which case stations can be provided anywhere so long as the location is suitable. Out of safety considerations, we must bear in mind that in addition to 18 000 LPG taxis, we will have 6 000 minibuses using the same kind of fuel if the LPG minibuses trial scheme should be successful. If on top of all these the 70 000-odd light goods vehicles in Hong Kong should also switch to LPG as well, we would need to examine very carefully whether this would lead to any safety problems.

We do not rule out any possibility in considering ways to deal with these light goods vehicles. In this connection, I hope that Honourable Members, relevant professionals and members of the industry could put forward their suggestions to our task group. We will certainly take them into serious consideration.

PRESIDENT (in Cantonese): We have spent more than 21 minutes on this question, I can only allow one last supplementary to be raised even though we still have some 10 Members waiting in line.

MR LAW CHI-KWONG (in Cantonese): *Madam President, with regard to part (a) of the main question, there are many vehicles like some older types of goods vehicles which use a considerable amount of diesel but cannot switch to ULSD. Could the Secretary inform this Council whether the Government has in place any measures to help or encourage the relevant owners to replace their vehicles as soon as possible, with a view to preventing them from using more illegal marked oil upon the introduction of ULSD?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, according to the expert information I have obtained, actually all types of diesel vehicles can switch to ULSD. However, the Honourable LAW Chi-kwong has pointed out a problem which we are now faced with and must be resolved, and that is, the environmental impact of some older types of goods vehicles. In this connection, consideration will be given to — please note that consideration will certainly be given, for we are not merely paying lip

service — introducing measures to encourage vehicle owners to switch as soon as possible to vehicles which use cleaner fuels, or to vehicles of newer models if such vehicles are not available. This is an incentive measure. On the other hand, I believe Members would also agree that in order to resolve the air pollution problem, we need both the stick and the carrot. Hence, we will also introduce measures to enable vehicle owners to understand that it is not cost-effective to continue using their vehicles of older types. So, we will give vehicle owners incentives to switch to new vehicles and at the same time employ other measures to make them replace their old vehicles promptly.

Actions Taken to Reduce Injuries and Deaths of Children

2. **DR LEONG CHE-HUNG** (in Cantonese): *Madam President, the Public Health Report No. 3 on Viral Hepatitis and Liver Cancer and Unintentional Injuries in Children published by the Department of Health (DH) in 1998 contained 27 recommendations on actions that should be taken to reduce injuries and deaths of children. In this connection, will the Government inform this Council:*

- (a) *of the actions taken and tasks achieved in respect of each of the recommendations; and*
- (b) *of the annual reduced figures since 1998 in respect of each of the following aspects, namely, childhood deaths from unintentional injuries, childhood deaths caused by motor vehicle crashes, reported childhood road casualties and deaths from falls, and how they compare to the relevant baseline figures set in the Report for these aspects over the period 1990-95?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President,

- (a) The series of Public Health Reports is compiled jointly by the DH and tertiary institutions to study prevailing health care problems and how they may be addressed.

The Public Health Report No. 3, published in 1998, contained 27 recommendations on how to reduce unintentional injuries and deaths of children. At Annex A is a description of the present progress made in implementing these recommendations. A summary is given below:

- (1) To support data collection, the DH, the Hospital Authority and other concerned departments will start to use, from 2001 onwards, the ICD-10 coding system for recording deaths and diseases. A four-character ICD-10 code will be used for recording deaths while a three-character ICD-10 code will be used for recording hospital discharges based on disease types.
 - (2) A range of preventive and assistance schemes has been introduced to improve the safety of children at home. These include enhanced public education on the risk of leaving young children unattended at home and the provision of different types of child care facilities to support working parents. Window guards have been provided in some public housing projects.
 - (3) The Transport Department will provide safety facilities, such as pedestrian railings and traffic calming facilities, in the vicinity of schools.
 - (4) Legislation stipulating special requirements of seats belts for children is currently in place and enforced. The legally permissible prescribed blood alcohol limit for drivers has been lowered from 80 mg/dl to 50 mg/dl since October 1999. Provision of more cycling paths and other amenities for children and youngsters will be considered in the planning of new area developments.
- (b) The rates of childhood deaths from unintentional injuries, falls, and motor vehicle and road accidents have decreased as illustrated by the comparison between the relevant figures for 1990-95 and 1996-98 as set out at Annex B. The relevant figures since 1998 are not yet available. While at present the rates are generally at a low level, we shall not be complacent and will continue to monitor the situation and implement improvement measures to minimize the casualty rates.

Annex A

Recommendation 1 - A lead agency should be established to provide leadership and co-ordination across disciplines involved in injury prevention, and to adopt and monitor targets.

Given that injury prevention in children is closely related to the safety issues for the population at large, and that there is established co-operation among government departments and non-government organizations (NGOs), the Department of Health, on behalf of Health and Welfare Bureau, will co-ordinate the actions of injury prevention for children.

Recommendation 2 - Suitable studies should be conducted to investigate specifically the incidence of childhood injuries, circumstances and contributing factors, severity and long term outcome, as well as economic costs.

The academics are encouraged to undertake studies on these areas. The Health Services Research Fund has provided financial grants to individual academics for conducting studies on surveillance of childhood injuries.

Recommendation 3 - A four-digit ICD-9 E code should be used to record deaths and hospital discharges.

A four character ICD-10 code for recording deaths and a three-character ICD-10 code for recording hospital discharges are planned to be implemented in 2001.

Recommendation 4 - Hospitals and clinics should develop a system for data collection on childhood unintentional injuries

Regular surveys are conducted in the Department of Health's general out patient clinics for data collection on childhood unintentional injuries. A pilot study was also conducted in some major hospitals. The study will be repeated when necessary.

Recommendation 5 – The feasibility of setting up a Product-related Surveillance System should be studied

Legislation ensuring the safety of consumer products, including toys and children's products, are in place. The Trade and Industry Bureau, the Customs

and Excise Department and the Consumer Council work closely in ensuring the safety of consumer products and consumer protection.

Recommendation 6 – Injury prevention should be given more emphasis in the medical curriculum

The current medical curriculum covers comprehensive issues related to human health. This recommendation will be further examined.

Recommendation 7 – More training and career development

This recommendation will be further examined.

Recommendation 8 - Non-government organizations (NGOs) should engage in childhood injury prevention projects at the community level

Prevention of childhood unintentional injuries is one of the issues of concern among NGOs. A number of NGOs specializing in child health are engaged in the promotion of prevention work.

Recommendation 9 - Laws should be enacted to prevent children from being left at home unattended

The act of leaving a child unattended is considered as a form of neglect in the context of the child's general well-being and is dealt with by existing legislation. Preventive approaches by enhancing public education and strengthening child care support, for example, occasional child care service and extended hours service of child care centres, are adopted by the Social Welfare Department in addressing the problem.

Recommendation 10 - Adequate child care facilities should be provided to support working parents

To support working parents who cannot look after their children at home, a range of child care services is provided by NGOs. These include child care centres (including day nurseries and day creches), occasional child care service and extended hours service to suit parents' needs. A Fee Assistance Scheme is also available to help needy families who cannot afford the child care centre fees.

Meanwhile, the Social Welfare Department encourages and supports non-governmental organizations such as women's groups and church bodies to set up mutual help child care centres which provide easily accessible and flexible child care services for parents in need.

Recommendation 11 - Every school should set up a School Safety Patrol

Road safety patrol teams in schools are organized on a need basis and are supervised and trained by the police.

Recommendation 12 - Safety fences, pedestrian railings and traffic calming facilities should be put up near schools

At school exits, where sudden large pedestrian flows might be expected, railings are generally provided by the Transport Department to prevent pedestrian spilling onto the carriageway. The Transport Department is considering putting up traffic calming facilities near schools.

Recommendation 13 - All drivers should adjust the lighting of the vehicles appropriate to the external environment

The Transport Department has continuously advised and educated motorists to use their headlamps during periods of darkness. The mandatory requirement for the use of headlamps during periods of darkness is being considered.

Recommendation 14 - The use of bicycle helmets should be promoted

Messages on safe cycling, including the use of helmets, are continuously conveyed to the public through various channels.

Recommendation 15 - More cycling paths, arenas and facilities should be provided

Provision of cycling paths and facilities is a general consideration in the planning of new area developments in the New Territories by the Planning Department and the Territory Development Department.

Recommendation 16 - Laws mandating the use of safety seats and child restraints should be enacted

Legislation requiring the use of seat belts, including special requirements of seat belts for children, is currently in place and is being enforced.

Recommendation 17 - The legally permissible blood alcohol limit should be lowered to not greater than 50 mg/dl

In October 1999 an amendment to the Road Traffic Ordinance (Cap. 374) was introduced which in effect has lowered the prescribed blood alcohol limit for drivers from 80 mg/dl to 50 mg/dl.

Recommendation 18 - Random testing for drink driving should be carried out

Drink driving enforcement is currently carried out by the police for all motorists involved in traffic accidents, drivers who commit moving traffic offences, and those motorists who are suspected to be driving under the influence of alcohol.

Recommendation 19 – APIs on safe swimming should be strengthened in summer

Leisure and Cultural Services Department has arranged Announcements of Public Interest (APIs) on TV and radio, especially in summer months, to disseminate water safety messages.

Recommendation 20 – Installation of window guards

Window guards have now been provided in some public housing blocks.

Recommendation 21 - Tight enforcement of banning wax boiling should be carried out

Tight enforcement of banning wax boiling is being carried out by the Leisure and Cultural Services Department in the public pleasure grounds (for example, during the Mid-Autumn Festival).

Recommendation 22 - The fire hazards of old residential buildings should also be examined and appropriate preventive measures be instituted

The Fire Services Department (FSD) carried out a territory-wide survey of private multi-storey buildings including old residential buildings in 1998 and subsequently took action to abate the fire hazards identified. The FSD will continue to inspect buildings on a regular basis and take appropriate measures to deal with fire hazards proactively.

Recommendation 23 - Fire sprinklers and smoke detectors should be installed in new residential buildings

The FSD will keep this recommendation under constant review. To better protect children and the public, the present emphasis is placed on educating the public on the importance of fire prevention and the safety measures to be followed in case of fire.

Recommendation 24 - Smoking should not be allowed in country parks

This recommendation has been examined. It is considered that wider publicity and education on the damages of hill fires would be more effective in the long term. We will monitor developments.

Recommendation 25 - The usefulness of temperature regulators on tap water should be studied

This recommendation will be further examined.

Recommendation 26 - Childproof packaging laws should be introduced in Hong Kong

Legislation ensuring the safety of all consumer products are in place to ensure that goods and services available are safe, of reasonable quality and offered on fair terms.

Recommendation 27 - Poison centres should be established

A Drug and Poison Information Bureau has been established in the Chinese University of Hong Kong, providing 24-hour service on advice and information regarding management of poisoning and drug overdose.

Annex B

	<i>Number of deaths / Casualties of Children (aged <15)</i>	
	<i>1990-95</i>	<i>1996-98</i>
Childhood death from unintentional injuries (per 100 000 children)	4.1	2.7
Childhood deaths caused by motor vehicle accidents (average per year)	15	7
Childhood road casualties (average per year)	2 700	2 130
Childhood deaths from falls (per 100 000 children)	0.8	0.4

DR LEONG CHE-HUNG (in Cantonese): *Madam President, as we can see in Annex B to the main reply, the number of deaths and injuries of children between 1996 and 1998 decreased compared to 1990-95. Will the Secretary inform this Council whether the decrease is attributable to enhanced effectiveness of front-line health care personnel in accident and emergency departments in treating and saving the injured or whether it is because of improvement in preventive work?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): *Madam President, I believe various sides have contributed to this. We have done work in terms of education and prevention, as well as strengthening the legislation, while the hospitals have improved their medical standards. Therefore, various parties have made contribution.*

MR ERIC LI (in Cantonese): *Madam President, the Report mentions that the targets of some measures can be achieved in 2005. When will the Government announce the details of the relevant work plan, including the allocation of staff and public funds in order to achieve these targets? If no targets are set, what are the reasons?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): *Madam President, the Report is in fact the result of a joint study conducted by the DH and tertiary institutions and it makes recommendations to the Government. At present, various departments are looking into the feasibility of the various recommendations and we will adjust the targets in future.*

MR MICHAEL HO (in Cantonese): *Madam President, in Recommendation 2 in Annex A to the main reply, it is indicated that academics are encouraged to undertake studies on these areas and the Health Services Research Fund has provided financial grants for this purpose. Why does the Government not co-ordinate the relevant studies, instead of allowing the academics to undertake different relevant studies without co-ordination? Could the causes of the injuries and accidents be identified this way? Besides, is the Health Services Research Fund mentioned by the Secretary almost exhausted?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): *Madam President, actually, we have discussed what is the best way of using the Health Services Research Fund. We have considered letting the academics and the service providers conduct the studies and make recommendations, or suggesting to academics to undertake studies on areas about which the Government needs information. Our conclusion was that since the Fund was a relatively new initiative and health services research was also quite new in Hong Kong, we decided to let the academics and service providers undertake studies first and the Government would make reference to those data. They have now submitted some reports and we will consider which issues should be studied further in future. It is true that the Fund is almost exhausted. The Government will consider what to do with the relevant work in future.*

DR TANG SIU-TONG (in Cantonese): *Madam President, will the Government consider formulating a comprehensive policy on child health, which should include not only prevention of childhood unintentional injuries, but also the various aspects of child health, such as diet, the problem of overweight and mental health.*

PRESIDENT (in Cantonese): Dr TANG, although your supplementary question has gone beyond the scope of the main question, the Secretary might wish to answer since he has already stood up. *(Laughter)*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Indeed, Madam President, we strive to think of various ways to provide comprehensive services to the public, including children, young people, the elderly and women. We will conduct a review of all services later. At present, we have set policies on how and what services to provide, that is, we already have strategies and directions policy-wise. Still, we will conduct a review on various areas to examine whether the present work is sufficient and comprehensive.

MR NG LEUNG-SING (in Cantonese): *Madam President, if the Government implements the measures to prevent childhood unintentional injuries, which Policy Bureau or department will take charge? Will a special framework be set up to deal with these matters?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, the Health and Welfare Bureau will be responsible and the DH will implement the measures. We have talked to the DH and we will co-ordinate the tasks.

MR HOWARD YOUNG: *Madam President, the Secretary said in part (b) that the rates of childhood deaths and injuries have decreased and the rates were low. I learn from Annex B that the decrease is not proportional. In fact, whilst most figures have been halved, the one for childhood road casualties has only dropped*

by less than 20%. I would like to ask whether there is any international comparison to show that our figures are low; and as the rate of childhood road casualties has dropped much less than the others, is there any particular reason or cause for concern in this respect?

SECRETARY FOR HEALTH AND WELFARE: Madam President, there are international comparisons comparing the death rate of unintentional injuries of children in Hong Kong. In fact, when compared with other developed countries, our rate is very, very low. We are, in fact, amongst the lowest in the developed countries. We are comparable to Singapore. The figures which are particularly low in Hong Kong are related to road accidents and traffic injuries. I think it is because there are fewer drunk drivers in Hong Kong than in many other countries. Of course, the network of cars is less extensive. For these reasons, our rates in these respects are very low. The rates which are tended to be slightly higher than one or two countries are the death rates in swimming and fall from height. The latter is most probably due to our many multi-storey buildings.

The figure of childhood road casualties has not fallen as much as the others because it is the rate of injuries but not deaths. In response to the question asked by Dr the Honourable LEONG Che-hung, the death rate is only a representative of a certain fraction but not the total number of accidents. It represents partly the severity of the injuries and how good our services are in order to save those children. Death rate is certainly very important, but I think the total number of road accidents is equally important because even if the children do not die, they may suffer from severe disability. This certainly is the area we are looking into in order to see whether there can be further reduction of these road casualties.

MR LAU KONG-WAH (in Cantonese): *Madam President, Annex B shows that there are over 2 000 childhood road casualties on average each year. This is quite serious. What is the progress on the more than 20 measures formulated in 1998, especially Recommendations 11 and 12?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, we have done a lot of work already. The Transport Department will discuss the feasibility of the recommendations and we will consider the study thoroughly. With regard to road accidents, we need to collect more information and find out where the road accidents occurred. Actually, some accidents may not have occurred in the vicinity of schools. Since many of our present measures are implemented in the vicinity of schools, they may not be helpful in reducing the number of road casualties. That is why we need to undertake further study before deciding on the next step.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, Dr LEONG Che-hung has asked a very good question. Since there are 27 recommendations in Annex A, the Secretary has to respond in respect of 27 areas.*

Recommendation 10 in Annex A mentions mutual help child care centres. Although I have heard about this recommendation, I did not know that the Government is considering its implementation. How much money will the Social Welfare Department allocate to support non-government organizations in carrying out this task and what are the specific measures? Has the Administration set any targets, such as the number of centres to be set up in one year?

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, I do not have such information on hand. I will respond to Mr LEE's supplementary question after the meeting. (Annex I)

MR LAW CHI-KWONG (in Cantonese): *Madam President, in paragraph (2) of part (a) of the main reply, the Secretary talked about improving the safety of children at home. I wonder if the Secretary has any figures for this. As far as I know, the number of deaths of children related to accidents at home dropped drastically in 1995, 1996 because there were a lot of discussions in the community about the issue at that time. However, due to the reduced publicity over the past two years, the number rose sharply last year. I do not have figures in this respect. I wonder if the Secretary has them. What will the*

Secretary do about the sharp rise of childhood deaths due to accidents at home over the past two years?

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, I do not have the information on hand. I will give a written reply to Mr LAW Chi-kwong's supplementary question. (Annex II)

PRESIDENT (in Cantonese): Last supplementary question.

DR LEONG CHE-HUNG (in Cantonese): *Thank you, Madam President, for letting me ask a second supplementary question. The Public Health Report No. 3 quoted a local study in 1991. The study showed the number of people suffering from unintentional injuries who went to accident and emergency departments for help and analysed the nature and causes of their injuries. Does the Government have the report of a more recent similar study? If yes, could the Government provide a brief comparison between the figures of the above study and the recent study? If not, will the Government consider undertaking a similar study?*

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Madam President, I do not have other reports on the injuries of children who went to accident and emergency departments. I consider similar studies worth undertaking.

Hong Kong's Position as Entrepot for Trade between Taiwan and Mainland

3. **MR HUI CHEUNG-CHING** (in Cantonese): *Madam President, regarding Hong Kong's position as an entrepot for trade between Taiwan and the Mainland, will the Government inform this Council whether:*

- (a) *it knows the total value of re-exports lost per month since and as a result of the commencement of operation of the offshore transport centre in Kaohsiung, Taiwan in April 1997;*

- (b) *it has assessed the impact on Hong Kong's position as an entrepot, upon the establishment of direct transport, trade and postal links (the so-called three small-scale links) between Taiwan's three offshore islands, namely Quemoy, Matsu and the Penghu Archipelago and Xiamen and Mawei of Fujian Province in the Mainland; if so, of the assessment results; and*
- (c) *it has studied the impact on Hong Kong's position as an entrepot and its economy, upon the establishment of the three links on a full scale between Taiwan and the Mainland; if so, of the details of the study?*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President,

- (a) According to statistics published by the mainland Customs, total trade between the Mainland and Taiwan has increased from \$153.6 billion in 1997 to \$182.1 billion in 1999. Figures from the Taiwan authorities also reveal that since the offshore transport centre in Kaohsiung commenced operation in April 1997, the cargo throughput in respect of trade between Kaohsiung and Xiamen, Fuzhou has increased from 98 600 laden TEUs between April and December in 1997 to 256 200 laden TEUs in 1999.

As regards Hong Kong, figures from the Census and Statistics Department reveal that re-exports through Hong Kong in cross-strait trade has dropped from \$89.4 billion in 1997 to \$76.5 billion in 1999. Port-related re-exports of mainland and Taiwan goods through Hong Kong also registered a decrease from about 509 000 laden TEUs to about 429 000 laden TEUs over the same period of time.

Since the above statistics come from different sources and the method of compilation may vary, it is not meaningful to make direct comparisons of the figures. Besides, apart from Kaohsiung, cross-strait trade may also route through third-territory ports in countries like Japan and South Korea or transship via Hong Kong without the need to lodge customs declarations. As such, we

cannot establish a direct correlation between the above-mentioned decreases and the opening of the offshore transport centre in Kaohsiung. However, it is worth noting that, according to figures compiled by the Census and Statistics Department from manifests submitted by shipping companies, cross-strait trade transshipped via Hong Kong without the need to lodge customs declarations has recorded a 18.8% increase from 281 000 laden TEUs in 1997 to 334 000 laden TEUs in 1999. This proves that the Hong Kong port remains highly effective and competitive. It is also worth noting that because of the small scale of operation of the ports in Fuzhou and Xiamen that participated in the Kaohsiung offshore transport centre, there is limited room for further growth in cargo throughput that these ports can handle.

- (b) With the absence of major industries and well-developed port facilities to handle cross-strait trade, the three offshore islands of Quemoy, Matsu and the Penghu Archipelago lag far behind the island proper of Taiwan in terms of economic development. Therefore we believe that Taiwan's partial lift of the ban on the "three direct links", even implemented, will not have any significant impact on Hong Kong's middleman role or Hong Kong's container and transportation industry.
- (c) The "three direct links" between Taiwan and the Mainland, if established on a full scale, will provide an impetus to cross-strait trade, investment flows, tourism and developments in other areas. The increase in cross-strait trade as well as movements of capital and people will stimulate the demand for various services (such as transportation and financial services), thus creating more business opportunities for Hong Kong. This will benefit Hong Kong's overall economic development.

The Economic Services Bureau and the Hong Kong Trade Development Council will study the impact of the establishment of the "three direct links" between the Mainland and Taiwan on the shipping industry and other sectors of Hong Kong. The studies are expected to be completed by the end and the middle of this year respectively. At this stage, we anticipate that the full-scale

implementation of the "three direct links" may reduce somewhat the share of cross-strait trade re-exported through Hong Kong. However, closer economic ties across the straits augurs well for increase in total trade between the Mainland and Taiwan. This will, in turn, open up more trade and business opportunities for Hong Kong, thereby offsetting any trade diversion effect.

As a matter of fact, over the past two decades or so, the Mainland has developed direct trade relations with the majority of its trading partners. Hong Kong's position as an entrepot has not been weakened by such developments. Take the United States, European Union, Japan and South Korea as examples, re-exports via Hong Kong between the Mainland and these places have generally been on the rise over the past years. Based on statistics published by the Mainland, for the year 1999, the proportions of their trade with the Mainland that were re-exported through Hong Kong stood at 60.8% for the United States, 49.7% for the European Union, 29.2% for Japan and 20.3% for South Korea. Moreover, Hong Kong has constantly been ranked the world's busiest container port over these years.

I believe that direct cross-strait trade will bring positive stimulation to the Hong Kong economy. Naturally, in the face of a more open and intensely competitive market environment, Hong Kong has to sharpen its competitive edges. Our business sector should also continue to adjust and adapt itself to the changing environment. Only in this way will we be able to turn challenges into opportunities.

The Government of the Hong Kong Special Administrative Region (SAR) will watch closely discussions and developments concerning the "three direct links". As regards the timetable of direct transport link across the straits, an issue of interest to many, our analysis is that since maritime transport and air services are not currently covered by the General Agreement of Trade in Services of the World Trade Organization (WTO), the question of whether or not the Mainland and Taiwan will establish direct air and maritime transport links falls outside the ambit of the WTO.

MR HUI CHEUNG-CHING (in Cantonese): *Madam President, in general, the Secretary's reply suggested that the direct trade link between the Mainland and Taiwan will be a positive stimulus to Hong Kong. At a symposia that I hosted last Saturday on the impact of the "three direct links" on the Hong Kong economy and its trade, the speakers all considered that the "three direct links" between the Mainland and Taiwan will facilitate the repositioning of Hong Kong in terms of its economic role. This is conducive to the economic development of the three territories or even the four territories across the straits. As Hong Kong has been playing the role of a middleman between the Mainland and Taiwan, may I ask the Secretary whether the Administration has seriously examined in detail if Hong Kong can act proactively in order to take advantage of the changes and business opportunities brought by the direct trade link between the Mainland and Taiwan?*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, it is the economic policy of the Hong Kong Government not to intervene in business decisions as far as possible for the best business decisions should be those made by the businessmen themselves. All the Government can do is to provide infrastructural facilities and a business-friendly environment. After careful analysis, we think that trading activities between Taiwan and South China will continue to be conducted mainly through re-exports and transshipment via Hong Kong, and this is out of practical needs. Take the opening of the offshore transport centre in Kaohsiung as an example, so far, there are no signs showing that the cargo throughput of the Hong Kong port has been seriously affected.

Moreover, as I mentioned just now, given the small scale of operation of the ports in Fuzhou and Xiamen that participated in the Kaohsiung offshore transport centre, there is limited room for further growth in cargo throughput that these ports can handle. We believe that our port in Hong Kong is highly efficient and reliable. This, coupled with frequent shipping schedules and expedient customs clearance procedures, explains why our port has remained competitive. From a study conducted by the Hong Kong Port and Maritime Board and the Hong Kong Shippers' Council early this year, timely delivery is the most important consideration of shippers in choosing a port. We are confident that the efficiency of our port in Hong Kong will enable us to continue to outshine our competitors.

Meanwhile, in order to sharpen the competitive edges of container terminals and the freight forwarding industry, the Government has set up a subcommittee on the competitiveness of container port under the Hong Kong Port and Maritime Board to study and draw up measures to enhance the competitiveness of the Hong Kong port. The subcommittee has recommended a range of short-term and long-term measures for enhancing the competitiveness of our port by, for instance, deepening the Rambler Channel, embarking on various road projects, improving boundary-crossing facilities for container trucks, encouraging the development of river trade which is more cost-effective, and so on. These measures have been implemented progressively and are making good progress.

DR DAVID LI: *Madam President, to what extent will Hong Kong's foreign direct investment from Taiwan be affected as a result of the three small-scale trade links between Taiwan and the Mainland?*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, the Government has not made any assessment of the possible impact on Hong Kong in this regard, and it is actually very difficult to conduct such an assessment. We think there are broadly two types of Taiwanese companies relying on the intermediary role of Hong Kong. One is nominal companies set up by Taiwanese businessmen in Hong Kong using the position of Hong Kong as a third territory to meet the indirect investment requirement. After the establishment of the "three direct links", these businessmen will no longer need to rely on Hong Kong as an intermediary, so we might lose their investment. But it is impossible for us to work out the exact figures as the movement of capital into or out of Hong Kong is not regulated by the Government. On the other hand, a large number of Taiwanese businessmen have set up business ventures in Hong Kong to invest in and trade with the Mainland. For these Taiwanese companies, Hong Kong does not only help them meet the third territory requirement, but also provides them with logistics support, such as trade financing, for their operation in the Mainland. We believe that despite the establishment of the "three direct links" across the straits in future, many Taiwanese companies will continue to rely on the quality infrastructural facilities and well-established financial and legal systems in Hong Kong to open up the mainland market.

DR TANG SIU-TONG (in Cantonese): *Madam President, at the end of part (a) of the main reply, it was stated that "because of the small scale of operation of the ports in Fuzhou and Xiamen that participated in the Kaohsiung offshore transport centre, there is limited room for further growth in cargo throughput that these ports can handle." When will their cargo throughput be saturated according to the Government's estimation? Given good operations, will these two places expand their ports, hence affecting Hong Kong trade?*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, we do not have the relevant information so we do not know when Fuzhou and Xiamen will or whether they have plans to expand the scale of their container ports. In fact, our container port in Hong Kong is also faced with competition from the two nearby ports at Yantian and Shekou in Shenzhen. Despite the fierce competition, we can still maintain our position as the world's top container port with the highest throughput. In 1998, our position dropped to the second place for a short period of time due to the impact of the financial turmoil, but we managed to return to the first position in 1999.

Therefore, the competitiveness of a container port that I spoke of just now does not only hinge on the fees and charges. It also depends on the efficiency of other matching facilities to a large extent. If the commercial sector in Hong Kong can continue to boost the efficiency of matching services, we are confident that we will be able to fend off competition from any other places.

MR AMBROSE LAU (in Cantonese): *Madam President, the second paragraph of part (c) of the main reply stated this: "However, closer ties across the straits augurs well for increase in total trade between the Mainland and Taiwan. This will, in turn, open up more trade and business opportunities for Hong Kong, thereby offsetting any trade diversion effect." On what basis did the Government draw the conclusion that the total cross-strait trade will increase? Besides, does the Government have any statistics to support the conclusion of "offsetting the trade diversion effects"?*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): Madam President, this part of my reply is actually somewhat hypothetical. The Government Economist has studied the economic implications of China's accession to the WTO on China and Hong Kong. It is concluded that the economic development in China will be more thriving with higher efficiency and that the China market in all sectors will be open up to a larger extent, and this means more opportunities for the business sector of Hong Kong. Moreover, China will drastically reduce the level of tariffs for goods and remove other trade barriers, which will greatly increase its external trade volume. We think that as Hong Kong is part of China and also the main gateway to China, we can certainly benefit enormously from this.

MR HOWARD YOUNG (in Cantonese): *Madam President, with regard to the "three small-scale links" that we are discussing now, the transport link includes maritime transport and air transport. As there are not many airports in the Mainland, I think the transport link of the "three small-scale links" actually refers to maritime transport. In the second paragraph of part (a) of the main reply, the Secretary pointed out that port-related re-exports of mainland and Taiwan goods through Hong Kong had decreased from 509 000 laden TEUs to 429 000 laden TEUs, representing a decrease of almost 15%. Is it a decrease in the total cargo volume in maritime and air transport, or is it just the result of partial transferral from maritime transport to air transport, so the cargo volume actually has not decreased? I hope the Secretary can clarify the above figures.*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): I beg your pardon, Madam President. I did not catch the figures mentioned by the Honourable Howard YOUNG in his supplementary question just now for none of my statistics on hand shows a 50% decrease.

MR HOWARD YOUNG (in Cantonese): *Madam President, I said 15%.*

SECRETARY FOR TRADE AND INDUSTRY (in Cantonese): I see, Madam President. He said 15%. As I said just now, this may due to a diversity of

reasons, and it is impossible for us to figure out if it is due to one single reason, say, the opening of the Kaohsiung offshore transport centre, or if many other factors are involved. There may be many other related factors. For example, the northward development of cross-strait investment and trade may result in the transshipment of goods to northern China via third territory ports such as the ones in Japan and South Korea, instead of the Hong Kong port. However, for trading activities in South China, say, the Pearl River Delta Region in the Guangdong province, the goods will certainly have to be transshipped via Hong Kong.

PRESIDENT (in Cantonese): Last supplementary question.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, the SAR Government has not issued an entry permit for CHANG Liang-jen, even after stalling for so long. Will this create any obstacles to the middleman role of Hong Kong before the full-scale establishment of the "three direct links"? How does the Government assess the losses suffered by Hong Kong in terms of trade volume?*

PRESIDENT (in Cantonese): Mr SIN Chung-kai, your supplementary question has departed from the theme. I instruct that the Secretary for Trade and Industry need not answer this question.

Redevelopment of Old Industrial Areas

4. **DR LUI MING-WAH** (in Cantonese): *Madam President, as quite many units in factory buildings situated in old industrial areas are left vacant, will the Government inform this Council:*

- (a) *of the respective total areas of vacant units in government and private flatted factories at present;*

- (b) *whether it will allow the setting up of hostels or activity centres for senior citizens in these vacant units; if not, of the reasons for that; and*
- (c) *of the progress of promoting the redevelopment of old industrial areas?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, according to the latest available figures, there are about 1 730 000 sq m of vacant space in private flatted factories, representing 9.7% of this type of premises and about 27 000 sq m of vacant space in the factory estates of the Housing Authority, representing 6.6% of this type of premises. At present, there is no vacancy in flatted factories managed by the Government Property Agency.

Residential care homes for the elderly are not permitted in industrial buildings under the Residential Care Homes (Elderly Persons) Regulation for safety reasons. As regards social centres for the elderly, the Administration generally does not support the establishment of such facilities in industrial buildings because of fire safety and land-use incompatibility reasons.

Since 1997, the Town Planning Board has approved the rezoning of 92 hectares of industrial land for residential and commercial developments. In 1998, we introduced a new zoning "Residential (Group E)" as a mechanism to facilitate the redevelopment of obsolete industrial buildings for residential use, where appropriate.

The Planning Department completed a study on the planning framework for industrial land in 1999. The study has recommended, among other things, a new "Business" zoning for suitable industrial land to allow mixed "clean industrial", office and commercial uses within the same development. The new zoning would provide greater flexibility in the use of existing industrial buildings, as well as an incentive for redevelopment. The public has been consulted on this recommendation and the response is generally supportive. The Administration is currently examining the implementation issues relating to the proposed "Business" zone.

The Urban Renewal Authority Bill is now being considered by this Council. If the Bill is passed into law, the future Urban Renewal Authority would play an active role in the redevelopment of obsolete industrial areas and of industrial buildings in older urban areas.

PRESIDENT (in Cantonese): Dr LUI Ming-wah, do you wish to ask a supplementary question?

DR LUI MING-WAH (in Cantonese): *Madam President, the third paragraph of the main reply mentions the redevelopment of obsolete industrial buildings for residential use. Can the Government set out the relevant information in tabulated form?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, as I do not have the relevant information on hand, I will reply in writing. (Annex III)

MR HO SAI-CHU (in Cantonese): *Madam President, the Secretary mentioned "Business" zoning in the fourth paragraph of his main reply. Has the Secretary noticed that a large number of commercial buildings, especially offices, will be completed in Hong Kong in the next few years, and the supply seems to exceed the demand. However, as demand for residential flats always exist, should the Administration construct more residential flats? I hope the Secretary can confirm that the Administration will not only focus on business but would also redevelop obsolete industrial buildings for residential use.*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, it is stated in the third paragraph of my main reply that we have introduced a zoning "Residential (Group E)" mechanism to facilitate the redevelopment of obsolete commercial buildings for commercial use. "Business" zoning is a new idea, when we redevelop obsolete industrial buildings in future, we allow a mixed mode development including "non-polluting industries", offices and commercial premises. Yet, we would not increase the number of Grade A offices because the areas to be developed are relatively

remote and are industrial areas. Nevertheless, it is very difficult to clearly demarcate between industrial areas and offices, thus, the mixed mode can help to fully utilize the existing resources.

DR TANG SIU-TONG (in Cantonese): *Madam President, it is stated in the fifth paragraph of the main reply that if the Urban Renewal Authority Bill is passed into law, the redevelopment of obsolete industrial areas will be implemented. But I remember that during the deliberations on this Bill, the Deputy Secretary for Planning and Lands, Mr Stephen FISHER, said that the Bill would not have much effect on industrial buildings. Will industrial and commercial buildings alike be affected by the Bill?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): *Madam President, our idea is that if industrial areas are redeveloped in future, we will try our best to make use of the market forces. Thus, we hope that the owners of existing industrial buildings and private developers can take part in the redevelopment projects. If, for certain reasons such as title problems or overly dispersed ownership, developers or owners are unable to carry out the development, the Urban Renewal Authority (URA) will give assistance and carry out the development together with owners or private developers, or, the URA can directly participate in such projects when necessary.*

DR RAYMOND HO (in Cantonese): *Madam President, as regards the Secretary's reply to the supplementary question on the development of obsolete industrial areas by the URA, I recall that the Chief Executive has mentioned nine priority development regions in his policy address but these regions do not include major obsolete industrial areas such as Kwun Tong, Wong Tai Sin and Diamond Hill. If the Administration will consider the development of these obsolete industrial areas only after the development of the nine priority development regions, will it take a very long time? Within this period, has the Government formulated emergency environmental or redevelopment projects targeted at these obsolete industrial areas?*

SECRETARY FOR PLANNING AND LANDS (in Cantonese): Madam President, Yau Tong is one of the nine target regions for urban renewal and it is also an industrial area. However, we think that Yau Tong can actually be redeveloped with the help of market forces, with the URA only giving assistance. As to the development of other obsolete industrial buildings, there are actually some single block industrial buildings among residential zones in a few large target regions, and we can consider whether the environment can be improved through redevelopment.

Search Operations Allegedly Conducted by Mainland Law Enforcement Departments in Hong Kong

5. **MR ALBERT HO** (in Cantonese): *Madam President, it has been reported that, for the investigation of a corruption case, the Zhaoqing law enforcement department dispatched officers to Hong Kong in 1995 to search the abode of a Hong Kong resident who was involved in the case. In this connection, will the Government inform this Council:*

- (a) *whether it knows if the law enforcement departments of the Mainland have enforced the mainland laws in the Hong Kong Special Administrative Region (SAR) since the reunification of Hong Kong with China; if they have, of the scope of their powers, the legal authority of their powers, the procedure for exercising such powers, and the number of times and details of their enforcement action; and*
- (b) *how it protects the human rights and freedom of Hong Kong residents from being infringed upon unlawfully by the law enforcement departments of the Mainland?*

SECRETARY FOR SECURITY (in Cantonese): Madam President,

- (a) I must stress that only law enforcement officers of the SAR have the authority to enforce the laws within the territory of the SAR. The position is the same both before and after the reunification. Law enforcement officers of the SAR cannot take enforcement actions in the Mainland, and likewise, mainland law enforcement officers cannot take enforcement actions in the SAR.

All along, the Hong Kong Police Force have maintained close liaison with law enforcement agencies in other jurisdictions to join forces in combating crimes. Their co-operation with the mainland public security officials is especially close. When they undertake such co-operation and liaison, both sides comply strictly with local laws and respect the jurisdiction of the territory. If police officers of one side seek the assistance of the other side in conducting inquiries into criminal cases, they must give the other side prior notification and stipulate clearly the nature of the case involved and the scope of the assistance sought. The necessary investigation and assistance will then be undertaken by local law enforcement officers in accordance with the provisions of the local laws. Police officers cannot take enforcement actions on their own in the territory of the other side under any circumstances. Neither do they have the power of the local police nor any special power. While they are within the territory of the other side, their status is the same as any ordinary visitor. The mode of police co-operation between Hong Kong and the Mainland is consistent with the mode of co-operation between Hong Kong and other jurisdictions. The police officers on both sides fully understand the basis of such co-operation and the mode of co-operation has proved to be effective.

Similarly, the co-operation between the Independent Commission Against Corruption and the Bureau Against Corruption of the Guangdong Provincial Procuratorate, that between the Hong Kong Customs and the Mainland's General Administration of Customs, and that between the Immigration Department and the Mainland's Bureau of Exist Entry Administration are all undertaken on the basis of the same principles.

Prior to the case of Mr SU Zhi-yi, our law enforcement departments have no records of any allegations or complaints about mainland law enforcement officers coming to Hong Kong to investigate crimes without prior notification in accordance with the established practice. We take a very serious view of this complaint. The Hong Kong Police Force have immediately made inquiries and followed up with the Guangdong Provincial Public Security Bureau.

- (b) There is an established mode of co-operation between the law enforcement agencies in Hong Kong and the Mainland. If there is evidence that individual law enforcement officers are suspected to have breached the rules, both sides will take it very seriously and deal with it strictly. Hong Kong citizens should take note that only Hong Kong law enforcement officers have the power to take law enforcement actions in Hong Kong. We appeal to all Hong Kong citizens that if they should have any doubts on the identity of any law enforcement officers, they should report to the police immediately, so that the police may carry out timely investigation and follow up as promptly as possible.

MR ALBERT HO (in Cantonese): *Madam President, from the main reply provided by the Secretary, I understand that in taking enforcement actions the Hong Kong Police Force and the public security authorities in the Mainland will co-operate with each other on the basis of prior agreement or mutual understanding, and that neither party will take enforcement actions on its own across the boundary. At what level was the agreement or mutual understanding reached? Did the police reach them with the Guangdong authorities? Or were they made between Hong Kong and the Central Authorities to ensure that the relevant arrangements would be made known to all provinces and cities in the Mainland, with a view to avoiding the situation where public security officers from Zhaoqing, Jilin or Inner Mongolia, would cross the boundary to take enforcement actions at any time out of their unawareness of the arrangements made? Could the Secretary provide this Council with some further explanation in this respect?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, actually, the mutual legal assistance in criminal matters between law enforcement officers in Hong Kong and the Mainland can be implemented through certain legal arrangements. In this connection, we have already put forward a proposal to the Central Authorities for a formal agreement on Mutual Legal Assistance in Criminal Matters to be executed between Hong Kong and the Mainland. Hong Kong will then legislate to implement the proposed agreement, which shall be complied with by all public security agencies in the Mainland when seeking assistance from us. At present, legal arrangements in this respect have yet to be made, but as cross-boundary contacts have continued to increase since the '80s,

the Hong Kong Police Force have reached an informal agreement with the Guangdong Provincial Public Security Bureau and the Fujian Provincial Public Security Bureau to enable mutual assistance in conducting inquiries. This is the channel used chiefly by the Guangdong Provincial Public Security Bureau and the Fujian Provincial Public Security Bureau to contact us. However, before the reunification, public security agencies in the Mainland were required to seek assistance from the Hong Kong Police Force via the Interpol Liaison Office of the Ministry of Public Security in accordance with the Interpol mechanism. Hence, the relevant mainland authorities should be aware of how such mode of co-operation operates. Anyhow, we certainly hope that in the future we could reach a legal agreement on Mutual Legal Assistance in Criminal Matters with the Mainland.

MISS EMILY LAU (in Cantonese): *Madam President, if public security officers from the Mainland should take enforcement actions in Hong Kong, the people of Hong Kong would certainly be gravely shocked and concerned. Regarding the case of Mr SU Zhi-yi, Madam President, the Secretary says in her main reply that "the Hong Kong Police Force have immediately made inquiries and followed up with the Guangdong Provincial Public Security Bureau". In this connection, could the Secretary provide this Council with more information, such as the time when the Guangdong authorities will give the Hong Kong Police Force a reply? Further still, Madam President, I seek your permission to ask one more question as follows: Will the Government request the Beijing authorities to notify the public security agencies nationwide not to do that?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, it was on 25 April that Miss SU formally approached us for assistance, and Immigration Department staff were arranged to meet with her the next day to understand her needs and to refer the case to the relevant mainland authorities for consideration. In that afternoon, which is the afternoon of 26 April, the Crime Hong Kong Island Regional Headquarters also met with Miss SU to discuss the case concerned and see whether there is any need to conduct criminal investigation and whether there is enough evidence to prosecute any relevant parties. So, we have adopted a two-pronged approach to deal with this case.

I have personally discussed the case with Mr LIANG, Director of the Guangdong Provincial Public Security Bureau. Mr LIANG told me that he also attached great importance to this complaint, and that the Guangdong Provincial Public Security Bureau would never tolerate any unlawful enforcement action taken in Hong Kong by public security officers. Besides, he also remarked that since the informal mutual legal assistance in criminal matters, which I referred to just now, had all along been functioning smoothly since the '80s, there was indeed no need for the Provincial Public Security Bureau or other public security agencies in Guangdong Province to take such unlawful actions. He also undertook to investigate into the matter thoroughly. Since it has only been slightly more than a dozen days, we have yet to receive a detailed report from the Guangdong Provincial Public Security Bureau.

MISS EMILY LAU (in Cantonese): *Madam President, the Secretary has not answered the second part of my supplementary, which asked the Secretary whether she considered it necessary to inform the Beijing authorities of the entire incident, so that the public security agencies nationwide would be notified not to do that.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, since the case was extensively covered by the media in Hong Kong, the Ministry of Public Security is also well aware of it. For this reason, I do not intend to particularly bring up the case with the Beijing authorities. However, when I was in Beijing in March this year, I raised again my wish to discuss with the mainland authorities a formal Agreement on Mutual Legal Assistance in Criminal Matters which should be complied with by all public security agencies nationwide.

MR JAMES TO (in Cantonese): *Madam President, since the Secretary has not mentioned in the main reply any particular formal agreement in this respect, may I ask whether there is any agreement at all? If there is, could not the Secretary make it known to the public? Besides, the Secretary mentioned in part (a) of the main reply that "while they are within the territory of the other side, their status is the same as any ordinary visitor". If that should be the case, could the Secretary inform this Council whether, in claiming their status as public security officers and asking for information, the mainland law enforcement officers concerned have breached the agreement (if any) to which I referred just now?*

PRESIDENT (in Cantonese): Mr James TO, please resume your seat first. I wonder whether you have listened carefully to the reply given by the Secretary to the supplementary raised by Mr Albert HO just now, but the Secretary has actually answered the first part of your supplementary already.

MR JAMES TO (in Cantonese): *Madam President, I was asking whether the Government had made any formal agreement; and if so, whether that agreement could be made known to the public? The Secretary has kept talking about an informal arrangement made with Fujian and Guangdong Provinces, but she has not said whether that was an agreement or not. However, earlier on I had received letters from the Hong Kong Police Force saying that there was indeed an agreement. But then the Secretary has all along used such words as "liaison", "co-operation" and "informal arrangement" rather than "agreement". It is for this reason I want to find out whether there is any agreement; if there is, whether the agreement could be made known to the public; and whether the agreement has covered situations where mainland law enforcement officers claiming their status as public security officers ask for information.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, actually, Hong Kong has already signed bilateral Agreements on Mutual Legal Assistance in Criminal Matters with eight countries. Other than these eight countries, we have not signed any formal agreement with any jurisdictions including the Mainland. As regards those informal arrangements for mutual legal assistance in criminal matters, they are operated in accordance with the mode of co-operation between the Hong Kong Police Force and the Interpol throughout the years. For example, if any party should seek from us assistance in conducting inquiries, the Hong Kong Police Force could make arrangement for the party concerned to meet with the relevant witness or suspect and to take statement, provided they are fully willing to attend the meeting. If Hong Kong should have on hand some photos, evidence or materials requested by another jurisdiction, the Hong Kong Police Force could pass the relevant materials to the jurisdiction concerned under the condition that so doing is fully in line with the laws of Hong Kong, and that no disclosure of personal privacy would be involved. All these will be done in a fully voluntary and lawful manner.

MR JAMES TO (in Cantonese): *Madam President, perhaps I did not make my supplementary clear enough. I was in fact asking about two specific actions: The claim made by mainland law enforcement officers that they are public security officers, and their demand for submission of materials by the people of Hong Kong. I was asking whether so doing would be in breach of the understanding, arrangement or agreement between Hong Kong and the Mainland. For example, whether it has been set out in the relevant agreement that mainland public security officers should not claim their status as public security officers when they are in Hong Kong, since so doing might cause confusion. That is the focus of my supplementary.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, I am glad to have the opportunity to further explain this. Just now when I said that the law enforcement officers from the Mainland or other jurisdictions did not have any legal status as law enforcement officers when they were in Hong Kong, I meant they would be no different from any other ordinary visitors when they were in Hong Kong. Certainly, as ordinary visitors, they could look for the persons they want to meet, or even hire private detectives to follow up certain matters. However, they personally would not have any lawful power to force any citizen of Hong Kong to do things against their own will. If the law enforcement officers of any jurisdictions should engage in any activities in Hong Kong involving intimidating or coercing the people of Hong Kong, they might have committed a criminal offence. If members of the public should report any such cases to us, we would definitely take follow up actions.

PRESIDENT (in Cantonese): Mr James TO, which part of your supplementary has not been answered by the Secretary?

MR JAMES TO (in Cantonese): *Madam President, I was asking the Secretary whether it would be appropriate for mainland law enforcement officers to claim: "I am a public security officer" even if they have not intimidated or coerced any members of the public in Hong Kong. Could the Secretary inform this Council whether the relevant agreement or memorandum has required law enforcement officers not to say such words as far as possible; or whether so doing is considered to be acceptable?*

PRESIDENT (in Cantonese): Do you have anything to add, Secretary?

SECRETARY FOR SECURITY (in Cantonese): Madam President, I do not have anything to add.

MR LEE WING-TAT (in Cantonese): *Madam President, it has been reported that there were about 100 occasions yearly on which public security officers from various mainland provinces and cities come to Hong Kong to conduct inquiries via formal channels. In this connection, could the Secretary inform this Council whether the relevant public security officers were accompanied by staff of the Security Bureau or the Hong Kong Police Force every time they conducted inquiries in Hong Kong; and whether there is any assurance that the public security officers will conduct inquiries in Hong Kong in a manner acceptable to all parties concerned?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, every application for such assistance from the Mainland has to be lodged at the Liaison Office of the Hong Kong Police Force, while before the reunification, such applications were made via the Interpol Liaison Office. Upon receipt of such requests, the police will certainly seek advice from the Department of Justice as to whether accepting a certain request would be in breach of the laws of Hong Kong. Apart from that, the police will also seek advice from the Security Bureau. If the police should be requested to assist the mainland law enforcement officers to look for certain witnesses or suspects and to take statement from them, such actions should be taken in the presence of Hong Kong police officers and with the consent of the witnesses or suspects concerned.

MR LEE WING-TAT (in Cantonese): *Madam President, the Secretary has not answered whether every time the law enforcement officers coming from different mainland provinces and cities to Hong Kong to conduct some mutually agreed inquiries were accompanied by local police officers when taking the relevant actions.*

SECRETARY FOR SECURITY (in Cantonese): Madam President, the answer is in the affirmative.

MR JAMES TO (in Cantonese): *Madam President, just now I was in fact trying to follow up the supplementary raised by the Honourable Miss Emily LAU. According to our understanding, the relevant prosecutors of a case in Zhaoqing did not seem to understand the situation in Hong Kong, and thus considered it in order for mainland law enforcement officers to conduct inquiries in Hong Kong. It was for this reason that I should like to follow up the supplementary just now. In this connection, could the Secretary inform this Council whether she would consider discussing with the Ministry of Public Security in Beijing the possibility of notifying or reminding the law enforcement officers of various provinces and cities the basic principles and regulations to which they should adhere and the officers in Hong Kong whom they could contact, at the present time when a formal agreement has yet to be signed, with a view to avoiding recurrence of similar incidents?*

SECRETARY FOR SECURITY (in Cantonese): Madam President, after taking statement from Miss SU, our Immigration Department staff have referred to the mainland authorities concerned the full details of the case in which, according to the complaint made by Miss SU, certain self-claimed public security officers from Zhaoqing have breached the established practice. We will consider the appropriate follow-up action upon receiving replies from the Mainland. Certainly, if we consider it necessary to bring the case to institutions of higher levels, we will not rule out the possibility of making a relevant request with the Ministry of Public Security.

PRESIDENT (in Cantonese): Last supplementary question.

MR ALBERT HO (in Cantonese): *Madam President, I understand that in a letter replying the question raised by Mr James TO, the Commissioner of Police has mentioned that mainland public security officers are not allowed to conduct surveillance or stalking activities in Hong Kong. Could the Secretary inform this Council whether this is true, or in other words, whether they are not allowed to conduct any surveillance or stalking activities even if the public security*

officers concerned have neither claimed their status nor taken any enforcement actions to force any people of Hong Kong into doing anything? Further still, if members of the public should become aware that they are under surveillance or being stalked by law enforcement officers from the Mainland, could they report the case to the police or the Security Bureau, so that action could be taken to end those surveillance or stalking activities?

SECRETARY FOR SECURITY (in Cantonese): Madam President, the answer is in the affirmative.

International Conferences Deterred by Poor Air Quality

6. **MR AMBROSE LAU** (in Cantonese): *Madam President, it has been reported that the organizer of an international conference originally scheduled to be held in Hong Kong had changed the venue of the conference to another city because it considered the air pollution problem in the territory to be severe. In this connection, will the Government inform this Council of:*

- (a) *the number of complaints about air pollution in Hong Kong which it received from overseas businessmen and tourists over the past three years;*
- (b) *a comparison of the present air quality in Hong Kong with that in other cities which are frequently used as venues for international conferences; and*
- (c) *the measures and solutions that can be implemented immediately to avoid the recurrence of similar incidents?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, air pollution affects both local residents and visitors.

As regards part (a) of the main question, the total number of complaints about air pollution received by the Environmental Protection Department increased from 6 165 in 1997 to 7 476 in 1998 and 14 554 in 1999. As far as we know, there is no separate register for complaints by tourists or overseas businessmen.

As regards part (b) of the main question, in 1999, the average level of nitrogen dioxide in Hong Kong exceeded that in Singapore, Tokyo, London, New York and Bangkok. The average level of respirable suspended particulates was the second highest after Bangkok, and the average level of sulphur dioxide was below that of New York, Bangkok and Singapore.

As regards part (c) of the main question, the Administration is implementing a wide range of measures to tackle air pollution. Yesterday I issued a paper to the Panels on Environmental Affairs and Transport of this Council, setting out the progress in implementing the measures announced last October by the Chief Executive in his policy address and describing further initiatives to control vehicle emission. I look forward to our discussions at the joint meeting of the Panels this coming Friday (12 May). We need to take forward together the package of measures already before this Council and to prepare for the next steps we must take in the fight to protect public health by improving air quality.

As I made clear in my reply to an oral question to this Council last week, while we are giving thought to special measures that could be taken on very high pollution days, the priority for protecting public health is to lower the pollution level every day. That is the focus of our comprehensive air emission control programme. Short-term measures would only provide temporary relief. We have to consider carefully whether the benefits of such measures are sufficient to justify the resulting impacts on social and economic activity.

MR AMBROSE LAU (in Cantonese): *Madam President, part (c) of my main question is about the measures and solutions that can be implemented immediately to ensure that organizers of international conferences will not change the venue of their conferences from Hong Kong to other cities. May I ask whether the Administration has ever approached these organizers to find out more about their main concerns? Will the Administration implement any stop-gap measures to induce them not to change their venue and continue to hold their conferences in Hong Kong?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, the Environment and Food Bureau has not approached any of these organizers, because I do not see any need to implement any special policies

or measures to tackle the problem of whether or not any particular organizer is going to hold its conferences in Hong Kong. As I have already explained, our air quality does not affect foreign businessmen and visitors only; it affects local residents even more. That is why all the proposals put forward by the Administration, whether in the policy address last year or those announced as a package yesterday, are all aimed at offering practical solutions to air pollution in the short run, the medium run and the long run.

MR FUNG CHI-KIN (in Cantonese): *Madam President, in the third paragraph of her main reply, the Secretary tells us how Hong Kong compares with other places in terms of several air pollutants. However, we fail to see the comparison clearly. For example, our average level of sulphur dioxide ranks just the fourth. Does this mean that we are far better than other places, and that, therefore, air pollution cannot possibly be a factor inducing conference organizers to shy away from Hong Kong as a venue? The main reply does not dwell clearly on this point. Will the Secretary please offer an explanation now?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): *Madam President, if the Honourable Member wishes to have more information about the average levels of the air pollutants in question, I am prepared to comply with his request. However, we must note that when conference organizers decide where they would hold their conferences, they will usually consider many different factors. As far as we now know, these conference organizers have cited the air quality of Hong Kong as a reason. However, we cannot know whether there are any other factors which may also cause them to give up Hong Kong as a venue.*

MR NG LEUNG-SING (in Cantonese): *Madam President, does the Administration have any relevant statistics for the past one year or even a longer period, which show the number of times in which these organizers of international conferences directly informed the Administration or the organizing bodies that owing to air pollution, they had decided to cancel their conferences originally scheduled in Hong Kong? And, in which city did they hold their conferences eventually? Does the Administration have such statistics?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, as indicated by the information supplied to us by the Hong Kong Tourist Association (HKTA), there has only been one such case so far, and this is precisely the conference mentioned by the Honourable Ambrose LAU in the main question. The conference was originally scheduled to take place in Hong Kong, but was subsequently cancelled. This is the only case of its kind that the HKTA has encountered. But then, it is worth noting that in 1998, as many as 233 international conferences and exhibitions were held in Hong Kong. Moreover, in 1999, when people were saying that our air pollution had become more serious compared to the conditions in 1998, the number of such conferences and exhibitions still increased to 279 in total. The HKTA expects that a total of 344 international conferences and exhibitions will be held in Hong Kong this year, with a rise of 23% over last year.

MR NG LEUNG-SING (in Cantonese): *Madam President, in which city did these organizers eventually hold their conferences? Does the Administration have any information on this?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I do not have such information to hand, and I am not sure whether the HKTA has any either. However, we can make an inquiry with the Association. (Annex IV)

MR HUI CHEUNG-CHING (in Cantonese): *Madam President, it is said in the last paragraph of the main reply that the most urgent task now is to lower the pollution level every day. Will the Secretary please tell us how many sources of pollution there are? How is the Administration going to solve the related problems?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I am not quite sure what the Honourable HUI Cheung-ching wants to know. The causes of air pollution? The major types of air pollution? Or, the circumstances leading to air pollution?

PRESIDENT (in Cantonese): Mr HUI, please clarify your question.

MR HUI CHEUNG-CHING (in Cantonese): *Madam President, I wish to know the main causes of air pollution — why there is air pollution, that is. I also wish to know its sources — how air pollution has emerged, in other words.*

PRESIDENT (in Cantonese): Mr HUI, so you wish to know the main causes of air pollution. Secretary, you may now reply.

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, the causes of air pollution in different places vary. That is why I can only give Members a picture of the situation in Hong Kong.

As most of our industries have already relocated to the Mainland, our air pollution is mainly caused by vehicle emissions. This is so especially because most of our commercial fleet are powered by diesel and they run more frequently on the roads than private cars. There are currently about 150 000 diesel vehicles in Hong Kong, and in major urban areas, about 80% of the nitrogen dioxide and 15% of the respirable suspended particulates in the air are emitted by goods and passenger vehicle fleets. And, diesel vehicles are the main cause of air pollution. I do not think that I can give any detailed account of the causes of air pollution in a couple of minutes. That is why the most I can do is to outline the major problems.

MISS EMILY LAU (in Cantonese): *Madam President, it is mentioned in the Secretary's main reply that we are going to discuss the solutions to this problem this coming Friday. The Secretary has also said that vehicle emissions are the main cause of air pollution; I am sure that the transportation sector is naturally and rightly very concerned. How is the Secretary going to allay their worries, explaining to them that the various inconveniences resulting from the attempts to solve this problem will be shared by the community as a whole? How are we going to assist in allaying their worries? Besides, so far this year, how many complaints relating to air pollution has the Administration received?*

PRESIDENT (in Cantonese): Miss Emily LAU, in what ways are your two supplementary questions related to each other?

MISS EMILY LAU (in Cantonese): *They are not related, Madam President. I just hope that you would let me slip them through. If you are not prepared to do so, there is nothing I can do. (Laughter)*

PRESIDENT (in Cantonese): Miss LAU, since even you yourself admit that your two supplementary questions are not related, I cannot possibly permit you to ask them all in one go. Secretary, you need to answer one of these supplementary questions only.

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I share the views of Miss Emily LAU, because if we are to smoothly implement any measures on abating air pollution, we must need the support and co-operation of the transportation sector. For a considerable period of time, we have concentrated more on the LPG taxi scheme as a major part of our work, and we have held several meetings with the taxi trade. However, I also understand that besides the taxi trade, we will also need to maintain close contacts with other segments of the transportation sector. Indeed because of the implementation of some pilot schemes, we have also been maintaining some contacts with the minibus trade. For other trades of the transportation sectors, we will certainly consider how we should enhance our contacts and communication with them in the quickest and most efficient manner.

DR RAYMOND HO (in Cantonese): *Madam President, the first-class convention and exhibition centres in Hong Kong are mostly situated in places with heavier traffic flows and more serious air pollution. Will the Administration consider the planning possibility of allowing the construction of large-scale convention and exhibition centres in those parts of the New Territories where the environment is better? I wish to ask this question, because in other countries, in the United Kingdom, for example, the convention and exhibition centre of the second largest city, Birmingham, is situated in the countryside.*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I am sorry that I do not have any specific information about the construction of more convention and exhibition centres in Hong Kong. Well, I have read about a proposal in the press on constructing a convention and exhibition centre near the airport. However, since my knowledge about this comes entirely from media reports, I do not think I am in a position to give any concrete reply to Dr the Honourable Raymond HO's supplementary question.

MRS MIRIAM LAU (in Cantonese): *Madam President, I wish to follow up the supplementary question asked by Miss Emily LAU. According to the Secretary, the Administration has been maintaining continuous contact with the transportation sector over the past one year. Is the Secretary aware that over the past one year, the transportation sector and the then Planning and Environment Bureau (now the Environment and Food Bureau) have been holding meetings with each other as frequently as about once every month? Many kinds of meetings have been held, including meetings held with the Bureau, meetings on particulate filters and even meetings on maintenance and repairs. There have indeed been a large number of meetings. From the perspective of the Administration, does the Secretary agree that over the past one year, the transportation sector has actually rendered its full support and co-operation to the environmental efforts of the Administration? In other words, is it true to say that whenever the Administration asked the transportation sector to do anything, it would invariably comply? If yes, when the Administration now asks the transportation sector to render further co-operation, what sort of co-operation is it referring to? Besides, in her supplementary question, Miss Emily LAU asked the Administration whether it had any plan to allay the worries of the transportation sector, because diesel vehicles had been singled out as the principal target. However, the Administration did not give any reply to this.*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): First of all, Madam President, I must say that I do not agree with Mrs Miriam LAU that we have singled out diesel vehicles as our target. As I already explained when replying to Mr HUI Cheung-ching's supplementary question, our air pollution is caused mainly by the diesel fleet. For this reason, one simply should not think that we are trying in any way to single out the diesel fleet, because if we are to tackle air pollution effectively, we will inevitably need to

make decisions in respect of the environment friendliness of diesel and the possibility of requiring diesel vehicles to switch to other environmentally friendly fuels.

Regarding the attitude of the transportation sector towards the efforts of the Administration to abate air pollution, I would say that like many people in Hong Kong, the transportation sector is supportive of the relevant measures in principle. We have indeed heard many different opinions, but invariably, all people would support our measures in principle. But I must say that if we are to succeed in the actual implementation of these proposals, everyone must follow up this issue very closely. I am not saying that the transportation sector has failed to do so. As rightly pointed out by Mrs Miriam LAU, the transportation sector has paid very serious attention to air pollution over the past few years, and they have conducted many relevant studies and pilot schemes. I do hope that all this can build up a sound foundation on which we can sustain the implementation of different measures to improve the quality of our air.

Regarding the last part of this supplementary question, that is, the part on whether we have any measures to improve our communications with the transportation sector, I must say that we also wish to meet more frequently with people from the sector. However, our ability to do so will have to depend on the manpower and resources situation of the Environmental Protection Department and the Environment and Food Bureau. I also hope that we can secure the assistance of the Transport Department in this respect.

PRESIDENT (in Cantonese): Mrs Miriam LAU, which part of your supplementary question has not been answered?

MRS MIRIAM LAU (in Cantonese): *Madam President, in my supplementary question, I asked the Secretary whether the transportation sector had rendered its support to the proposed measures of the Administration over the previous year.*

PRESIDENT (in Cantonese): Secretary, do you have anything to add?

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I have nothing further to say. I have already answered this supplementary question.

MR LAW CHI-KWONG (in Cantonese): *Madam President, it is mentioned in the second paragraph of the main reply that the average level of nitrogen dioxide in Hong Kong was higher than that in New York, in the year 1999. Statistics show that in 1998, it was just the other way round. In other words, when compared with New York, our air quality has slipped.*

The Administration has recently set down the target to reduce the level of nitrogen dioxide in our air by much as 35% in 2005. However, I must say that even if all our vehicles switch to low-sulphur fuel, we will at most be able to reduce the level by about 5% only. The Administration has not put forward any specific measures which can convince us that it can reduce the level of nitrogen dioxide by another 30%. May I ask the Secretary whether she has any specific measures in mind which can achieve the target of a 35% reduction by 2005?

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, yesterday, I already gave an account of the new measures we would implement shortly, and I also outlined other possible measures that we would explore positively. All these measures can be found in the paper submitted to the Environmental Affairs Panel and the Transport Panel yesterday. Does Mr LAW Chi-kwong want me to go over all these measures here again? I just wonder whether there is enough time for me to do so.

PRESIDENT (in Cantonese): Secretary, please be seated first. If you have already submitted the relevant information in writing to Members, I do not think you should still repeat the points in this Chamber now.

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Yes, Madam President.

PRESIDENT (in Cantonese): We have spent more than 21 minutes on this question. Last supplementary question.

MISS EMILY LAU (in Cantonese): *Thank you, Madam President. I can now ask my supplementary question formally, instead of trying to slip it through.*

So far this year, how many complaints relating to air pollution has the Administration received? The number of such complaints has increased very drastically over the recent years. Has the Secretary got the figures up to May this year? How many complaints of this type has the Administration received so far this year?

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Cantonese): Madam President, I do not have such information to hand now. However, I can give a written reply to Miss Emily LAU later. (Annex V)

PRESIDENT (in Cantonese): Honourable Members, the question time must stop now. Today, there are two oral questions which have each taken us more than 20 minutes, and they are both about environmental protection. So, Secretary for the Environment and Food, please accept our thanks for your time.

WRITTEN ANSWERS TO QUESTIONS

Aqua Privies Under Management of Food and Environmental Hygiene Department

7. **MRS SOPHIE LEUNG** (in Chinese): *Madam President, will the Government inform this Council:*

- (a) *of the location of aqua privies under the management of the Food and Environmental Hygiene Department (FEHD);*
- (b) *whether the cleansing frequency for individual aqua privy is adjusted in the light of its location and usage rate; if so, of the details;*

- (c) *of the methods employed for cleaning up aqua privies; and*
- (d) *of the average unit cost for cleaning up aqua privies?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Chinese):
Madam President,

- (a) There are a total of 596 aqua privies, including a septic tank under each aqua privy, under the management of the FEHD. Their distribution is as follows:

<i>District</i>	<i>Number</i>
Kwai Tsing	7
Tsuen Wan	26
Tuen Mun	43
Yuen Long	179
North	130
Tai Po	66
Sha Tin	17
Sai Kung	72
Island	56

- (b) Most aqua privies are cleaned by either the staff of the FEHD or its contractors twice a day. The first round of cleaning is carried out at about 10 am and the second round at about 2 pm to 3 pm. The FEHD or its contractors will, depending on the usage rates of the aqua privies, carry out desludging for the septic tanks every six or 12 months. The time and frequency for cleaning and desludging will also be adjusted according to the usage rates as necessary.
- (c) During the daily cleaning work, the walls, floors, compartments, trough urinals and other facilities such as wash-basins and mirrors inside the aqua privies will be cleaned by the FEHD or its contractors. For desludging work, the FEHD deploys night soil collection vehicles to remove the sludge and transfer it to the sewage treatment plant for disposal. The FEHD will employ contractors to clean the septic tanks using other equipment in a few areas that are not accessible by the night soil collection vehicle, such as the outlying islands.

- (d) The average cost of cleaning an aqua privy by the staff of the FEHD is about \$47, and that for desludging is about \$1,284. This consists mainly of staff cost and operation cost of the night soil collection vehicle.

Dumping of Undetonated Bombs in the Sea

8. **MR DAVID CHU** (in Chinese): *Madam President, one of the methods used to dispose of undetonated bombs is to dump them at the waters between Po Toi Island and Beaufort Island. In this connection, will the Government inform this Council:*

- (a) *of the amount of explosives disposed of at the aforesaid waters over the past three years;*
- (b) *whether it has assessed the impact of the explosives on the marine environment and the ecology of the waters concerned; and*
- (c) *whether it has informed the fishermen of the locations of the waters dumped with explosives; and of the measures adopted to ensure their safety?*

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) In the past three years, four undetonated bombs were disposed of at the Beaufort Channel Explosives Dumping Ground under a permit issued by the Director of Environmental Protection.
- (b) The environmental impact of the bomb disposal is assessed in the light of the explosive chemicals contained in the bombs. A review conducted in 1995-96 concluded that bomb disposal at the Beaufort Channel dumping site would have limited impact on its marine environment for the reasons that:
- (1) there would be very little leaking, if any, of explosive chemicals to the marine environment as bombs are constructed of thick and high grade steel casings; and

- (2) TNT (2, 3, 6-trinitrotoluene), the common chemical used in bombs, is of relatively slow solubility and toxicity in the marine environment.

Based on the findings of both the Civil Engineering Department's coastal ecology study and the Environmental Protection Department's routine water quality, there is also no indication of any adverse impact on the marine environment.

- (c) The Marine Department has issued Notice to Mariners to advise the public of the detailed location of the explosives dumping ground and the precautions to be taken by vessels, fishermen and divers in the area. The Agriculture, Fisheries and Conservation Department has likewise issued advisory circular letter to the fishermen associations. The location of the site is also shown on the relevant navigation charts.

Multi-level Sub-contracting in Public Housing Works

9. **MISS CHOY SO-YUK** (in Chinese): *Madam President, it is learnt that a contractor was awarded a works contract at a tender price of \$4,800 per unit to install sanitary wares for the Home Ownership Scheme units in Siu Sai Wan. He then sub-contracted the works to another contractor at \$1,600 per unit, who then further subcontracted the works at \$800 per unit to a third party. In this connection, will the Government inform this Council:*

- (a) *whether it knows the sub-contracting incident stated above; if it does, of the details;*
- (b) *whether it knows if similar situation occurs in other housing flats under the Home Ownership Scheme (HOS); if so, of the details; and*
- (c) *of the measures to preclude any decline in the quality of materials and workmanship for public housing works as a result of multi-level sub-contracting?*

SECRETARY FOR HOUSING (in Chinese): Madam President,

- (a) There are no HOS projects completed recently or under construction in Siu Sai Wan. The Housing Authority (HA) does not know of the alleged sub-contracting incident.
- (b) The HA has not received any report of similar incidents in other HOS projects.
- (c) To ensure the standard and quality of works, the HA holds the main contractor fully responsible for constructing the projects to the specified standards and for rectifying any works to the specified standards if non-compliance is found. The HA's site supervisory staff will carry out testing and inspection to ensure compliance with the specified standards. In addition, independent technical audit and independent technical assessment under the Performance Assessment Scoring System will be carried out by special teams to further assure quality.

To further ensure the quality of public housing, the HA will in future:

- (i) require main contractors to submit a list of sub-contractors at all levels to the HA;
- (ii) promote the use of contract workers in core trades through contract provisions and better tendering opportunities; and
- (iii) support the initiative of the construction industry to form an Organized Specialist Sub-contractors System to provide a consolidated list of capable sub-contractors.

Regulatory Framework of Supplementary Medical Professions

10. **MR MICHAEL HO** (in Chinese): *Madam President, regarding the composition and operation of the Medical Council of Hong Kong, the Nursing*

Council of Hong Kong and the Supplementary Medical Professions Council (SMPC), will the Government inform this Council:

- (a) whether it knows the respective numbers of general meetings held by these bodies in each of the past five years;*
- (b) of the number and proportion of registered supplementary medical practitioners among the members of the SMPC at present, and the professions of other SMPC members;*
- (c) of the reasons for the Supplementary Medical Professions Ordinance (Cap. 359) providing for the establishment of various professional boards only under the SMPC, instead of setting up a council for each relevant profession; and*
- (d) how the existing regulatory framework of the supplementary medical professions in Hong Kong compares with those of advanced countries in America and Europe?*

SECRETARY FOR HEALTH AND WELFARE (in Chinese): Madam President,

- (a) A breakdown of the number of general meetings held by the Medical Council of Hong Kong, the Nursing Council of Hong Kong, and the SMPC in the past five years is as follows:

<i>Year</i>	<i>Number of General Meetings</i>		
	<i>Medical Council of Hong Kong</i>	<i>Nursing Council of Hong Kong</i>	<i>SMPC</i>
1995	5	3	0
1996	5	3	2
1997	10	4	1
1998	9	4	0
1999	11	6	1

(b) At present, the SMPC comprises 17 members, as follows:

	<i>Number</i>	<i>Profession</i>
Chairman	1	University professor
Deputy Chairman	1	Civil servant
A registered person each from the five professions supervised by the SMPC	5	A medical laboratory technologist, an occupational therapist, an optometrist, a physiotherapist and a radiographer
Three public officers	3	A representative each from the Health and Welfare Bureau, the Department of Health and the Social Welfare Department
Four non-public officers	3	Three medical doctors and a businessman
Three nominees by universities	3	University professors

(c) The SMPC has been set up as an independent statutory organization to co-ordinate and supervise the activities of the five professions regulated by the Supplementary Medical Professions Ordinance, namely, the Medical Laboratory Technologists, Physiotherapists, Occupational Therapists, Radiographers and Optometrists. Under the present arrangement, the SMPC co-ordinates, and assists in resolving, any issues involving two or more of the five professions. In parallel, each profession has its own regulatory Board responsible for the registration and discipline of its own members, and promotion of standards of professional practice and conduct. Such an arrangement helps ensure consistency, effective communication and co-operation among the supplementary medical professions in the delivery of services to the patients.

- (d) There is a similar regulatory framework for the supplementary medical professions in the United Kingdom. Because of the constraint of time, it has not been possible to find out the structure of corresponding regulatory systems in other countries in America and Europe.

Extensive Flooding in Yuen Long Allegedly Caused by West Rail Project Works

11. **MR LEE KAI-MING** (in Chinese): *Madam President, on the 14th of last month, heavy downpours caused serious and extensive flooding in Yuen Long. It has been reported that the flooding was partly attributable to the blockages of rivers and drainage channels caused by the West Rail project works. In this connection, will the Government inform this Council:*

- (a) *whether it has assessed if the Kowloon-Canton Railway Corporation (KCRC) and its contractors undertaking the construction of the West Rail should be held responsible for the flooding; if the assessment result shows that they should bear the responsibility, whether the KCRC and the contractors concerned will be required to offer compensation to the residents who have suffered losses in the flooding; if the assessment result is in the negative, of the rationale for that;*
- (b) *whether it has requested the KCRC to issue a code of practice to the West Rail contractors concerning flood prevention and to closely monitor such contractors to ensure that they comply with the code; if not, of the reasons for that; and*
- (c) *of the measures it will take to strengthen the monitoring of infrastructural projects in order to prevent flooding due to the construction works?*

SECRETARY FOR WORKS (in Chinese): Madam President,

- (a) The rainfall on 14 April was extremely heavy and it coincided with a high tide such that low-lying areas in the Yuen Long and Tuen Mun were flooded. The Government's initial findings are that the KCRC's West Rail works did not directly cause flooding. We are studying the situation on a case-by-case basis by taking into account all factors including the intensity of rainfall, the height of the tide, the location of the area, records of previous flooding and the possible effect, if any, of the West Rail works. The KCRC has publicly stated that they will accept liability if there is evidence to show that flood damage resulted from their works.
- (b) Under current practice, for projects that would affect the existing drainage system, the KCRC was required to submit drainage impact assessments to the Drainage Services Department (DSD) for agreement. The DSD will, if deemed necessary, impose conditions on the design and method statements. The KCRC is required to closely monitor the work of their contractors to ensure that the conditions are fully complied with. This practice is also applicable to all proponents of any similar projects.
- (c) Before the start of the rainy season, the DSD will remind relevant government departments and personnel in charge of construction sites to avoid flooding due to blockage of drains or watercourses by construction wastes. The DSD will also regularly inspect the existing drainage system under the prevailing inspection and maintenance programme. Any anomalies, if found, will be immediately reported to the relevant parties for follow-up action.

Provision of Inoculation Service for New Arrivals

12. **MR LAW CHI-KWONG** (in Chinese): *Madam President, regarding the diseases contracted by local residents and the provision of inoculation service for new arrivals from the Mainland, will the Government inform this Council:*

- (a) *of the number of newborn babies who died or suffered disabilities because of German measles infection during pregnancy, and the number and percentage of female new arrivals from the Mainland who received inoculations against German measles at maternal and child health centres (MCHCs), over the past five years;*
- (b) *of the number of new cases of pulmonary tuberculosis (TB) during the past five years, and the number of those patients who were new arrivals from the Mainland; and*
- (c) *how it will provide effective vaccination to those new arrivals from the Mainland who are already above the normal age for receiving the inoculation service; and whether it has any plans to provide inoculation services against German measles and pulmonary TB and so on for all new arrivals from the Mainland, as well as the respective annual amounts of resources required for these inoculation services?*

SECRETARY FOR HEALTH AND WELFARE (in Chinese): Madam President,

- (a) In the past five years, there were a total of four notified cases of Congenital Rubella Syndrome due to rubella infection during pregnancy in Hong Kong. Two cases were notified in 1997, one in 1998 and one imported case in 1999. There was no report of neonatal death due to the disease in the said period.

Statistics on female new arrivals receiving rubella vaccinations at the MCHCs of the Department of Health (DH) have been available only since 1998. In 1998 and 1999, a total of 206 and 411 women who had arrived in Hong Kong for less than two years attended the MCHCs for rubella vaccination respectively. As not every new arrival received this vaccination in the year of arrival, it is not possible to work out the percentage of new arrival women who have received such vaccination from the DH.

- (b) The number of TB notifications for the past five years is as follows:

<i>Year</i>	<i>Total number of TB notifications</i>	<i>Total number of TB notifications involving new arrivals #</i>
1995	6 212	102
1996	6 501	162
1997	7 072	156
1998	7 673	169
1999	7 512*	169*

Having arrived in Hong Kong for less than seven years

* Provisional figures

- (c) Under the present immunization programme, the DH provides immunization service to specific target groups, which include a comprehensive immunization programme for children from birth to Primary Six, rubella vaccination for women of child-bearing age, influenza vaccination for the elderly living in residential homes, and so on. The immunization programme for children provides protection against TB, diphtheria, pertussis, tetanus, poliomyelitis, measles, mumps, rubella and hepatitis B.

The DH takes active measures to contact new arrival children to offer them immunization services. Since 1994, the Department has been sending, through the school principals, letters to parents of all new arrival children attending primary schools to remind them of the importance of immunization and inform them of the availability of the immunization services from the DH.

Apart from the above specific target groups, the DH at present does not offer immunization service to the general adult population because most of them would have already acquired immunity through previous vaccinations in childhood or exposure to various infectious diseases. There is no clinical evidence that BCG vaccination offers protection to adults against TB. The immunization policy will be re-visited from time to time.

We have always maintained the principle of parity for both local people and new arrivals. New arrivals belonging to one of the target groups can seek appropriate vaccinations from the DH even though they are above the recommended age in the DH's immunization programme. The resources for vaccination of new arrivals are not separately identified and are covered by existing resources.

Extending the Application of Protocol on Biosafety to Hong Kong

13. **DR TANG SIU-TONG** (in Chinese): *Madam President, regarding the transboundary movement of "living modified organisms" (LMOs), the Conference of the Parties to the Convention on Biological Diversity (the Convention) endorsed in January this year a protocol on biosafety (the Protocol), which will be signed by the parties to the Convention between May and June. In this connection, will the Government inform this Council whether:*

- (a) *it knows if the Central People's Government has plans, after signing the Protocol, to invoke Article 153 of the Basic Law to extend the application of the Protocol to the Hong Kong Special Administrative Region (SAR); if not, whether the SAR Government can participate in relevant meetings in future and the capacity in which it may participate in those meetings;*
- (b) *it has information on LMOs imported to, exported from and re-exported via the territory, and other information such as the categories, quantity, places of origin and safety test results in relation to those organisms; if not, whether it will consider establishing a mechanism to collect such information; and*
- (c) *it will consider restricting temporarily the import, export and re-export of LMOs before the Protocol comes into effect; if not, of the reasons for that?*

SECRETARY FOR THE ENVIRONMENT AND FOOD (in Chinese):
Madam President,

- (a) The Biosafety Protocol is an agreement among states and regional economic integration organizations. It will be open for signature at the United Nations Office in Nairobi by states and regional economic integration organizations from 15 to 26 May 2000, and at United Nations Headquarters in New York from 5 June 2000 to 4 June 2001. Article 153 of the Basic Law stipulates that the application to the SAR of international agreements to which the People's Republic of China is or becomes a party shall be decided by the Central People's Government, in accordance with the circumstances and needs of the Region, and after seeking the views of the SAR Government. We are studying whether the Protocol should be adopted in Hong Kong. If we consider that the Protocol should be adopted, we will forward our views to the Central People's Government.
- (b) Currently, there is no legislation governing the import, export or re-export of LMOs. Therefore, we do not have such information. As part of our study on the adoption of the Protocol in Hong Kong, we will consider how to establish a mechanism to collect such information in the future.
- (c) We are still considering whether the Biosafety Protocol should be adopted. To implement effectively the relevant regulations on transboundary movement of LMOs stipulated in the Protocol, close co-operation among the Parties to the Protocol is essential. Therefore, we do not intend to restrict the import, export and re-export of LMOs on our own.

Public Complaints Received Electronically by Policy Bureaux and Departments

14. **MR LEE WING-TAT** (in Chinese): *Madam President, will the Government inform this Council of:*

- (a) *the Policy Bureaux and departments which now have webpages or electronic mail (e-mail) boxes at their websites for receiving public complaints;*
- (b) *the number of complaints received by each Policy Bureau and department via its webpage or e-mail box since January this year; and*
- (c) *the average time taken by each Policy Bureau and department to make the first substantive response to such complaints?*

SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING (in Chinese): Madam President,

- (a) All Policy Bureaux and departments have e-mail boxes in their homepages to allow the public to lodge complaints; make inquiries or voice opinion. We attach great importance to communication with members of the public through electronic means. We have issued instructions to Policy Bureaux and departments asking them to respond to complaints, whether in writing or by e-mail, expeditiously. Each Policy Bureau/department has assigned an officer of appropriate ranking to check its e-mail box for correspondence with the public at least twice every day and to refer e-mail received to the responsible officer for action expeditiously.
- (b) For the period from 1 January 2000 to 25 April 2000, a total of 862 complaints were received by Policy Bureaux and departments through these e-mail boxes. The details are set out in the Annex.
- (c) Of the 82 complaints lodged through electronic means, the average time taken by Policy Bureaux and departments to make the first substantive response is 6.3 days. The details are also set out in the Annex. Amongst these 862 cases, the first substantive response was made within three working days in 355 (41%) cases.

Annex

<i>Policy bureaux and departments which have received complaints through e-mail</i>	<i>Number of complaints received</i>	<i>Average days taken to make first substantive response</i>	<i>Note</i>
<i>Government Secretariat</i>			
Chief Secretary for Administration's Office	1	2	
Civil Service Bureau	4	4.1	
Economic Services Bureau	6	4	
Financial Services Bureau	1	1	
Health and Welfare Bureau	1	20	(1)
Home Affairs Bureau	14	4	
Housing Bureau	1	7	
Information Technology and Broadcasting Bureau	1	4.5	
Planning and Lands Bureau	2	1.5	
Security Bureau	3	3.3	
Transport Bureau	10	10	
Works Bureau	1	1	
<i>Departments</i>			
Agriculture, Fisheries and Conservation Department	5	4.4	
Buildings Department	47	1.5	
Civil Aviation Department	1	14	
Civil Engineering Department	3	15.5	
Correctional Services Department	1	23	(1)
Customs and Excise Department	3	2.5	
Drainage Services Department	2	7.5	
Education Department	11	24	(2)
Electrical and Mechanical Services Department	1	1	
Environmental Protection Department	104	9	
Food and Environmental Hygiene Department	150	7.1	
Fire Services Department	20	5.7	
Health, Department of	5	8.8	
Highways Department	31	6	
Home Affairs Department	6	1	
Housing Department	32	8.3	
Hong Kong Monetary Authority	3	6	

<i>Policy bureaux and departments which have received complaints through e-mail</i>	<i>Number of complaints received</i>	<i>Average days taken to make first substantive response</i>	<i>Note</i>
<i>Departments</i>			
Immigration Department	3	10.5	
Independent Police Complaints Council, Secretariat for	12	6	
Information Services Department	1	1	
Inland Revenue Department	2	6	
Intellectual Property Department	1	14	
Lands Department	19	6.8	
Legal Aid Department	1	42	(1)
Leisure and Cultural Services Department	124	4.3	
Marine Department	4	3	
Official Languages Agency	1	1	
Post Office	25	6	
Registration and Electoral Office	5	3.4	
Social Welfare Department	5	4.8	
Student Financial Assistance Agency	5	9	
Telecommunications Authority, Office of the	60	5.4	
Television and Entertainment Licensing Authority	29	2.7	
Territory Development Department	1	7.5	
Transport Department	31	13	
Water Supplies Department	46	3.4	
Independent Commission Against Corruption	10	1	
Judiciary	7	5.6	
Total	862	6.3	

Note:

- (1) Complicated cases.
- (2) Out of the 11 complaints, four required longer time for investigation. The rest were given a substantive reply in less than 11 days.

Applications for Retaining Existing Occupational Retirement Schemes

15. **MR YEUNG YIU-CHUNG** (in Chinese): *Madam President, will the Government inform this Council of the respective numbers of approved and rejected applications made by employers to the Mandatory Provident Fund Schemes Authority (MPFA) for retaining their existing occupational retirement schemes, and the reasons for such applications being approved or rejected?*

SECRETARY FOR FINANCIAL SERVICES (in Chinese): Madam President, the MPFA has received a total of 7 109 MPF exemption applications, including 6 542 applications for ORSO registered schemes and 567 applications for ORSO exempted schemes. All applications are processed in accordance with the requirements under the Mandatory Provident Fund Schemes (Exemption) Regulation (the Regulation).

The 6 542 applications for ORSO registered schemes represent 57% of the total number of the eligible registered schemes, involving 642 869 scheme members. To be eligible for MPF exemption, an ORSO registered scheme must meet the following criteria:

- (a) be established on or before 15 October 1995;
- (b) have lodged an application for registration under the Occupational Retirement Schemes Ordinance on or before 15 January 1996;
- (c) be governed by a trust; and
- (d) comply with the provisions in the Regulation.

As for ORSO exempted schemes, most of them are overseas schemes set up by overseas companies, and only a very small number of the scheme members are local employees. As a great majority of the ORSO exempted schemes do not have local employees as members and their scheme members would be automatically exempted from the MPF System by virtue of section 4(3) of the MPF Schemes Ordinance. The 567 applications received mentioned above represent 29% of the total number of 1 983 ORSO exempted schemes. Such schemes are not required to meet any specific criteria to be eligible for MPF exemption. Exemption will be give provided that the application is properly completed with the relevant fees paid.

As the majority of the applications are received very close to the deadline, the MPFA has only completed the processing of approximately 1 700 applications received earlier and has not rejected any of such applications. The MPFA's target is to finish processing all MPF exemption applications by the end of July.

Guidelines on Licensing of Internet Banks

16. **MR NG LEUNG-SING** (in Chinese): *Madam President, it has been reported that the Hong Kong Monetary Authority (HKMA) intends to issue guidelines on the licensing of Internet banks in Hong Kong. In this connection, will the Government inform this Council:*

- (a) of the gist of the guidelines;*
- (b) of the manner in which the HKMA consulted the banking industry in respect of the draft guidelines, and the response of the industry;*
- (c) how the HKMA will ensure that the security level of the computer systems of the Internet banks is adequate, and whether locally-registered authorized institutions and those registered overseas are subject to different regulatory requirements;*
- (d) whether the HKMA has strengthened the training of its staff in relation to the monitoring of Internet banking business; if so, of the relevant details; and*
- (e) whether, in the light of the development of Internet banking, it has plans to review the existing legislation regulating the banking industry and to revise the measures being taken for reforming the industry; if so, of the details of such plans; if not, the reasons for that?*

SECRETARY FOR FINANCIAL SERVICES (in Chinese): Madam President,

- (a) In view of the growing popularity of Internet banking services, the HKMA issued a guideline on the licensing of Internet banks (or

virtual banks) on 5 May 2000. The guideline sets out the principles which the HKMA takes into account in deciding whether to authorize virtual banks.

It is stated clearly in the guideline that the HKMA will not object to the establishment of virtual banks in Hong Kong provided that the institutions concerned can satisfy the same prudential criteria which apply to conventional banks. Generally speaking, they must comply with the following requirements:

- maintain a physical presence in Hong Kong.
- maintain an appropriate level of security;
- put in place appropriate policies and procedures to deal with risks in relation to the operation of virtual banking business;
- formulate a business plan which strikes a balance between the desire to build market share and the need to earn a reasonable return on assets and equity;
- set out clearly in the terms and conditions for its service the rights and obligations of its customers; and
- comply with HKMA's guidelines on outsourcing computer operations.

In line with existing licensing policies, a locally incorporated virtual bank cannot be newly established other than through the conversion of an existing locally incorporated authorized institution. When applying to become a locally incorporated authorized institution, the requirements on size, capital, association with Hong Kong, years of business in Hong Kong, ownership, and so on as prescribed by the Banking Ordinance must be met. Furthermore, a locally incorporated virtual bank should be at least 50% owned by a well established bank or other supervised financial institution in good standing in the financial community and with appropriate experience.

An overseas-incorporated virtual bank must come from a country where there is an established regulatory framework for electronic banking and it must have total assets to more than US\$16 billion. an overseas-incorporated virtual bank will be subject to the "three-building" condition in respect of the number of its physical offices, but this condition would not prevent its development of a cyber network.

- (b) In early March 2000, the HKMA consulted the Hong Kong Association of Banks, the Deposit-taking Companies Association, the Banking Advisory Committee and the Deposit-taking Companies Advisory Committee on the draft guideline on the Authorization of Virtual Banks. The consultation revealed general support from the industry.
- (c) The HKMA attaches great importance to the security of Internet banking services. The regulatory method adopted is to request the authorized institutions (AIs) planning to provide Internet banking services to indicate to the Authority, before introducing these services, the ways to manage different risks brought about by the new services, including how to properly deal with security of the system. The HKMA requests the AIs to adopt adequate security techniques, internal control policies and procedures to:
- ensure that only authorized persons are allowed to have access to the system concerned;
 - verify the identity of clients and users;
 - properly protect information and ensure the confidentiality and integrity of important information in the course of transmission and storage;
 - prevent hackers from gaining access to the internal computer systems and data of the bank;
 - monitor any intrusion and suspicious transactions or activities;
- and

- have in place comprehensive security, contingency measures and procedures.

The HKMA would also require the AIs to commission independent professionals to evaluate their security measures objectively and review relevant risk management and internal control measures regularly. The HKMA would review its regulatory measures from time to time and it also intends to issue to the AIs more specific proposals concerning the security of electronic banks.

The aforesaid regulatory requirements and measures are applicable to all AIs operating Internet banking services. The same strict requirements apply both to locally and overseas incorporated AIs.

- (d) The HKMA provides training for staff responsible for the monitoring of Internet banking business through different means, including:

- specialized courses, seminars and talks conducted by professional organizations;
- on-the-job training (such as advices and guidance provided by in-house experts in computer and information technology);
- making reference to overseas experience (for example, United States, United Kingdom and Basle Committee on Banking Supervision); and
- the latest information and advices on the market and development of technology provided by the professionals from the Study Group on Electronic Banking.

The HKMA will further strengthen the training of its staff this year. Some members of the special working group for on-site inspection of the AIs' electronic banking business will be sent to overseas regulatory institutions for professional training.

- (e) Insofar as existing banks are concerned, Internet banking is an alternative channel through which banking products or services are

delivered to customers. Institutions that provide Internet banking services are basically conducting banking business. The risks to which they are exposed are virtually more or less like those faced by conventional banks. Hence, the provisions of the Banking Ordinance (for example, the provisions related to the approval of the application for authorization and the restrictions on loans) are also applicable to Internet banking business. Major amendment to the existing legislation is therefore not necessary.

However, while reviewing the existing supervisory policies on electronic banking services, the HKMA found that the definition of "advertisement" under section 92 of the Banking Ordinance does not specify that Internet advertisements for deposits are included, which therefore needs slight amendment. In addition, with reference to the practice of other regulatory institutions, the HKMA plans to revise the definition of "issue" of advertisements by adding a test of "whether they are targeted at members of the public in Hong Kong" to ensure that overseas institutions are allowed to issue advertisements for deposits targeted at members of the public in Hong Kong on the Internet only if the disclosure requirements in the Fifth Schedule are met. The purpose of these two amendments is to protect the interests of the depositors.

As for the series of banking reform proposals which are being implemented, there is no need to make further amendments for the time being because the HKMA had taken into consideration the effects of the development of electronic banking on the banking industry when drawing up the proposals in 1999.

Compensation for Factory Owners Affected by West Rail Project

17. **MR TAM YIU-CHUNG** (in Chinese): *Madam President, the Administration has invoked the Railways Ordinance (Cap. 519) to resume a piece of industrial land in Tsuen Wan for the construction of the West Rail (Phase I), thereby affecting the livelihood of the factory owners operating in more than 700 units. Regarding compensation payable to these factory owners, will the Government inform this Council:*

- (a) *of the criteria adopted for determining the ex gratia compensation rate for disturbance payment; and*
- (b) *whether it will consider increasing the amount of compensation as well as the provision of bridging loans; if not, of the reasons for that?*

SECRETARY FOR PLANNING AND LANDS (in Chinese): Madam President,

- (a) A disturbance payment is offered to eligible occupiers of industrial buildings affected by land resumption to help ease their financial hardship caused by the relocation of their operation from the affected premises. In the case of the land resumption at Wah Kai Industrial Centre in Tsuen Wan, the amount of *ex gratia* disturbance payment is \$2,190 per sq m of the actual area occupied. This was the prevailing rate applicable to all clearances of industrial buildings territory-wide at the time when the Wah Kai resumption exercise began. The rate has taken into account the cost of moving to new premises, rental for the new premises during the fitting-out period, basic fitting-out cost and fees related to the acquisition of new premises such as estate agent fee, legal fee and stamp duty.
- (b) The Lands Department has made compensation offers to all property owners of Wah Kai Industrial Centre. These compensation offers, which are based on the open market value of the premises, range from \$4,690 per sq m to \$6,990 per sq m of the saleable area of the affected premises. The compensation offers also take into account the location of the premises, their floor loading, headroom and so on. In addition to the compensation for the open market value of the affected premises, *ex gratia* disturbance payments are paid to all eligible occupiers at \$2,190 per sq m of the actual area occupied.

If the affected owners and occupiers disagree with the compensation offers, they may seek higher compensation for their premises and/or disturbance payment from the Lands Department by providing supporting evidence to substantiate their claims. The Lands Department will process each claim on its merits. If a claimant and

the Lands Department cannot reach agreement on the claim, the claimant may refer the case to the Lands Tribunal for a final decision.

Before a claim is settled, the claimant may accept a provisional payment (that is, up to 90% of the compensation offered for the affected premises and up to 100% of the disturbance payment offered) without affecting his/her right to pursue claims for higher compensation.

The above compensation arrangements provide a fair mechanism for the affected owners and occupiers to seek higher compensation claims on the merit of their cases. The Government currently has no plans to provide bridging loans to the affected owners or occupiers. However, owners or occupiers may apply for short-term loans from banks and seek reimbursement of interest paid on such loans from the Lands Department.

Strengthening Security of Power Supply Facilities

18. **DR RAYMOND HO** (in Chinese): *Madam President, it was reported that a power substation of China Light and Power Company Limited (CLP) had recently been vandalized. In this connection, will the Government inform this Council whether:*

- (a) it knows the details of the incident and has requested the company to submit a report on this incident;*
- (b) it has discussed with or advised the company on measures to strengthen the security of its power supply facilities; if it has, of the details; and*
- (c) it will request the company to submit an assessment report about the impacts on electricity supply when various power supply facilities are damaged?*

SECRETARY FOR ECONOMIC SERVICES (in Chinese): Madam President,

- (a) In November 1999, the CLP reported to the police incidents of trespasses upon their electricity substations at Tai Kok Tsui, Sai Kung and Ma On Shan. Some electrical installations at the substations concerned were interfered with or stolen. A small number of customers experienced short interruption of electricity supply but there was no electricity accident. The Electrical and Mechanical Services Department has inquired about the incidents and the CLP has submitted to it information regarding security at its power substations.
- (b) According to the CLP's record, no similar incidents have happened in the past. Subsequent to the above incidents, the CLP has strengthened security at their substations including enhancing its security systems and stepping up patrols. In addition, upon receiving reports on the incidents, the police has stepped up patrol at the concerned substations. The Police Crime Prevention Bureau has also discussed with the CLP ways to enhance their security measures. No occurrence of similar incidents has been recorded since November 1999.
- (c) The Director of Electrical and Mechanical Services will request reports from the CLP pursuant to the Electricity Ordinance if there is interruption in the CLP's electricity supply causing distress or inconvenience to the public as a result of their facilities being damaged or for other reasons.

Appointment of Certificated Masters/Mistresses as Primary School Masters/Mistresses

19. **MR CHEUNG MAN-KWONG** (in Chinese): *Madam President, in respect of the appointment of Certificated Masters/Mistresses as Primary School Masters/Mistresses, will the Government inform this Council:*

- (a) *of the justifications for capping the maximum number of Primary School Master/Mistress (Senior Teacher) posts at 35% of the total*

number of senior teacher posts in each Government Primary School; of the reasons for not subjecting Aided Primary Schools to this requirement; whether it has assessed if the incentive for Certificated Masters/Mistresses to pursue further studies will be dampened by the fact that all Primary School Master/Mistress (Senior Teacher) posts for which a quota has been set are filled; if the assessment result is in the negative, of the rationale for that;

- (b) *of the respective numbers of serving Certificated Masters/Mistresses at various ranks to be appointed as Primary School Masters/Mistresses, vacant posts in the Primary School Master/Mistress grade, as well as serving Certificated Masters/Mistresses who are qualified but will not be appointed as Primary School Masters/Mistresses in Government Primary Schools for the coming academic year; and*
- (c) whether it has plans to relax the requirement that the number of Primary School Master/Mistress grade posts in each primary school should not exceed 35% of the teaching staff establishment of the school?

SECRETARY FOR EDUCATION AND MANPOWER (in Chinese): Madam President,

- (a) To accelerate the pace of enhancing the quality of primary school teachers, the Government decided in 1999 to advance the target year of upgrading 35% of the overall teaching posts in government and aided primary schools to graduate primary posts from the 2007-08 school year to the 2001-02 school year. A total of 1 380 graduate primary posts were provided in government and aided primary schools in the 1998-99 school year. For the 1999-2000 to 2001-02 school years, the annual provision will be increased to 1 640. The percentage of graduate primary posts in the total number of teaching posts in government and aided primary schools will be increased gradually from about 20% in the 1999-2000 school year to 35% in the 2001-02 school year.

In regarding non-graduate post to graduate post, the Education Department has, subsequent to consultation with relevant bodies, adopted a top-down approach as recommended in Education Commission Report No. 5 whereby non-graduate posts at the upper ranks are given priority in regarding to graduate posts.

Since in government schools, the promotion of teachers has to be considered against the overall staff establishment, it is important to develop a reasonable staffing structure. The Government, with the advice and support the Union of Government Primary School Headmasters and Headmistresses and the Government Educational Staff Union, has decided to regrade all headship and deputy headship posts as well as some 35% of the senior teacher posts to graduate teacher posts, and to allocate the remaining graduate posts to Assistant Primary School Master/Mistress posts. Based on this principle, individual government primary schools may make arrangements appropriate to their own circumstances.

As for aided primary schools, the Education Department, having consulted relevant bodies, decided that a more flexible approach should be adopted. After regarding the headship and deputy headship posts to graduate posts, individual aided primary schools may, in consultation with their teaching staff, draw up a school-based grade structure geared to their actual needs and circumstances, provided that the number of graduate teaching posts do not exceed 35% of the overall teaching posts (including headship and deputy headship posts) of the school.

The above arrangements are drawn up after consultation with relevant bodies and it is therefore envisaged that the incentive for Certificated Masters/Mistresses to pursue further studies will not be dampened.

- (b) In the 2000-02 and 2001-02 school years, the number of non-graduate posts in government primary schools to be regarded to graduate posts are estimated as follows:

	2000-01	2001-02
Assistant Masters/Mistresses	6	-
Certificated Masters/Mistresses	115	120

It is estimated that about 350 Certificated Masters/Mistresses in government primary schools are degree holders.

- (c) The Government does not have plan at the moment to increase the percentage of graduate primary posts to over 35% of the overall teaching posts in government and aided primary schools.

Conflict of Interests of Financial Intermediaries

20. **MR SIN CHUNG-KAI** (in Chinese): *Madam President, will the Government inform this Council whether it will request the Securities and Futures Commission (SFC) to:*

- (a) *study the relevant regulatory requirements in advanced countries in America and Europe and, by reference to such requirements, draw up guidelines to prohibit intermediaries of the stock and futures markets from publishing statements or market analyses, or making trading recommendations to their clients for the purpose of influencing the prices of securities and futures, and thereby seeking advantage; and*
- (b) *amend the relevant codes and guidelines to the effect that intermediaries are required to declare regularly the securities and futures trading activities they, their employees and representatives conduct as principals, and impose sanctions against those intermediaries failing to comply with such requirements?*

SECRETARY FOR FINANCIAL SERVICES (in Chinese): Madam President,

- (a) The business and conduct of registered intermediaries are subject to the regulation of the SFC on the basis of the relevant ordinances and subsidiary legislation, as well as codes and guidelines promulgated by the SFC.

There are specific provisions in the laws which prohibit manipulation of the market and the creation of a false market in the trading of securities and futures contracts on the stock market and futures market. The ambit of these legal provisions is similar to that of laws in United States and United Kingdom, although the provisions are not identical.

Section 135 of the Securities Ordinance (Cap. 333) prohibits any persons from circulating or disseminating any statement or information for the purpose of manipulating the prices of any securities traded on the Stock Exchange of Hong Kong. Section 138 of the same Ordinance also prohibits any person from making any false, misleading or incomplete statements of a material nature for the purpose of inducing the sale of the securities of any corporation. There are also similar provisions in the Commodities Trading Ordinance (Cap. 250) with respect to the trading of futures contracts. Any person including market intermediaries who contravenes these provisions shall be guilty of an offence and shall be liable on conviction on indictment to a fine and imprisonment.

In order to strengthen the deterrence against false public disclosure, the Securities and Futures Bill, recently published in the form of a White Bill, introduces a dual civil and criminal regime in combating market misconduct. Clauses 287 and 291 of the Bill introduce clearer definitions of, and enhance the sanctions against, the disclosure of false information inducing transactions in securities or futures contracts. Moreover, clauses 200, 268 and 295 explicitly empower the investors to protect themselves through civil actions to seek compensation for loss as a result of such misconduct. With these new regulatory measures, we hope to send a clear message to market participants that they should recognize their duty of care in ensuring that the statements they make to the public are not false.

The Bill is under consultation until end June. We welcome public comments to refine these provisions to better achieve our policy objective to improve the quality of public disclosure in the securities market.

As regards the Code of Conduct For Persons Registered with the SFC (Code of Conduct), one of the seven principles set out therein is the principle of "honesty and fairness". These seven principles are consistent with the principles developed by the International Organization of Securities Commissions (IOSCO) and adopted by most of the developed markets.

The Code of Conduct provides, among other things, that a registered person¹ should act honestly, fairly and in the best interest of his clients and the integrity of the market. He should try to avoid conflicts of interest, and when these cannot be avoided, should ensure that his clients are fairly treated. The Code of Conduct also provides that where a registered person advises or acts on behalf of a client, he shall ensure at all times that any representations made and information provided to the client are accurate and not misleading.

In addition, the Management, Supervision and Internal Control Guidelines for Persons Registered with or Licensed by the SFC (Internal Control Guidelines) requires a firm in the business of offering investment advice for remuneration to adopt measures and procedures to ensure that such advice is based on thorough analysis, taking into account available alternatives, and that such advice is appropriate for the relevant client.

Contravention of the Code of Conduct and the Internal Control Guidelines could be liable to civil sanctions by the SFC.

The SFC will continue to keep our regulatory regime under review, taking into account developments and practices in other major markets.

- (b) On the question of disclosure, the Code of Conduct requires a registered person to make disclosure to client, wherever he has a

¹ A "registered person" is a person registered under the Securities Ordinance (Cap. 333) or the Commodities Trading Ordinance (Cap. 250) as a dealer, dealing partnership, dealer's representative, investment adviser, commodity trading adviser, investment advisers' partnership, investment representative, and commodity trading adviser's representative.

material interest in a transaction with or for a client, or a relationship which gives rise to an actual or potential conflict of interest in relation to such transaction. Unless he has disclosed that material interest or conflict to the client and has taken all reasonable steps to ensure fair treatment of the client, he shall neither advise, nor deal in relation to that transaction. In addition, the Code of Conduct also provides that a registered person shall not knowingly deal in securities or futures contracts for another registered person's employee unless he has the written consent of the second registered person (that is, the employer).

The Internal Control Guidelines also requires the management of intermediaries to establish procedures to ensure that its staff's trading activities are not prejudicial to the interests of its clients. Staff members are required to disclose to the intermediary, on joining and regularly afterwards (at least semi-annually), details of holdings and trading activities in which they have an interest in relation to specific securities, futures and other investment products in which the firm deals in or in respect of which the firm acts as an investment adviser or commodity trading adviser. All transactions for staff accounts must be separately recorded and diligently monitored by independent senior management.

The Intermediaries Supervision Department of SFC conducts routine inspections on registered intermediaries to ensure compliance with the relevant codes and guidelines mentioned above. If there are proven breaches to the relevant codes and guidelines, the SFC may, pursuant to section 56 of the Securities Ordinance or section 36 of the Commodities Trading Ordinance, initiate inquiry against the registered person and if it thinks fit, revoke or suspend the person's licence or reprimand him.

The Securities and Futures Bill also introduces new regulatory requirements to upgrade the quality of intermediaries' service. Under the proposed licensing regime, the Bill will impose a greater responsibility upon the senior management of intermediaries in ensuring compliance with important regulatory requirements by their staff through more effective disciplinary measures, and for the

more critical requirements, appropriate legal sanctions. Specifically, the SFC will publish Business Conduct Rules under clause 159 of the Bill to spell out more clearly the requirements governing the fitness and properness of the conduct of intermediaries in ensuring that they are executing clients' orders in the best interest of their clients and with due regard to any possible conflict of interest.

As the current regulatory regime already requires disclosure by registered persons in cases of actual and potential conflicts of interest and such disclosure could be subject to the inspection by the SFC, it is considered that there is no apparent need at present to require on a compulsory basis all registered persons to disclose generally or regularly their proprietary and personal dealing activities to the SFC. The SFC will keep the regulatory regime under review and propose improvements where deemed necessary and appropriate.

BILL

Second Reading of Bill

Resumption of Second Reading Debate on Bill

PRESIDENT (in Cantonese): We will resume the Second Reading debate on the Revenue (No. 2) Bill 2000.

REVENUE (NO. 2) BILL 2000

Resumption of debate on Second Reading which was moved on 5 April 2000

PRESIDENT: Does any Member wish to speak?

MR LAU KONG-WAH (in Cantonese): Madam President, on behalf of the Democratic Alliance for the Betterment of Hong Kong (DAB), I rise to speak in support of the Revenue (No. 2) Bill 2000. Nevertheless, I must urge the Government once again to make more efforts in relation to two decisions in respect of transport.

The first decision is related to "the exemption of electric vehicles from first registration tax (FRT)". The Government proposes to extend the concession for another three years to 31 March 2003.

The Government's action of giving the public incentives to switch to more environmentally friendly vehicles by way of tax concessions does merit promotion. We can find one such example in the United States lately: a Japanese make car¹ was given a 2.2% reduction in sales tax last year for having reached the extra-low exhaust gas emission standard set in California.

Actually, similar measures were introduced in Hong Kong before. In 1997, the Government launched the "Scrapping Incentive Scheme" under which owners of vehicles of 10 years and more were given a 20% reduction in FRT when replacing their old vehicles with new ones. Now the Government is planning to extend the exemption of electric vehicles from FRT again. Although the two measures appear to be similar, their starting points can be said to be different.

The most obvious difference lies in the fact that the Hong Kong Government has failed to make good use of similar tax concession to provide vehicle owners in general with incentives to switch to more environmentally friendly vehicles. Judging from the exemption of electric vehicles from FRT, we can undoubtedly see that the Government indeed greatly supports the introduction of electric vehicles. However, how many people in Hong Kong can actually opt for electric vehicles? We all know that there are just a few. At present, electric private cars are not even on sale in local car dealers. Only the Government and some big companies, such as the power companies, are using such vehicles, but only as a pilot scheme.

¹ Honda Insight, hybrid engine

Actually, if we are to replace fuel-driven modes of transport with electric vehicles, car makers and battery manufacturers must continue with their efforts in research and development. Moreover, the Government must demonstrate determination in introducing corresponding measures.

On the other hand, the half-electric and half-fuel "hybrid vehicles" have gradually gained popularity. I am not sure whether the Government has examined its usefulness to protecting the environment. If so, I wonder if the Government can consider providing various tax concessions or even consider classifying FRT and licence fees in terms of exhaust gas emission in order to attract more car dealers to introduce more types of environmentally friendly vehicles.

Madam President, another item that needs to be resolved in this Bill is to maintain the diesel duty rate of \$2.00 per litre until the end of this year. In January next year, the duty rate will rise to \$2.89 per litre.

From the Government's angle, the levy of diesel duty at \$2.00 per litre is supposed to be a temporary fiscal measure taken in the light of the financial turmoil. In the meeting with the Financial Secretary and during the discussion on this year's Budget, the DAB has explained clearly to the Government the operational difficulties experienced by the industry. So far, the fuel duty rate in Hong Kong has maintained at a comparatively high level compared to other parts of the world. Therefore, we consider that the Government must review the fuel duty rate. Of course, in reply to a question raised today, the Secretary for the Environment and Food proposed that the use of ultra-low sulphur diesel should be encouraged. I hope that the Government can give ultra-low sulphur diesel real competitive power by means of various taxation measures.

Actually, the high diesel duty rate has given rise to numerous problems. First, some unruly elements operate illegal gas stations in remote areas and offer low prices to attract drivers to use marked oil in spite of the risks involved; second, some drivers plying between Hong Kong and the Mainland will choose to have a top-up in the Mainland before returning to Hong Kong in order to reduce their operational costs. These problems have now reached an extremely serious level.

Madam President, a number of taxi and public light bus groups recently expressed their hopes to switch to liquefied petroleum gas (LPG) vehicles as soon as possible. However, there are a number of practical problems with this at the moment. First, quota certificates are required for the purchase of LPG vehicles; second, it remains a major problem as to whether the Government can reach an agreement with fuel companies to attract more filling stations to switch to LPG stations. The DAB is extremely worried about whether the Government can set up 26 LPG filling stations to provide service by the end of this year.

Naturally, the Government will not be able to increase the quota if it fails to provide matching facilities for the supply of LPG. Consequently, those who want to switch to LPG vehicles will have no alternative but to continue to pay more money to purchase diesel fuel. At the same time, penalties for smoky vehicles might be raised next year. In that case, the discontent caused by "paying a high price for diesel fuel" will only intensify.

It is now timely for the Government to adopt a holistic approach in implementing its taxation policies. It is indeed not advisable for the Government to give emphasis to revenue at the expense of others.

I so submit. Thank you, Madam President.

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

(No Member responded)

PRESIDENT (in Cantonese): Secretary for the Treasury, do you wish to reply?

SECRETARY FOR THE TREASURY (in Chinese): Madam President, I would first like to thank Members for their support of the Revenue (No. 2) Bill 2000.

The Bill seeks to extend the concessionary diesel duty rate of \$2 per litre for another nine months to 31 December 2000 and to extend the exemption of electric vehicles from First Registration Tax (FRT) for another three years to 31 March 2003. These proposals are the remaining two of the three revenue

concessions in the 2001-01 Budget announced by the Financial Secretary on 8 March.

The proposal to extend the diesel duty reduction seeks to avoid imposing an additional burden on the transport industry at a time when it is recovering from the economic setback of the last two years. As we expect the economy to have substantially improved by early next year, we propose to extend this concession for just another nine months until the end of this year.

The proposal to extend the FRT exemption for electric vehicles for three years aims to further promote the use and development of this environmentally friendly type of vehicles. This proposal will be conducive to our overall efforts in improving air quality.

Madam President, may I take this opportunity to briefly respond to certain points in Mr LAU Kong-wah's speech just then. I believe the Secretary for the Environment and Food has been and will continue to discuss with Members and members of the community how best to improve Hong Kong's environment, especially through tackling the air pollution problem. As a matter of principle, the Government considers it appropriate and worth considering how to make use of taxation measures to achieve environmental protection objectives. But I should like to clearly point out that there are three ways in which we can deploy such measures. The first two ways are respectively to make use of tax concessions and even tax exemptions to induce environmental friendly behaviour. The third way is to consider suitable tax increases for achieving environmental protection objectives. Why do I say something like this? This is because I do not wish to give an impression to this Council that any taxation measures to induce a change in environmental behaviour are restricted to tax concessions or exemptions. Rather, I should like to drive home the message that tax increases can sometimes achieve the same effects. As mentioned by Mr LAU Kong-wah, the Government had in fact promulgated that certain tax concessions or exemptions were implemented for environmental purposes. The exemption of electric vehicles from FRT in the Revenue (No. 2) Bill 2000 now is one example. This point was also mentioned by the Secretary for the Environment and Food yesterday. We have already been committed to not imposing any duty on auto LPG for the rest of this year and afterwards, precisely for the purpose of inducing some desired changes in some long-standing behaviour for environmental purposes. However, whilst we are considering whether to reduce the diesel duty rate on ultra-low sulphur diesel in future, we must also

consider whether we should concurrently increase the duty rate on conventional diesel which is more polluting, so as to discourage vehicle owners from using the latter. I am citing this example to illustrate the importance of how a two-pronged approach may bring about the maximum environmental benefits.

With these remarks, Madam President, may I once again thank Members for their support of the resumption of the Second Reading debate for the Revenue (No. 2) Bill 2000 and their support of the Bill itself.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Revenue (No. 2) Bill 2000 be read the Second time. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Revenue (No. 2) Bill 2000.

Council went into Committee.

Committee Stage

CHAIRMAN (in Cantonese): Committee stage. Council is now in Committee.

REVENUE (NO. 2) BILL 2000

CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clauses stand part of the Revenue (No. 2) Bill 2000.

CLERK (in Cantonese): Clauses 1, 2 and 3.

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

(Members raised their hands)

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

(No hands raised)

CHAIRMAN (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CHAIRMAN (in Cantonese): Council now resumes.

Council then resumed.

Third Reading of Bill

PRESIDENT (in Cantonese): Bill: Third Reading.

REVENUE (NO. 2) BILL 2000

SECRETARY FOR THE TREASURY (in Cantonese): Madam President, the

Revenue (No. 2) Bill 2000

has passed through Committee without amendment. I move that this Bill be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Revenue (No. 2) Bill 2000 be read the Third time and do pass.

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

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

CLERK (in Cantonese): Revenue (No. 2) Bill 2000.

MOTION

PRESIDENT (in Cantonese): Motion. Proposed resolution under the Pharmacy and Poisons Ordinance.

PROPOSED RESOLUTION UNDER THE PHARMACY AND POISONS ORDINANCE

SECRETARY FOR HEALTH AND WELFARE: Madam President, I move that the Poisons List (Amendment) (No. 2) Regulation 2000 and the Pharmacy and Poisons (Amendment) (No. 2) Regulation 2000 as set out under my name in the paper circulated to Members be approved.

Currently, we regulate the sale and supply of pharmaceutical products through a registration and inspection system set up in accordance with the Pharmacy and Poisons Ordinance. The Ordinance maintains a Poisons List under the Poisons List Regulations and several Schedules under the Pharmacy and Poisons Regulations. Pharmaceutical products put on different parts of the Poisons List and different Schedules are subject to different levels of control in regard to the conditions of sale and keeping of records.

For the protection of public health, some pharmaceutical products can only be sold in pharmacies under the supervision of registered pharmacists and in their presence. For certain pharmaceutical products, proper records of the particulars of the sale must be kept, including the date of sale, the name and address of the purchaser, the name and quantity of the medicine and the purpose for which it is required. The sale of some pharmaceutical products must be authorized by prescription from a registered medical practitioner, a registered dentist or a registered veterinary surgeon.

The Amendment Regulations now before Members seek to amend the Poisons List in the Poisons List Regulations and the Schedules to the Pharmacy and Poisons Regulations, for the purpose of imposing or updating control on a number of medicines.

First, the Pharmacy and Poisons Board proposes to add 26 medicines to Part I of the Poisons List, and the First and Third Schedules to the Pharmacy and Poisons Regulations so that pharmaceutical products containing any of them must be sold in pharmacies under the supervision of registered pharmacists and in their presence, with the support of prescriptions.

Secondly, another two medicines are proposed to be added to Part I of the Poisons List so that pharmaceutical products containing either of them must be sold in pharmacies under the supervision of registered pharmacists and in their presence. Prescriptions are not required for these products.

Thirdly, the Board proposes to relax the control of pharmaceutical products containing fexofenadine and its salts, as recent scientific evidence shows that fexofenadine and its salts are safe for use without medical supervision. As a result, the public may purchase them from a pharmacy without a prescription.

Fourthly, the Board proposes to upgrade the control of 20 medicines so that pharmaceutical products containing them must be sold in pharmacies under the supervision of registered pharmacists and in their presence.

Lastly, the Board proposes to upgrade the control of alkaloids of ephedra by revoking a previous exemption.

The two Amendment Regulations are made by the Pharmacy and Poisons Board, which is a statutory authority established under section 3 of the Ordinance to regulate the registration and control of pharmaceutical products. The Board comprises members engaged in the pharmacy, medical and academic professions. The Board considers the proposed amendments necessary in view of the potency, toxicity and potential side-effects of the medicines concerned.

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

The Secretary for Health and Welfare moved the following motion:

"That the following Regulations, made by the Pharmacy and Poisons Board on 5 April 2000, be approved:

- (a) the Pharmacy and Poisons (Amendment) (No. 2) Regulation 2000;
and
- (b) the Poisons List (Amendment) (No. 2) Regulation 2000."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Secretary for Health and Welfare, as set out on the Agenda, be passed.

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

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by the Secretary for Health and Welfare, as set out on the Agenda, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

PRESIDENT (in Cantonese): I think the question is agreed by a majority of the Members present. I declare the motion passed.

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Members' motions. Two motions with no legislative effect. I have accepted the recommendations of the House Committee as to the time limits on speeches for the motion debates. I believe Members should know these time limits very well, so I am not going to repeat the recommendations.

The first motion: Encouraging people to achieve continuous self-improvement.

ENCOURAGING PEOPLE TO ACHIEVE CONTINUOUS SELF-IMPROVEMENT

MR AMBROSE LAU (in Cantonese): Madam President, I move that the motion as printed on the Agenda be passed. The report released by the Commission on Strategic Development points out that the quality of Hong Kong people will be the key factor determining the success or otherwise of the future development of Hong Kong. Some people have also expressed worries about the dependency mentality among some Hong Kong people. Competition in the world nowadays is competition in terms of talents and people's quality. In particular, at a time

when Hong Kong is faced with the impacts of the knowledge-based economy, the imminent accession of China to the World Trade Organization (WTO) and its third round of domestic economic restructuring, its success or otherwise in meeting the harsh challenges of the 21st century will depend on whether or not it can uphold and carry forward its traditional work ethic, which has enabled it to overcome so many crises and challenges to date. For this reason, I have moved the motion to urge the Government to introduce appropriate policies to improve people's lot, in particular to provide a safety net to ensure a life of dignity for the vulnerable members of our community such as the elderly and the disabled, and to adopt positive measures to encourage people to carry forward the ethic of continuous self-improvement, assiduousness and adaptability. It is hoped that Hong Kong can thus tide over its current difficulties and create yet more wonders and miracles.

Madam President, before we can succeed in encouraging people to achieve continuous self-improvement, we must first conduct an objective analysis on the historical factors that helped form the fine Hong Kong spirit as we know it, and we must also look at the various reasons for the gradual erosion of this spirit. Hong Kong is not endowed with any natural resources, but thanks to a combination of various factors including its excellent geographical location, the opportunities offered by history and other specific historical conditions, Hong Kong people have still succeeded in bringing about the take-off and prosperity of the economy with all their assiduousness and adaptability. Following World War II, the major industrialized nations of the West started to undergo economic restructuring, and over time, they abandoned their labour-intensive industries such as the textile industry and shifted their emphasis of development to technology- and capital-intensive industries. This created an absence of labour-intensive industries in the structure of the world economy, providing an excellent international environment for the development of such industries in Hong Kong.

Shortly afterwards, the Korean War and the War of Vietnam broke out in the Asia-Pacific Region. This plunged Southeast Asia into turbulence for a very long time to come, but Hong Kong managed to remain stable throughout. The Korean War led to a trade embargo on China, and because of this, Hong Kong switched its economic emphasis from entrepot trade to industrial production. By the time Hong Kong completed its first round of economic restructuring, its economy also started to take off. The main reason for such a take-off was Hong Kong people's spirit of continuous self-improvement, assiduousness and

adaptability which started to take shape since the 1950s. Beginning from the 1950s, the population of Hong Kong started to increase by 1 million every decade, with immigrants from the Mainland constituting a good part of the population increase. At that time, these immigrants from the Mainland were mostly hardworking people believing in the virtue of self-reliance. On the hillsides of Hong Kong, these people erected shanties for shelter. They worked long hours, scrimped and saved and sought to improve their lot all through self-reliance. Many of these people subsequently became self-made millionaires, creating many economic miracles and wonders. Today, many successful personalities in Hong Kong actually owe their success largely to the fact that they have inherited and given full play to this spirit of assiduousness, pragmatism, perseverance, adaptability and enterprise.

Madam President, such a fine spirit has not emerged just overnight, and neither has its erosion. Beginning from the 1980s, the manufacturing industries of Hong Kong started to move to the Mainland, where they managed to reap considerable profits and enhance their competitiveness by taking advantage of the cheap labour and lands there. And, with the relocation of these industries, the economy of Hong Kong completed its second round of economic restructuring, shifting its emphasis from manufacturing industries to services industries. However, owing to the failure of the former government to implement any far-sighted policies, no timely efforts were made to encourage the development of high technologies and industrial diversification at the time when Hong Kong underwent its second round of economic restructuring. As a result, the industries of Hong Kong were gradually deprived of any roots and substance. Then in the 1990s, with its rapid economic development, Hong Kong was caught by a widespread mentality to make quick money and a craze of speculation. This seriously distorted the spirit of assiduousness and pragmatism that Hong Kong used to uphold. It will be grossly unfair for us to attribute such a phenomenon solely to people's "windfall" psyche. The Government should really find out what has gone wrong with its policies on this problem. The Hong Kong Progressive Alliance (HKPA) is of the view that the Government should improve its relevant policies in the following four respects.

First come the errors of industrial policies. Though such errors can be dated back to the time of the British Hong Kong Administration, one must say that not enough improvement measures have been introduced even after the reunification. Despite its avowed determination to promote high technology and innovation and industrial diversification, the Government of the Hong Kong

Special Administrative Region (SAR) has so far failed to introduce adequate and effective policies and measures to boost and assist local small and medium enterprises (SMEs), which are by far most innovative and best able to promote industrial diversification and absorb the mobile workforce. As a result, it has failed to create more opportunities of business venture for SMEs and other people, through which they can achieve continuous self-improvement and give full play to their potentials, thereby promoting industrial diversification and triggering off a healthy cycle in which no dependency culture of an any kind can ever develop and spread.

As pointed out by Chief Executive TUNG Chee-hwa in his policy address last year, if Hong Kong is to write a new chapter of prosperity at all, it must broaden the base of its economy, make wider application of technologies and innovations, so as to increase the values of local products and services. As people start to realize that they should not overly rely on soaring property prices for economic growth, and as they also start to realize the importance of innovations and technologies, our social values also start to experience some delightful changes, and this has given us a chance to tide over our adversities. In order to make the entire community recognize the importance of innovations and technologies, the Government must put in place some concrete and effective matching policies, and this is the only way to broaden the base of our economy and achieve industrial diversification. At the same time, the Government must see to it that the base of our economy will not become too narrow, lest the resultant lack of alternatives may drive some people onto the road of making quick money from soaring property prices, while inducing others with a dependency mentality to turn to government assistance to support their living.

The second aspect concerns the inadequacies of our education policies, and such inadequacies can be seen in two areas. First, in terms of the training of technological talents, Hong Kong is ways behind its neighbouring places and countries. As a result, when Hong Kong now wishes to develop innovative technologies and the information technology (IT) industry, it suddenly realizes that there is an acute shortage of such local talents, and the only thing it can do is to import such talents from the Mainland and overseas. The lack of IT talents has made Hong Kong over-dependent on imported talents; and, the lack of local talents to open up these new industries has also made it difficult for any climate of pragmatism and innovation to take shape in Hong Kong at all. Second, our schools have seriously neglected the need for humanism education. Under the existing education system, it is all too easy for students to become myopic in

outlook and hungry for immediate profits and success. With their emphasis on the ossified system of examinations, our schools have churned out students who know only how to make quick money and rely on their families, society and the Government. When it comes to the enhancement of humanism education for students, I must stress that we really need to note many fine virtues in the traditional Chinese culture and try to carry them forward — the spirit of continuous self-improvement, tolerance and modesty, benevolence, harmony, respect for the elderly, care for the young, trustworthiness, self-reliance, adaptability, moral integrity, industry and frugality and many others. As far as education is concerned, if efforts can be made to foster an understanding of these fine virtues and encourage our students to learn more from them, they will be better able to establish a proper attitude of self-improvement, self-reliance, self-respect and contributing to the common good. That way, we will be able to prevent any dependency culture from developing among the younger generation.

The third aspect concerns the errors of welfare policies, and these errors can be seen in two areas. First, the Government has simply failed to provide any satisfactory elderly services and safety net for the vulnerable members of our community, notably the old people and the disabled, who are in dire need of welfare subsidies and a good safety net. Second, the Comprehensive Social Security Assistance (CSSA) system is plagued with many defects, one example being the very loose mechanism of vetting and monitoring. To plug all these loopholes, we must promote filial piety in society and encourage people to look after the elders of their families. "Respect and care for the elderly" is actually one of our many traditional virtues. The promotion and furtherance of this virtue can help prevent people from depending on the wider community to look after their elders.

The fourth aspect concerns the need for enhanced training. The existing Employees' Retraining Scheme still leaves much to be desired in respect of the training on new technologies and knowledge. The main problem is that the Scheme cannot effectively equip the trainees with the skills necessary for coping with the current economic restructuring, and they have thus been unable to really stand on their own feet and do away with the need for government assistance in the transforming economy. In regard to all those young school-leavers who are unemployed and the masses of young workers with low technical and literacy skills, the Government has failed to make them a major target of the Scheme. As a result, the Scheme has failed to equip them with any new skills and knowledge which can help them adapt to the knowledge-based economy, stand on their own feet, do away with the need for depending on others and sustain their employability in the decades to come.

Madam President, for the purposes of encouraging people to achieve continuous self-improvement and eliminating the negative effects of a dependency culture, I wish to urge the Government to look at all these four aspects. First, the Government must put in place some industrial policies that can broaden the base of our economy and promote industrial diversification and a pragmatic climate of innovation, with a view to better enabling people to stand on their own feet and eliminating speculative and dependency desires as much as possible. Second, the Government must speed up the reform of our education system in the direction of enhancing the humanism education in our schools, so as to train the type of talents required by Hong Kong in the 21st century. The talents thus trained should be able to carry forward the spirit of continuous self-improvement, assiduousness and adaptability on the one hand, and to keep abreast of the new culture on the other. Third, the Government must plug the loopholes in its existing welfare policies. On the one hand, it must provide a reliable safety net for the vulnerable members of our community such as the elderly and the disabled. On the other hand, it must take steps to eliminate the dependency mentality that has led to various abuses of welfare assistance. Fourth, the Government must enhance the Employees' Retraining Scheme by laying stress on young and unemployed school-leavers and young workers with low technical and literacy skills, so that these young people can grasp new skills and keep abreast of the new culture. That way, it is hoped that they can do away with their dependency on their families, the wider community and the Government as soon as possible and then start to stand on their own feet and build up their own future.

Madam President, at the levels of the community and the family, the mass media, the school and the family all have the obligation to promote and carry forward the fine spirit of continuous self-improvement, assiduousness and adaptability. As the mouthpiece of society, the mass media are under obligation to combat evil influences, promote virtues, advocate righteousness and carry forward the noble spirit of responsibility and commitment. The school should give equal emphasis to moral, social, intellectual, physical and aesthetic development, with a view to bringing up our students as people with vision and healthy ambitions. Parents should not spoil their children lest they may become over-dependent. They should also not give their children several thousand dollars as pocket money every month, for this will only make them over-dependent and indulgent in material pursuits.

Madam President, I so submit.

Mr Ambrose LAU moved the following motion:

"That, as the report of the Commission on Strategic Development has pointed out that 'the "bubble economy" has generated a "get rich quick" mindset that could seriously undermine the strong work ethic that has long been associated with the Hong Kong workforce. There is also concern that, in some quarters, a dependency culture has developed and with it, increasing and sometimes unrealistic expectations as to both the role of the Government and its ability to provide additional services', this Council urges the Government, while introducing appropriate policies to improve people's livelihood, to adopt positive measures to encourage the community to give full play to the Hong Kong spirit which embodies continuous self-improvement, assiduousness and adaptability."

THE PRESIDENT'S DEPUTY, DR LEONG CHE-HUNG, took the Chair.

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Ambrose LAU, as set out on the Agenda, be passed. We now proceed to the debate.

MR HO SAI-CHU (in Cantonese): Mr Deputy, the people of Hong Kong always give the impression that they are hardworking, seeking for continuous self-improvement and being able to find a way out and develop new opportunities from adversities. The perseverance and diligence of Hong Kong people have long been recognized by the international community, and these are also qualities of which the people of Hong Kong are proud.

Unfortunately, the diligence, assiduousness and adaptability that Hong Kong people so proudly possessed have been eroded more and more seriously. In February this year, the Commission on Strategic Development published a report entitled, "Bringing the Vision to Life — Hong Kong's Long Term Development Needs and Goals" which stated that the two traditional strengths of assiduousness and adaptability of Hong Kong people have gradually diminished. In some quarters, there is increasing dependence on the Government and there are even many unrealistic expectations of the Government. This "dependency

culture" has constituted a major obstacle to the sustainable development of Hong Kong.

This phenomenon has not developed overnight. Instead, it is the result of the long-accumulated imperceptible influence by social, political, economic and cultural factors.

The 1990s saw the rapid development of a bubble economy, with the prevalence of a "get rich quick" mindset in the entire community of Hong Kong. The craze for speculation badly distorted the enterprising spirit of Hong Kong people endowed with assiduousness and perseverance. People speculated on everything and they were happy as long as there was something for them to speculate on. This anomaly and mindset had dominated the society. To amass wealth through hard work was regarded unfashionable. A "dependency culture" thus took shape gradually.

In recent years, this malicious culture has become all the more conspicuous particularly in the wake of the Asian financial turmoil. For example, those who suffered losses in property speculation due to dwindled property prices sought assistance from the Government for them to forfeit the deposits; and in the case of C.A. Pacific Securities, the Government was again asked to compensate for all the losses of the public. Should such a mindset that stresses only the rights (I am in fact not too sure if there is any right to speak of) but not obligations persist, the future of Hong Kong will indeed be put in jeopardy.

Although the people of Hong Kong were hard hit by the financial turmoil, it appears that they have already forgotten the wounds of the financial turmoil from the fever of Internet and technology stocks that swept across the entire community in the past few months. It seems that the general public has not yet understood thoroughly the erosion that the "dependency culture" and the "get rich quick" mindset can do to erode our society. Objectionable attitude and mentality still prevail in the community of Hong Kong.

In the 1950s and 1960s before the economic take-off of Hong Kong, the people of Hong Kong were generally impoverished. In order to live in better conditions, all one could do was to work assiduously, making unrelenting efforts

to consistently seek for improvement to enhance one's competitive edge. These circumstances had paved the way for many of those in the new generation to achieve success through their own efforts, laying a solid foundation for the development of Hong Kong into an international metropolis.

However, with our society becoming more and more affluent, parents tend to dote on their children. Many are even lax in training their children to be independent, thus inculcating in their children a sense of dependency on their families and society when they are young at age. Furthermore, under constant influence of the prevalence of speculation, gambling, and the "get rich quick" mentality, there came a large batch of youngsters who do not have a high level of education and skill, and who are very much dependent on society and their families. They do not have strong abilities to make a living and are reluctant to study and learn seriously. They have become a major underlying hindrance to the development of society.

The Liberal Party holds that the Government has an important role to play in eradicating the "dependency culture". Therefore, in addition to stepping up education endeavours, the Government should also convey a message to the community that everyone of us must overcome difficulties and work for a bright future through our own efforts.

Certainly, the Government should provide assistance for the underprivileged who are genuinely in need of help. But in rendering help to those who require or seek assistance, the Government must uphold one important principle, that is, efforts should be made to help them upgrade their skills to make a living in order to enable the disadvantaged to rejoin the workforce without having to rely on social security, so that they can eventually start a new life with their own efforts and stand on their own feet.

So, while ensuring that the basic needs of the needy are met, the Government should also provide them with an opportunity to become self-reliant. In this connection, let me make it clear that the Liberal Party fully supports the Government's Support for Self-reliance Scheme. I am also happy to see that the Scheme has started to bear fruits. Yet, we still have to do a lot more. For instance, more assistance should be provided for the unemployed to find a job; training should also be provided for the jobless to seek employment, and so on. All these will not be possible without the full support of the Government.

In the meantime, the Government should plough in resources to vigorously encourage lifelong education and design different courses so that members from all sectors of the community will have equal opportunities to pursue further studies to enhance their competitiveness.

For the benefit of the present and future development of Hong Kong, all sectors of the community, including the Government, schools and parents should make every effort to solve this problem so that the fine tradition that embodies assiduousness, enthusiasm for learning and adaptability of Hong Kong people can recapture its splendours, thereby enhancing Hong Kong's competitive edge and enabling Hong Kong to catch up with the new trend of development towards a knowledge-based economy.

Mr Deputy, on behalf of the Liberal Party, I speak in support of Mr Ambrose LAU's motion.

DR RAYMOND HO (in Cantonese): Mr Deputy, before the onset of the Asian financial turmoil, there was quite a long time in Hong Kong when the economy grew at a fast pace, the stock and property markets boomed, unemployment rate was remarkably low, jobs were not hard to find and salaries increased every year. As the stock and property markets were so active, many people spent all their time on speculative activities and they turned their business and occupations into a part-time activity.

The financial turmoil shattered the dreams that associated with the "bubble economy". On one hand, our economy was devastated, and on the other, the self-confidence built by the people over the years eroded. What is more terrible is that some of our weaknesses are exposed completely. One of these is the "get rich quick" mindset of Hong Kong people which regards speculation instead of hard work as the way to get rich.

Despite the subsided speculative activities in the property and stock markets, this "get rich quick" mindset is not gone yet. As a matter of fact, there was a heated speculation in technology-based stocks at the beginning of this year and to a certain extent this also shows that there are still a lot of people who have this "get rich quick" mindset. They will go all out for it if there is any chance for speculation. They are well aware of the fact that speculations will

not lead to any growth in real terms for the economy, but they will still go for it in the hope that with a bit of luck they can reap a handsome fortune in a short time. They do not care about any negative impact that speculations may bring to society. But in the end, speculations will invariably lead to the same thing. And many speculators have indeed learned a costly lesson during the recent sharp price adjustment of technology-based stocks. I really hope that these people will not continue to try their luck any more and really work hard to create wealth for Hong Kong.

The Asian financial turmoil has exposed a series of problems with our economy, as well as uncovering our other weaknesses. These include our weakened competitiveness and the deterioration of proficiency in Chinese and English languages of our younger generation. For a long time, we have been proud of our economic achievements. But with the present economic downturn and the high unemployment, some of the people of Hong Kong have lost their self-confidence and their sense of direction. However, we must understand that this passive attitude will not get us out of the predicament.

We must now reposition ourselves and be committed to our work. We must seek to make ourselves more competitive with our usual adaptability, and the SAR Government should take various measures to encourage continuous self-improvement among the people.

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

MR HUI CHEUNG-CHING (in Cantonese): Mr Deputy, in the last few months, several international organizations published findings of surveys indicating that Hong Kong's competitiveness is declining. The World Competitiveness Yearbook of the International Institute for Management Development in Lausanne shows that Hong Kong's ranking in competitiveness has fallen from seventh to fourteenth this year, after dropping from the third rank which it occupied for four consecutive years to seventh last year, while Hong Kong's chief competitor Singapore is ranked second for the seventh consecutive year. While the figures quoted by the relevant survey may not reflect the latest situation in Hong Kong, it is indisputable that Hong Kong's interest rates and the prices of goods and services are still high.

Originally, Hong Kong could compensate for the high costs of services and prices with the higher quality of services. However, the quality of business services in Hong Kong has been less than desirable in recent years. In the retail and catering industries, for instance, a recent survey shows that 60% of the people interviewed consider the quality of service in Hong Kong to be mediocre, while 20% express dissatisfaction. Of the interviewees who express dissatisfaction, over 60% consider that employees in the industries "render poor service".

Such problems are not confined to the retail and catering industries. The quality of service of the whole service industry has declined in recent years. This was particularly so before 1997 when business was thriving. Over the past two years, due to the economic recession in Hong Kong, business was poor and the employment market was unfavourable. In order to keep their jobs, employees in the service industry in Hong Kong have tried their best to solicit business and serve customers. But once the economy has shown signs of recovery and business has slightly improved, they have reverted to their old ways again. Why should more and more Hong Kong people go north to spend? One reason is no doubt the lower prices in the Mainland. Apart from that, one is also impressed by their attitude of service which is ever improving. The business sector in Hong Kong should take note of this.

If Hong Kong is behind other countries in technology and culture, it is still tolerable for the time being. However, it is unacceptable that the service quality of the business sector in Hong Kong is less competitive than that in other countries, since it is the principal impetus driving the economic miracle of Hong Kong and making Hong Kong a metropolis of the world.

In fact, what the business sector in Hong Kong has been most proud of is that it has a hardworking, pragmatic, enterprising and flexible workforce. There used to be no CSSA, no job referral service or Employees Retraining Scheme in Hong Kong, for the whole community attached importance to continuous self-improvement. If Hong Kong people did not know how to communicate with tourists in a foreign language, they would put on an extra smile. If they lacked knowledge and skills, Hong Kong people would study after work. Even if they became unemployed, Hong Kong people would try again in the belief that they could always make a living if they did not shrink from hardship.

However, the bubble economy a few years ago may have eroded the down-to-earth traditional values. This is worrying. Maybe the enterprising spirit of the new generation of Hong Kong people has been weakened because they have benefited from the protection of the older generation, or some Hong Kong people were unable to cope with the sudden bursting of the economic bubble because they had been spoiled. Due to all these reasons, Hong Kong people have got into the habit of blaming society and refusing to find out the cause in themselves. They have become passive and rely only on the Government instead of themselves.

If this continues, it would certainly undermine Hong Kong's competitiveness, especially in terms of grasping the opportunity brought about by China's accession to the WTO. We have always been concerned about the impact of China's accession to the WTO on Hong Kong's working population. It has been estimated that 1 million low-skilled and low-income people with low academic qualifications will face the threat of unemployment. Some put the number of people likely to become unemployed at 2 million. No matter whether these estimations are correct, Hong Kong's working population will face difficulties in finding employment, since Hong Kong is developing towards a knowledge and technology-based economy and undergoing rapid changes. Those who fail to equip themselves in time to keep up with the trend will be in danger of becoming obsolete. I hope that the changes brought about by China's accession to the WTO will make the people prepare themselves for the challenges ahead.

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

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

MR LEUNG YIU-CHUNG (in Cantonese): Mr Deputy, I do not have much objection to today's motion which urges the Government to, while introducing appropriate policies to improve people's livelihood, adopt positive measures to encourage the community to give full play to the Hong Kong spirit which embodies continuous self-improvement, assiduousness and adaptability. This is because there is not much we need to debate in this area. Actually, the Government's intention to formulate policies to help the public to, apart from seeking employment and supporting themselves, give full play to their strong

points and improve their livelihood coincides precisely with the goal that we, as representatives of the grassroots, have all along been striving to achieve.

However, I have certain reservations about the comments made by the report of the Commission on Strategic Development on the people of Hong Kong as have been quoted in the motion. Undeniably, Hong Kong has over a long period of time, been faced with the problem of a "bubble economy", which has generated a "get rich quick" mindset among some members of the community. Nevertheless, there are some questions we should ask: Is the "bubble economy" caused by a natural factor? Is the "get rich quick" mindset aggravated by some human factors? Apparently, the so-called "dependency culture" echoes the Government which has been stressing that "welfare will nurture lazy bones". Like what Members from the labour sector have always stressed, however, the grass-roots people actually hope that they can become self-reliant. Unfortunately, the unemployment rate is still standing high at the moment. On the other hand, the Government is adopting a negative policy by such means as slashing welfare, pushing the unemployed to the market, and so on. It has basically not considered whether sufficient job opportunities are available to these unemployed people. Neither has it considered creating job opportunities for them through a more active approach. For these reasons, the Government really needs to review its policies in concrete terms and examine what can be done to help these jobless people to find their way out of their difficult situations.

Mr Deputy, as Members are all aware, the so-called "bubble economy" is nothing novel. Before the reunification, we had a "bubble economy" dominated by the property market. At that time, we could find the market swarmed with speculators. People queuing up for uncompleted flats, waiting in the lines for "chips" or "chip speculation" could virtually be found everywhere. After the bursting of the bubble generated by the property market, there came another bubble created by information technology (IT) stocks. As a result, a large number of people changed to earning their living by speculating on stocks. But is all this a natural phenomenon? I believe the answer is in the negative. Over a long period of time, the Government has been adopting a policy to promote activities generated by such "bubble economies". Once a bubble bursts, it will blow another bubble. Before the reunification, the Government was able to restrict the supply of land and the number of completed flats each year through the high land price policy, thereby creating the myth of "ever-rising" property prices. As a result, a large number of people entered the property speculation market and, at the same time, triggered off stock speculation. After the

reunification, people began to think that the "bubble economy" would leave us forever with the introduction of the target of building 85 000 flats by the Chief Executive and the emergence of the Asian financial turmoil. However, the Government decided to take active measures to prop up the market and gave impetus to the IT stocks-dominated "bubble" generated by the "new economy" by giving certain website companies various exemptions and concessions with respect to listing as well as launching the Tracker Fund to encourage the public to enter the stock market. For these reasons, I am of the view that the Government should be held responsible for generating the so-called "bubble economy" to which the report of the Commission on Strategic Development has referred, as well as taking the blame for triggering off speculation. As pointed out in the motion, the Government is indeed obliged to adopt positive measures to rectify this atmosphere. As its foremost task, the Government should provide the public with more job opportunities too.

Mr Deputy, in order to suppress the growth of welfare expenditure, the Government launched the so-called "Support for Self-reliance" Scheme last year in a bid to reduce the amount of grant to CSSA recipients, particularly those who were jobless. To enable the policy to be implemented smoothly, the Government even spread the remark that "welfare will nurture lazy bones" everywhere. As a result, members of the public generally believed that there was a so-called "dependency culture" in the community and with it, increasing expectations for the Government's ability to provide additional services. But is it the truth? Mr Deputy, as a number of Members from the labour sector have repeatedly stressed, it has always been the last option for the public to ask the Government for assistance. Actually, the grassroots have always hope that they can be self-reliant. However, with the number of unemployed people reaching up to 200 000, the unemployment rate in Hong Kong is still rising constantly. According to the Labour Department, only 18 400 vacancies were registered in March. This can be said to be negligible compared to the unemployed population of 200 000. While the labour market is suffering from an over-supply of labour, there are scarce job opportunities for the grassroots. At present, the Government is only offering limited help to the unemployed. Moreover, it is trying to stand in the way of the retraining scheme by slashing certain allowances for trainees, increasing training fees, and so on. How can the grassroots find their way out of such difficult situations? How can the Government demonstrate to us that it is sincere about helping the unemployed to find their way out of the predicament?

Mr Deputy, perhaps our demands for the Government to help the unemployed to seek employment are precisely the "unrealistic expectations to the role of the Government" referred to by the Commission on Strategic Development. Mr Deputy, I hope the Government would not make such criticisms against the public again and say that members of the public have developed the so-called "dependency culture". On the contrary, I think it would be best for the Government to propose specific plans in concrete terms and examine how it can help these people to find a way out of their predicament. Therefore, I object to today's motion.

Thank you, Mr Deputy.

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

MISS CHAN YUEN-HAN (in Cantonese): Mr Deputy, earlier on, the Commission on Strategic Development pointed out that a dependency culture had developed among the people of Hong Kong, and that people now cherished unrealistic expectations as to the role of the Government. We cannot accept such comments and think that they are open to question. If we look back in time, we will see that because of the effects of a bubble economy, the boom experienced by many segments of our economy such as the financial services sector and the property market was actually nothing but illusory prosperity. We will also see that many people were very much after quick money, but I must add that this was confined to the rich and those with spare money only. As for the grassroots, the only benefit of such good times was that they could find jobs more easily and could thus lead a more stable life without having to worry about their livelihood. Today, following the outbreak of the financial turmoil, which plunges the economy of Hong Kong into a drastic downturn, and also because of the restructuring of the global economy in the direction of IT and knowledge-based development, we are now facing a whole lot of problems and difficulties. Over the past two years or so, we have been asking repeatedly in this Chamber how employees in Hong Kong could possibly tackle all these problems. What we have asked for from the Government is simply some kind of measures that can help all these employees tide over their current difficulties, and the employees in Hong Kong have never asked for any direct government financial assistance or attempted to depend on such assistance either.

My ward office has received many complaints about this problem, and of all the complainants, one old man made the deepest impression on me. This old man approached us several times in the past three years. The first time when he came to my office, my colleagues advised him to apply for CSSA. But he refused, saying that though his son could not find any job, he could still live on his savings. It was seven or eight months later when he came to us for the second time. He was then in greater difficulties already, and we thus said that if he did not know how to apply for CSSA, we were prepared to do that for him. But once again, he refused. He insisted that he could still manage despite the difficulties, adding that he had come to us once again just to have someone listen to his grievances. Then, when he came to us the third time, he finally said that he could not manage any longer, because his son had remained unemployed for two years already, and he could not hold on any longer. In the end, very much reluctantly, he decided to apply for CSSA.

Countless many people have remarked that the main characteristic of we the people of Hong Kong is our pragmatic insistence on fending for ourselves, in the best or the worst of times. However, if we look at the developments over the past two years, since the whole system of public assistance is centred around the provision of CSSA, when the Government suddenly noticed a huge increase in CSSA expenditure, it immediately jumped to the conclusion that many people had applied for CSSA because they were just too lazy to work. Some "insensitive" government officials have even remarked that many CSSA recipients can actually live much better than those who earn their own living. I can remember having said this many times here: The people of Hong Kong in general, regardless of their background, all believe in the truth of the saying "As long as there is still some hair on one's head, however thin it is, one will not wish to go bald altogether like a person having favus of the scalp"; to them, the CSSA is only the last resort, when there are no alternatives. I am certainly not saying that no one has ever tried to abuse the CCSA, but these people are very small in number indeed. Therefore, for several times, at the meetings of the Welfare Services Panel, I asked the relevant government officials not to make similar remarks anymore, explaining that these remarks would hurt the people of Hong Kong. There is simply not any dependency culture as such among the people of Hong Kong, and they do not want to rely on government support and assistance either. What they want is just a job, for they know that they must work. Cases similar to that of the old man abound, so the problem is not confined to a handful of people only. If the two Secretaries do not believe me, they can look at the following statistics with us. According to government

statistics, in the year 1999-2000, the number of CSSA applications filed for reasons of unemployment was just 30 000, representing 12.8% of the total number of applications; of all the CSSA applicants, the elderly and the disabled still constituted the majority, representing 60% to 70% all the applications. This means that though we may have gone through the most difficult period, the number of CSSA applications filed for reasons of unemployment still represent about 12% of the total number of applications. So, it will still be very difficult to assess all these applications case by case. We have seen many cases in which people were forced to take up several jobs simply because they wanted to fend for their families all on their own. In the end, some of these people died of extreme fatigue in the streets, and their reluctance to apply for CSSA can be described as the main cause of their death. Over the past two years, we have seen similar cases from time to time. So, I am really puzzled at hearing the Commission on Strategic Development say that a dependency culture has developed among the people of Hong Kong, and I also think that we simply should not take a part for the whole. It is seriously wrong for anyone, especially those government departments responsible for strategic development, to think in such a way.

Mr Deputy, I have just been to Singapore, and I now suffer from a sore throat. My trip there has enabled me to see how Singapore is treating its workers when faced with the challenges of the 21st century and the IT-related and technological changes following the financial turmoil. In the eyes of the Singaporean Government, all the workers in the country are of very high morale, and it also looks very positively at the 530 000 workers with low literacy and technical skills in the country, in complete contrast to how our own Government is looking at our 1 million or 700 000 workers with low literacy and technical skills. Therefore, my colleagues and I have returned from our recent trip to Singapore with very profound feelings. We cannot understand why the governments of these two places have looked so differently at those of their people who are in difficulties.

Besides, I also wish to discuss this issue by referring to the statistics provided by the Government. According to the latest statistics released by the Census and Statistics Department, the income level of some 400 000 households in Hong Kong has dropped by as much as 30% — please note that it is 30% — when compared with the level recorded in the corresponding period in 1997. Survey findings even indicate that the lowest household income is just \$4,600. The people concerned have to live in abject poverty, and some of them, who

work as watchmen, for example, have to work 12 hours a day for a meagre return of just about \$4,000 a month; those working in fast food shops cannot earn much either, for their hourly rate is just slightly more than \$10. Frankly speaking, the monthly income of these people is even lower than the amount of CSSA payments. But they have still refused to apply for CSSA and insisted on fending for themselves. Therefore, how can the Government say that a dependency culture has developed among the people of Hong Kong? How can it say that CSSA has nurtured lazy bones?

I hope that the Government can from now on respond positively to people's needs and address their current difficulties and future developments properly, as advocated by the Hong Kong Federation of Trade Unions. The Government should put in place a policy on priority employment to assist the development of labour-intensive sectors such as environmental protection industries and home help services, so as to help people tide over their difficulties instead of directing any more accusations at them. I hope that the SAR Government can really share the feelings of the people and join hands with them to overcome the current difficulties. I hope that it can refrain from making any more allegations about people's laziness, dependency culture, and so on.

Thank you, Mr Deputy.

MR ALBERT HO (in Cantonese): Mr Deputy, the Democratic Party agrees that the Government should adopt positive measures to promote continuous self-improvement in the community. However, the wording used by Mr Ambrose LAU in his motion, with regard to "the report of the Commission on Strategic Development has pointed out that 'there is also concern that, in some quarters, a dependency culture has developed and with it, increasing and sometimes unrealistic expectations as to both the role of the Government and its ability to provide additional services'", is unfair to the people of Hong Kong, especially to the middle and lower classes. With structural unemployment caused by the economic transformation currently, the community at large will face a series of problems within a short time, and those people relying on public services need help desperately, therefore I think such comment is extremely unfair and unreasonable to them. Considering the report of the Commission on Strategic Development comprises 36 pages and 161 paragraphs, I feel sorry that Mr LAU prefers to emphasize that paragraph alone.

I believe the people of Hong Kong, even if they are CSSA recipients, are eager to be self-reliant at all times. If someone should say that a dependency culture has developed among some quarters in Hong Kong and people are relying on the Government, of course, we consider that absolutely unacceptable.

Last year, to coincide with the launch of the Support for Self-reliance Scheme in order to cut CSSA expenditure, the Social Welfare Department (SWD) repeatedly announced in high profile that the number of CSSA cases had been rising in recent years, from 88 600 cases in 1993 to 218 400 cases in 1998. However, it was not attributable to the increasing expectations of the public about government assistance. In fact, it was caused by some social changes, such as the ageing population. Basically, about three quarters of the total CSSA recipients are either the elderly, disabled or the chronically ill, thus they are powerless to become self-reliant even if they wish to.

Although the number of unemployed CSSA recipients has been on the rise, from 3 500 cases in 1993 to the present 26 635, it only represents about 10% of total CSSA cases. Mr Deputy, we must bear in mind that the unemployment rate has risen sharply in recent years, from 1.9% in 1992 to 5.7% to date.

According to a study conducted by the Hong Kong Council of Social Services (HKCSS) in 1998, unemployed CSSA recipients were mostly not so well-educated males and elderly from the manufacturing, construction, restaurant and hotel industries, in which 40% were unskilled workers. Threatened by the economic restructuring, the decline of their industries, and a shift in demand for more and more white-collar workers, these unskilled labourers found it very difficult to re-enter the labour market. In addition, those newly created low-pay and unskilled positions in the service industry were generally on part-time, casual or female-dominant basis. The study also revealed the major reason for 80% of single-parent CSSA recipients to seek CSSA was to look after their children, which was also the major obstacle to their return to the labour market. The study used the work motivation norm to evaluate the work motivation of CSSA recipients who were interviewed. Out of the five points for full score, we could see the average work motivation for those who rejoined the CSSA scheme, at 3.1, was even higher than those people successfully quitted the CSSA scheme (as the average score for the latter was 2.87). It can therefore be seen that CSSA recipients at large actually preferred

to be self-reliant than to depend on the Government, as we can feel the work motivation of the people of Hong Kong is very strong. Furthermore, I have been in frequent contact with many unemployed CSSA recipients in the front line personally; I could feel their strong aspiration of getting out of the CSSA net and their reluctance of being labelled as unemployed people relying on the Government. I hope the Government can understand their current situation as well as their state of mind of not accepting the reality of being unemployed and reliant on the Government.

However, although the lower class hoped the Government to give them a hand under the current circumstances, such expectation was not attributable to the so-called dependency mindset. In fact, they could not stand up on their own because of the reality. Under the circumstances, the Government is duty-bound to take necessary measures to help them live through all kinds of short-term hardships by assuring basic livelihood security, such as the provision of financial, medical, housing, and children education assistance; to help them to lead a dignified life; and to prevent extending the poverty problem to the next generation. That is to say, the financial problems of these families should not deprive their children of the chance to receive education or participate in social activities; nor should it hamper their progress in catching up with their schoolwork due to the limitations of their parents. Furthermore, I hope we can help them to seek other suitable assistance. All these will help to maintain social stability and development. The long-term solution lies in the implementation of various measures to help these CSSA recipients to reposition themselves in the labour market, such as the conduct of tailored training courses or the provision of comprehensive placement assistance. All these suggestions are not at all unrealistic expectations.

Mr Deputy, I personally feel that the dependency culture in traditional Chinese society was in fact very weak. When we look at our history, what could the Government do for the community at large? In the past, the general public only contacted their government either for taxation or punishment matters. Traditionally, what else could a government do to help the populace? Very often, we could see that the most successful and prosperous periods for the people were only times without government harassment, pestering and suppression, and that was normally the reality. In modern days, the provision of reasonable social security by a government is in fact a fundamental obligation

written in most international political, cultural and social covenants, therefore I hope the Government will fulfill its obligations.

With these remarks, I support the motion of Mr Ambrose LAU, albeit I have some comments on the wording cited by him in his motion. Thank you.

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

MR JASPER TSANG (in Cantonese): Mr Deputy, in an activity held for the elderly last Sunday, a 70-odd years old man approached me and said, "You see, I'm still going strong! I've been a hardware worker all my life and I was still working earlier on. Now if I wish to find a job, there will be employers who are willing to employ me, but one of the problems is that the employers will have to take out labour insurance for me while the insurer will refuse since I'm over 70 years of age. It's just for this reason that I have difficulty in finding a job." In the light of the situation, he came to study the case with me in the hope that I could help him solve the problem. He said that he was not going to apply for CSSA. He has not received CSSA and as a single old man, he meets the requirements in terms of income level for being placed on the waiting list for a public rental housing flat, but he has never applied for a public rental flat. Instead, he has all along been living with his friends in a private flat in poor conditions.

There are indeed many examples of this kind among the grass-roots citizens who have come into contact with me. Therefore, I fully understand the defying attitude taken by the Honourable Miss CHAN Yuen-han and Mr Albert HO just now towards the "dependency culture" as stated by the Commission on Strategic Development.

I personally have strong doubts about whether the so-called "dependency culture" has developed in Hong Kong. It is because when this is referred to as a "culture", it seems to assert that it is already a common phenomenon; that is, currently this habit or concept of dependency has been fostered among the general public. People will either make demands on the Government or depend on others and are reluctant to be self-reliant. Has the situation reached such a serious stage? I do not think this is necessarily the case. However, in our present community, I wish to point out the question of whether some thought or

concept of dependency is developing among the young generation in particular. I feel we cannot ignore this and we have no choice but to admit the existence of this trend. On the contrary, as for the older generation, that is, those who have striven and struggled for survival over the past decades, they have a firmer spirit of resolving problems on their own and relying on their own effort to improve their livelihood.

Let me return to the subject about our younger generation who is receiving education now. Mr Ambrose LAU also pointed out the issue of policies on education just now in analysing the factors contributing to this "dependency culture". He mentioned that the existing schools had overlooked humanism education. We often hear about comments made by parents, the general public and education critics that our schools exert too much pressure on students. Even the educational reform currently initiated by the Education Commission seems to start with a reform in the examination system, giving the impression that one of the most important reasons in so doing is to relieve the pressure of examinations on students, so that students can study happily at school for a very long period. This seems to be an objective of improving our education. However, I wish to point out that pressure exists not only in school-days, but it actually exists in every stage of life. Pressure comes not only from academic studies, it also comes from work, friends and the family. What we need to do is not to protect our students from bearing any pressure. On the contrary, we have to teach students how to overcome problems when they are under pressure, how to cope with pressure and resolve problems in order to succeed. In this way, education can be a success.

Many people compare Hong Kong students with students in overseas countries. I totally agree that many students studying in a foreign environment are happier than their counterparts in Hong Kong. However, the reason is not that they feel less pressure than Hong Kong students. I think it is entirely wrong to treat pressure and happiness as a dichotomy. Our examination system needs to be reformed not because there is something wrong with examinations, but because what is assessed is not something supposed to be assessed. For example, why does everybody criticize the practice of requiring students to sit for the Academic Aptitude Test? Why do we all agree that it should be abolished? It is because the Test requires students to go through some meaningless drills, which are useless to the growth of the students themselves at all. Other examinations face similar situations, but it does not follow that there is something wrong with examinations as a method of assessment. We are

going to carry out a large-scale reform on education, so we had better clarify this point first. In our opinion, the purpose of the reform is to relieve the pressure on students, that is, to relieve them of the need to bear so much pressure and to make them happy, believing that this will serve the purpose. In this case, the objective that we set very early on for development: First, "learn with pleasure", will not be appropriate. It is because those who have gone through the stages of learning will know that there is no reaping without sowing in learning. How can one master knowledge without making an effort?

The same applies to society. How can those who wish to set up businesses and aspire to be successful entrepreneurs accomplish anything without making great efforts and experiencing hardships? Hence, although we have reservations about the so-called "dependency culture" as referred to in the motion, we fully support the salient points in the motion moved by Mr Ambrose LAU; that is, to urge the Government to adopt positive measures to encourage the community to give full play to the Hong Kong spirit which embodies continuous self-improvement, assiduousness and adaptability. The DAB is therefore in support of Mr Ambrose LAU's motion.

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

(No Member responded)

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr Deputy, I am very grateful to Members for expressing valuable opinions in their speeches delivered earlier. Owing to the Hong Kong spirit that embodies continuous self-improvement, assiduousness and adaptability, Hong Kong has been able to develop from a former unknown port into an international financial centre today. In the face of economic transformation, globalization and the growing tendency of society to be knowledge-based, we must make continuous efforts to equip ourselves to meet various challenges. To achieve this objective, education and training are crucial.

We are of the view that members of the public must be given incentives to engage in lifelong learning and make constant improvement to enable them to be self-reliant. In the policy addresses delivered in 1998 and 1999, the Chief Executive pointed out that as our society becomes more knowledge-based,

continued education becomes more important than before. The Government therefore hopes that Hong Kong can develop further as a learning-based community. All people of Hong Kong, particularly those who are working, should move forward with the times and make continuous efforts to absorb new knowledge as well as acquiring professional skills positively in a bid to cope with socio-economic development. We also hope that the younger generation can engage in self-learning and strive to make constant advancement.

Over the years, the Government has been actively promoting continuing education. One of the most prominent examples is the setting up of the Open University of Hong Kong (OUHK) in 1989. Through open channels and distance learning, adults who are interested in continuing with their studies but are deprived of the chance of doing so after leaving school are given opportunities to receive tertiary education. At present, the OUHK has approximately 25 000 students. Over the past decade, a total of \$645 million has been allocated to support the development of the OUHK.

The Government also provides financial concessions in three areas to encourage members of the public to pursue studies. First, since 1996, taxpayers studying job-related courses can enjoy a tax concession of up to \$30,000 with respect to their study expenses. This amount will be sufficient for them to cover the tuition fees of most part-time courses. Second, a total of \$100 million has been successively allocated to the OUHK for the setting up of a student loan scheme to enable students with financial difficulty to study in the OUHK. Furthermore, we have actively expanded the scope of the Non-means Tested Loan Scheme so that students from the Hong Kong Shue Yan College and the OUHK, and part-time students of continuing education courses organized by tertiary institutions can apply for loans under the Scheme.

In the Budget this year, we have promulgated three major measures to encourage continuing education.

First of all, we will set aside \$60 million annually in the next three years for the implementation of "Project Springboard" which will expand continuing education opportunities for Secondary Five leavers and adult learners. In the first year, about 5 500 places will be offered. The number will be increased in the following two years in the light of demand. In order to launch the programme, the Government will provide support in four areas. We will implement a three-year subsidy scheme under which students will receive a

reimbursement of 30% of the tuition fee upon satisfactory completion of each module. Alternatively, students may apply for loans under the Non-means Tested Loan Scheme to pay for the tuition fee. The Government has also earmarked \$5 million for the purpose of subsidizing responsible institutions for curriculum development and related work. Furthermore, the Government is considering recognizing the qualification attained under the programme as equivalent to Secondary Five level in the recruitment for certain posts. The programme will last for three years. We will conduct a comprehensive review of the effectiveness of the programme and the support measures taken by the Government before the end of the three-year period.

Second, we will expand the scope of the Non-means Tested Loan Scheme to include continuing education and professional courses organized locally by registered schools, non-local universities, professional bodies and recognized training institutions. It is anticipated that the number of eligible applicants will expand from 200 000 to 700 000 and the amount of loans will reach up to \$173 million each year. As a result of these measures, people who are interested in further studies will no longer be deprived of the opportunities for receiving continuing education because of financial difficulty.

Third, we will set up a website where information on continuing education courses organized in Hong Kong will be gathered. This will provide a speedy and convenient channel for people who are interested in further studies to identify courses that best suit their personal interests and levels. This website will link with major educational and training institutions for the provision of "one-stop" services.

Over the past several years, continuing education has been developing rapidly in Hong Kong. A survey conducted by the Government last year showed that, in last November, more than 5 000 continuing education courses were provided by nearly 600 institutions, with the number of learners exceeding 330 000. According to a statistical survey conducted by the University Grants Committee, a total of 370 000 people pursued continuing education courses equivalent to tertiary education level last year. In other words, one tenth of our working population has pursued these courses and up to \$1.4 billion has been paid as tuition fees by private individuals each year. While a number of people have expressed concern that a dependency culture has developed in some quarters, the abovementioned figures can well reflect that many people in Hong Kong are still able to keep up the spirit of self-improvement and assiduousness.

In spite of heavy workload, they still keep on studying to upgrade their qualifications and levels of knowledge in order to cope with technological, economic and social development and changes. Through the series of measures mentioned by me, I believe we can further encourage more citizens to pursue studies and to learn continuously.

The Education Commission (EC) is currently conducting a comprehensive review of Hong Kong's overall education system. The community at large generally agrees that the overall goals of education for the 21st century should be: To enable every person to attain all-round development in the domains of morals, intellect, physique, social skills and aesthetics according to his/her own attributes so that he/she is capable of lifelong learning, critical and exploratory thinking, innovating and adapting to change. The consultation document on Review of Education System: Reform Proposals just published contains more than 100 pages in which specific recommendations on education from the pre-school to tertiary levels are proposed. On continuing education, the EC proposed to, based on the existing sound foundation, further develop in a few major directions, including to provide more opportunities and choices to receive tertiary education through different types of educational institutions such as community colleges or private universities; to provide mechanisms for quality assurance, accreditation and transfer of qualifications; to promote continuing professional development at the workplace; to promote the internationalization of continuing education; and to adopt measures to cope with information technology (IT) development.

Earlier on, Mr Jasper TSANG put forward some extremely valuable opinions on education reform that merits serious attention from the EC and the Government. I also hope that people from various sectors can express more views and put forward more suggestions on education reform so as to enable the Government to further promote Hong Kong as a knowledge-based community where learning is given top priorities in the proposals to be finalized.

While encouraging the public to give full play to their spirit of assiduousness, the Government must ensure that sufficient training and retraining opportunities are available to enable local workers to equip themselves by updating and upgrading their skills. This will help them enhance their own effectiveness for the purpose of coping with the ever-changing social needs.

While the Employees Retraining Board (ERB) has an extremely important role to play in providing training and retraining for elderly and low-skilled workers, the Government has been making active commitments in relation to the work of the ERB. Since its establishment in 1992, the ERB has recorded a total expenditure of more than \$1.8 billion, with a total of \$1.6 billion injected by the Government at various junctures. During the debate on the Budget in this Council last month, I promised Members that the Government would conduct a review of the long-term financial arrangements for the retraining fund.

Since 1992, the ERB has provided more than 460 000 training places. During the past two years when Hong Kong was undergoing economic adjustment, there were keen demands for retraining courses in the market. For this reason, the ERB decided to expand the number of training places for this fiscal year to 100 000, 5% more than the number of places planned last year.

The courses organized by the ERB are all market-oriented. More places will therefore be provided for categories of courses which are in great demand, such as courses on security and property management, home helpers, health care assistants, and so on. At the same time, continued efforts will be made to explore new courses, such as those for IT assistants, Chinese medicine dispensers, and so on, in order to cope with the market demand. In this financial year, the ERB continued to actively explore various kinds of new courses for the unemployed. Examples are self-employment courses for office cleansing and home helpers. The purpose of these courses is to enable the unemployed to re-enter the labour market through self-employment. To cope with the market demand, the ERB also increased the number of places provided for courses tailor-made for employers in recent years and from 1 900 last year to 2 000 this year. This gives employers an opportunity to play an active role in curriculum design and work in collaboration to provide local workers with appropriate training and retraining opportunities.

Many Members have expressed concern about the effectiveness of retraining courses. I want to point out that the several major full-time courses organized by the ERB have been able to achieve an average employment rate of over 70%. Tailor-made courses, such as those for training personal care workers and assistant hair-stylists, have even attained an employment rate of over 80%. This reflects that employers in general recognize the training offered to trainees and the level of training they receive so that most graduate trainees are able to find employment and support themselves after completing these retraining courses.

On the vocational education and industrial training fronts, the Vocational Training Council (VTC) has assumed an important responsibility. Apart from providing quality full-time courses for young school-leavers, the VTC also provides a number of in-service skills upgrading courses. For instance, in the last academic year, the VTC offered approximately 37 000 places for courses of this kind so that people who are interested can apply for the courses. As nearly half of these courses are evening courses, they are very suitable for people working in the day-time to pursue after work.

The VTC has all along been paying close attention to the manpower demand of different trades and professions. In order to cope with the economic transformation and the development of service industries, the VTC started organizing training and development courses for the IT industry and financial services industry last year. Apart from continuing to provide basic training courses, the VTC is playing an active role in organizing courses, seminars, and so on to cope with the needs of people engaging in small and medium enterprises. Furthermore, the VTC set up a Business Start-Up Centre last year to provide training and business-starting services for those who wish to start up business and encourage them to start their own business with an active attitude and practical actions.

As I mentioned to Members earlier, in order to help the Government formulate a medium-to-long-term training strategy to help more elderly workers to enhance their job opportunities, we have commissioned the Hong Kong Institute of Economics and Business Strategy of the University of Hong Kong to undertake a topical research. The research includes analysing the employment prospects of elderly workers in the labour market and interviewing employers' organizations and trade associations to collate their views on their training and retraining needs in relation to these workers. The research is expected to complete in August or September this year. The Government will formulate longer-term strategies on training and retraining for elderly workers with reference to the findings of the research.

The abovementioned educational and training measures will help the people of Hong Kong to enhance their own effectiveness and support themselves. Actually, we need the concerted efforts from various sectors of society to further promote the "Hong Kong spirit". Members have expressed a number of valuable views earlier. I strongly believe Members will continue to play an important role and participate actively in this area.

Thank you, Mr Deputy.

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Mr Deputy, as the Secretary for Education and Manpower and Members just mentioned, the economic prosperity of Hong Kong in the past few decades is the result of the hard work and self-motivation of Hong Kong people.

The welfare policy of the Government of the Hong Kong Special Administrative Region must be consistent with the overall development in the community. Our objective is to provide assistance to the vulnerable groups to enable, in the longer term, each individual and family to strive for self-reliance and self-improvement, and contribute positively to the development of the community.

The Comprehensive Social Security Assistance (CSSA) Scheme provides a social safety net of last resort for the financially vulnerable. I trust Members would agree that those who can work should work. When the Public Assistance Scheme was extended to cover financially vulnerable unemployed people in 1977, we made it clear that they should register with the Local Employment Service of the Labour Department to find jobs and they were required to report their employment status to the Social Welfare Department (SWD) on a regular basis.

To further encourage able-bodied public assistance recipients to seek work, the SWD has disregarded part of their employment income when calculating the monthly amount of CSSA payable to them since 1998.

To encourage unemployed CSSA recipients to become self-reliant, the SWD implemented the Active Employment Assistance (AEA) Programme in June 1999 to them to find jobs. Staff of the Social Security Field Unit will work with CSSA recipients to develop individual action plans to find jobs. Participants are also arranged to perform community work so that they have opportunities to contribute to the community, re-establish and maintain work habit, and widen their social circles.

If CSSA recipients need retraining, they are accorded priority in enrolment in retraining courses funded by the Employees Retraining Board (ERB). The average employment rate of CSSA recipients after completion of retraining is 55%.

The Lotteries Fund also provides funding for non-government organizations (NGOs) to provide employment assistance to unemployed persons and CSSA recipients. For instance, the Hong Kong Council of Social Service (HKCSS) has applied for funding to administer a Job Matching Programme to match CSSA recipients with short-term vacancies in NGOs arising from vacation of their staff. It also administers a special employment assistance programme aiming at providing counselling, training and employment services to CSSA single-parent recipients. In 1999, the SWD tightened the vetting of new CSSA applicants and made sampling investigations on present CSSA cases.

The results of the AEA Programme have been encouraging. Since implementation of the Programme in June 1999, more than 16 000 CSSA recipients have joined the Programme and 1 400 of them have found jobs. The CSSA unemployment caseload has decreased by 21% to about 25 500 in April 2000.

The success of the AEA Programme clearly demonstrates that most employable CSSA recipients do not wish to rely on CSSA indefinitely. With proper assistance, they can become self-reliant. We also note that some able-bodied recipients may fall into the CSSA net due to lack of social support services. We will therefore provide additional support services to help employable CSSA recipients to re-enter the employment market. The main points of the programme that we will soon implement to provide additional support and promote self-reliance are as follows:

First, the AEA Programme will be extended to cover all CSSA unemployment and low earning cases where the recipients are not working full-time;

Second, invite single parent and low earning CSSA recipients who are already working full-time to take part in the programme voluntarily;

Third, more intensive employment assistance will be offered in the form of tailor-made programmes for unemployed CSSA recipients who have joined the AEA Programme for a longer period but have not yet secured employment;

Fourth, a special job attachment programme will help recipients who have left the job market for a considerable period of time to acquire new work skills and re-establish work habits;

Fifth, the Labour Department, ERB and SWD will join hands to launch a pilot project to match CSSA recipients with suitable job vacancies and provide necessary retraining, where necessary; and

Sixth, the eligibility criteria for the disregarded monthly earnings will be relaxed so that all working CSSA recipients, regardless of their pay level and number of hours of work, may benefit from it.

We will also provide other direct support services to help family carers, working parents, single parents, new arrivals and victims of family violence to overcome barriers to work, find a job and receive training.

We estimate that about \$200 million will be required to implement the above package of measures in this financial year. We will shortly apply to the Finance Committee for funding approval.

Thank you.

THE PRESIDENT resumed the Chair.

PRESIDENT (in Cantonese): Mr Ambrose LAU, you may now reply. You have two minutes seven seconds.

MR AMBROSE LAU (in Cantonese): First of all, Madam President, I wish to thank Honourable colleagues for their speeches. But I found that in their speeches many colleagues have expressed disagreement on the comment in the report of the Commission on Strategic Development that "there is also concern that, in some quarters, a dependency culture has developed". However, my motion today does not aim at asking Members to support this comment. Nor does the motion agree with this comment. This is not my intention.

I proposed this motion today in the hope that the Legislative Council can urge the Government to introduce appropriate policies to improve people's livelihood and at the same time, adopt positive measures to encourage the community to give full play to the spirit which embodies continuous self-improvement, assiduousness and adaptability. I noticed that Members who

have spoken basically agreed with this aspiration and observation, only that they do not agree with some observations of the Commission on Strategic Development. In this connection, I hope that Mr LEUNG Yiu-chung, in particular, can support this motion. While he is opposed to the views of the Commission on Strategic Development, it does not necessarily mean that he has to oppose my motion. My motion simply called on Members to urge the Government to earnestly adopt some measures so that Hong Kong, whether it be any sector of the community, can give full play to the spirit which embodies continuous self-improvement, assiduousness and adaptability.

Therefore, I hope that Mr LEUNG Yiu-chung can reconsider this and I hope that Members can support my motion. I have no intention whatsoever to ask for Members' support for certain observations of the Commission's report by way of this motion. I have never said anything to imply that social welfare would breed laziness, and I have never ever held such a view. I absolutely do not take this view and I have always been opposed to this view.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Ambrose LAU, as set out on the Agenda, be passed.

Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

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

PRESIDENT (in Cantonese): Second motion: Opposing Taiwan becoming independent.

OPPOSING TAIWAN BECOMING INDEPENDENT

MR JASPER TSANG (in Cantonese): Madam President, I move the motion which has been printed on the Agenda. The motion reads: That this Council opposes Taiwan becoming independent.

Madam President, over the past few months, the Taiwan issue has been the focus of public attention in Hong Kong. Reports on politics in Taiwan and situation across the Taiwan Straits have taken up a large proportion of local news coverage. Taiwan independence and cross-straits relations have been the topics frequently discussed in editorials and the discussion section of newspaper, and also in many radio programmes on current affairs.

It is not only out of their concern for the future of the country that the people of Hong Kong pay close attention to the developments in Taiwan, particularly the possibility of Taiwan taking the path to secession. It is also because the developments across the Taiwan Straits have a direct bearing on the stability and prosperity of Hong Kong for we can foresee that peace can no longer be preserved across the straits once Taiwan has taken the path to independence. Therefore, Hong Kong simply cannot stay aloof from it. Results of a number of opinion polls recently published by local media clearly show that the majority of Hong Kong people are against Taiwan independence. It is, in fact, appropriate for this Council to debate a topic as such which relates to public interest and which is of great public concern.

Members of this Council may have diverse views on the political development of Taiwan, changes in cross-straits relations, ways to achieve national unification, the role of Hong Kong in the process, and so on. But judging from the views previously expressed by various political parties and Honourable Members, opposing Taiwan becoming independent should be the common position held by most of us. Madam President, I sponsored this motion debate using a topic couched in the simplest and least controversial terms in the hope that this will serve as a basis for Honourable colleagues to express their views on all issues pertaining to national unification.

Madam President, Taiwan is a part of China and this has been so since the ancient times. In history, this precious island had been occupied by the Spanish, the Dutch and the Japanese. After our victory in the war against the Japanese invasion, Taiwan was recovered as a territory of China. Taiwan and the Mainland have remained separated since 1949. This question was left over by the civil war in China and interference from foreign powers has further complicated the Taiwan issue. But after all, this is an internal affair of China. A vast majority of countries in the world recognize the "one China" principle, acknowledging the fact that Taiwan is part of China.

Madam President, it is the common wish of all Chinese nationals that unification can be achieved through negotiations and by peaceful means. The Democratic Alliance for the Betterment of Hong Kong (DAB) hopes that peaceful unification can be materialized early. It is never our wish to see a war break out at the Taiwan Strait. However, we are well aware of one thing, that is, pro-independence forces do exist objectively and threats posed by foreign interference are unlikely to be removed. If Beijing undertook not to use force under any circumstances, unification would only be a faraway goal beyond our reach. It might even fuel secession activities which would ultimately make military actions unavoidable. So, if we genuinely do not wish to see the problem being resolved by the use of force, we should not press Beijing to undertake to give up the option of using force.

As we all know, the "one country, two systems" idea was proposed by DENG Xiaoping in an effort to resolve the Taiwan issue. After Hong Kong's reunification with China in 1997, the idea was put into application first in Hong Kong. However, the social and political circumstances of Hong Kong before the reunification are different from those of Taiwan; and the Central Government has stated time and again that the practice of "one country, two systems" in Taiwan would be different from its application in Hong Kong. The DAB supports the implementation of "one country, two systems" in Hong Kong and we, at the same time, believe that the "one country, two systems" concept embodies sufficient scope for the development of a peaceful unification approach which is acceptable to the people of Taiwan.

These are some of the basic views of the DAB on the Taiwan issue. Colleagues from the DAB will express views on other aspects in the subsequent debate.

With these remarks, Madam President, I beg to move.

Mr Jasper TSANG moved the following motion: (Translation)

"That this Council opposes Taiwan becoming independent."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Mr Jasper TSANG, as set out on the Agenda, be passed. The debate will now begin.

MR MARTIN LEE (in Cantonese): Madam President, the President elect of Taiwan, CHEN Shui-bian, will officially assume office 10 days later as the second elected President of Taiwan. During this period, tensions have been mounting in the cross-straits relations and we are particularly concerned about the attitude of the new government towards the unification of China and how it is going to handle this issue.

In handling this issue, the Mainland Government and the Taiwanese Government must take a rational attitude with a view to resolving it peacefully. As the Chairman of the Hong Kong Democratic Party, I must reiterate that the Hong Kong Democratic Party supports "one China" and unification by peaceful and democratic means.

In the "dynastic change" in Taiwan lately, the people of Taiwan elected their leader by democratic means. This is the very first time in 5 000 years of Chinese history that political power was transferred peacefully through democratic elections by Chinese people on the land of China. This has never happened in China before for the change of power in the past had invariably involved bloodshed. This proves that Chinese people do love peace and manage to handle matters of enormous import in a peaceful and non-violent manner.

Given that the Democratic Progressive Party, which has Taiwan independence written in its party platform, has now become the ruling party of Taiwan, the Central Government certainly must re-examine the cross-straits relations and the pace of unification. To avoid letting Taiwan go further and further down the road to independence, it is only natural that the Central Government should be anxious to realize unification. However, to

expeditiously achieve unification at all costs, despite the adversities of waging a war which would condemn our people to the abyss of misery, exhaust the national treasury and destroy the economic accomplishments that have been amassed so painstakingly since the opening up and reform of China, would only be devastating to both sides in the end. Even though the Central Government may recover the territory by virtue of its military might, it would not win the hearts of the people with the use of force.

To achieve unification, any wise and sensible leader will certainly work on the premise that there must be no armed conflicts. This is underscored by *Sun Tzu: The Art of War* which stated to the effect that "to overpower enemies without resorting to war" is a tactic more desirable than "scoring repeated victories in battles".

Peaceful unification is not only the wish of the entire Chinese nation, including comrades in Taiwan and the Mainland, the 6 million-odd people of Hong Kong and numerous overseas Chinese, but also the aspiration of the international community.

Madam President, since 1949 when Taiwan and the Mainland began to be governed by two separate administrations, the unification of China has always been a big thorn in the cross-straits relations. Under DENG Xiaoping's blueprint of "one country, two systems", Hong Kong and Macao have reunified with China successively. But as Taiwan and the Mainland have been under two separate administrations for more than half a century, how can unification be achieved peacefully?

The answer is simple: First, we must know ourselves and our counterparts well, and then tackle the problem at root.

In fact, the people of Taiwan elected CHEN Shui-bian for a diversity of reasons. A vast majority of supporters for Taiwan independence certainly voted for CHEN Shui-bian, but more voted for him in the hope for changes. The Kuomintang, a rotten century-old shop plagued by rampant "money politics", has long been denounced by the people. In this last presidential election, supporters for CHEN Shui-bian and James SOONG mostly hoped to press the Kuomintang to step down in order to teach them a lesson and make them learn

from the bitter defeat. There is no doubt that supporters for James SOONG prefer unification, whereas CHEN Shui-bian's supporters, mostly born and brought up in Taiwan and younger at age, support Taiwan independence. But the results of numerous opinion polls indicated that the overwhelming majority of Taiwanese hope to maintain the *status quo*. They do not want hasty unification nor hasty independence.

The views expressed by a young Taiwanese at the City Forum in Hong Kong are very representative. She has no strong views as to whether Taiwan should go for unification or independence. Her concern is whether her standard of living would decline, and whether her rights, politically and economically, as well as freedoms would be infringed after unification. If the people of Taiwan can foresee that their rights and freedoms in all aspects would still be respected and that they could continue to enjoy all such rights and freedoms after unification, they would not think so negatively about unification.

Regrettably, neither the human rights situation in the Mainland nor the practice of "one country, two systems" in Hong Kong and Macao can command confidence of the people of Taiwan in unification.

Take "one country, two systems" as an example. This policy, originally tailor-made for Taiwan, is implemented in Hong Kong first as a model to convince Taiwan. Now it is regarded by comrades in Taiwan as an antithesis.

On the night he was elected, CHEN Shui-bian stated that he could not accept the "so-called" "one country, two systems" proposed by the Mainland as the basis for unification, and that Taiwan does not wish to become another Hong Kong nor another Macao.

Why would CHEN Shui-bian use the word "so-called"? It is because he is not convinced that "one country, two systems" has been implemented well in Hong Kong. Nor do comrades in Taiwan think that the democracy, freedoms, stability and prosperity currently in place in Taiwan can be maintained under this unification option, even though Taiwan would be allowed to keep its armed forces.

Although there are not too many cases of direct intervention by the Central Authorities in Hong Kong affairs, people with discerning eyes can see that the Chief Executive, TUNG Chee-hwa, who was hand-picked by leaders of the Central Government, is naturally minded to act in their favour in return and do everything to please them. Since its establishment, the Government of the Special Administrative Region (SAR) has used different ploys to effect a retrogression of democracy by, among other things, abolishing the two Municipal Councils, reintroducing the appointment system in District Councils, and so on, in a bid to marginalize the dissenting voices.

The SAR Government has also dealt an unprecedented blow to the spirit of the rule of law in Hong Kong and upheld executive hegemony. Together with frequent policy blunders as a result of the emergence of cronyism in politics, the people of Hong Kong are full of grievances and indignation. Recently, leaders of the Central Government attempted to warn the local media through WANG Fengchao, the Deputy Director of the Liaison Office of the Central People's Government, not to disseminate speeches advocating the "two states theory" and Taiwan independence. This attempt by the Central Government to suppress the freedoms of speech and press is downright unacceptable to the people of Hong Kong and the international community. If things should go on like this, the notion of "one country, two systems" would become totally unappealing to comrades in Taiwan over time, making them all the more resistant to "one country, two systems", and all the more reluctant to reunify with the Mainland for the situation in Taiwan would be even worse than the present under "one country, two systems".

Therefore, to achieve peaceful unification, the Central Government must allow democracy to take root in China in the long term to enable every Chinese national to enjoy the fruits of democracy, facilitate the development of the spirit of the rule of law and ensure the protection of human rights and freedoms. Meanwhile, this should be used as the basis for economic development with a view to making China rich and strong, and by then, the call for unification will naturally come to fruition.

Madam President, may I just say this: Comrades, we still have to work hard for national unity is not yet in sight.

MR NG LEUNG-SING (in Cantonese): Madam President, the reunification of Hong Kong and Macao with the Motherland successively represents a quantum leap in the pursuit of peaceful unification. The course of China's historic resumption of the exercise of sovereignty over Hong Kong and Macao has fully manifested the unswerving conviction and strong desire of the Chinese nation to uphold national unity and territorial integrity. It also demonstrates to the international community that this conviction and desire are unshakable by any difficulty.

Looking back on the history of China in the past century or so, China had been weak and feeble, facing internal revolts and foreign aggression and ravaged by rampant invasion and humiliation by foreign powers. If we do not know this part of the history well, we cannot understand why Chinese people would have such unswerving conviction and steadfast aspiration for national unity and territorial integrity, and why they would be so determined to forge ahead for this cause at all costs.

Taiwan is an inalienable part of China. This is an explicit conclusion drawn from the course of history, from culture, and from political realities in the international community. To resolve the Taiwan issue, the Chinese Government has put forward the principle of "peaceful unification underpinned by one country, two systems". This sensible and pragmatic principle undoubtedly leaves plenty of scope for exploring ways to achieve unification and draw up a timetable for such. But in Taiwan, the pro-independence elements that neglect history, culture and political realities are being fuelled by some politicians, particularly the previous leader of Taiwan who proposed the policy of "patience rather than rashness", so to speak, in a bid to deter positive cross-straits interaction and exchanges. In an attempt to destroy the accomplishments of the "WANG-KOO negotiation", he hastily put forth the "two states theory", unreservedly disputing the "one China" principle and the ultimate goal of peaceful unification. Worse still, to materialize his plot for Taiwan independence, this ruler of Taiwan even suggested to divide China up into "seven territories". This demonstrates how evil his motives are. Furthermore, he claimed to be a Japanese himself to entice foreign support by flattering and fawning on the Japanese, and he even chimed in with the Japanese imperialists' denial of the Nanjing massacre. His intention to desert and split the Motherland is all too conspicuous.

From these nasty political performances, wise observers will see that the ulterior motive of this Taiwanese ruler is to resist unification and lead Taiwan onto the road of independence, no matter how hard he has tried to argue against it. By suggesting that the people of Taiwan should be allowed self-determination, he only intended to suppress the factors conducive to unification and encourage the spreading of pro-independence elements. By analysing the situation across the Taiwan Straits, we can clearly see that the obstacles to peaceful unification and threats to the stability in the Asia-Pacific Region actually stemmed from certain Taiwanese politicians being hell-bent on pushing for Taiwan independence. Moreover, some foreign political forces have obstinately regarded China as their enemies. They have tried to encircle China and intervene in the Taiwan issue, throwing weight behind the pro-independence elements to thwart the progress of unification. This has laid additional obstacles to the preservation of peace across the Taiwan Strait and to stability in the Asia-Pacific Region.

Therefore, be it from the perspective of upholding national unity and territorial integrity, or from the perspective of preserving peace, stability and development of the entire region, the Hong Kong community must state its position clearly, that is, we are resolutely against Taiwan independence. As Members of the Legislative Council of the Hong Kong Special Administrative Region of the People's Republic of China, we did swear to uphold the Basic Law when we took office. The preamble of the Basic Law expressly stated at the outset the principle of upholding national unity and territorial integrity. Therefore, in upholding the Basic Law we must at the same time strictly abide by this principle. Members of the public appreciate the dangers of Taiwan independence and they are aware of its implications for the three places across the straits. Hong Kong may not be able to stay aloof from it. We might even lose the latitude to live and develop at peace. As Members may recall, not long ago an aide of that Taiwanese ruler outrageously threatened the people of Hong Kong that Hong Kong would be designated as a target of missile attacks. Our conviction for peaceful unification will not waver in the face of this sort of intimidation. On the contrary, it has reminded us to be alert to the hazards of Taiwan independence, prompting us to explicitly state our resolute and clear-cut position against Taiwan independence.

Now that Taiwan is undergoing a change of power politically. We certainly hope that the new leadership can understand the overall situation and grasp the new opportunity for positive cross-straits interaction. It is hoped that

they can take practical actions to demonstrate the good faith that they have long professed, so that the cross-straits relations can genuinely develop towards peaceful unification.

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

MISS EMILY LAU (in Cantonese): Madam President, we noticed that when Mr Jasper TSANG had submitted this motion for debate, some in the community expressed the view that the Legislative Council simply should not discuss such an issue. However, we are still able to hold a debate on this motion today, so I am very glad indeed. I hope that forever in the future, this legislature can enjoy maximum freedom to discuss all matters, so that Members can all voice their opinions. I hope that those people who do not agree to us discussing this issue today can all understand this point. No matter what views individual Members may have, I am still convinced that the Legislative Council should never stifle the freedom of expression. That is why I very much hope that the Legislative Council can continue to enjoy the freedom to discuss all matters, even matters that are highly contentious.

Madam President, I have made the following point many times before, and some Members may thus think that I am a bit long-winded. But I must still make this point again: I hope that the people of Hong Kong can enjoy self-determination. I have been saying this both in Taiwan and in Hong Kong, and I also hope that the people of Taiwan can exercise the power to decide their own future. The prerequisite is of course that they must be able to indicate through the ballot box whether they prefer the *status quo*, independence or unification. In 1984, I very much hoped that Hong Kong could be given the power of self-determination, but I noticed at that time that many people in Hong Kong were not particularly enthusiastic about this. This does not, however, mean that I am going to change my position. Therefore, just let me repeat my point today: Madam President, I really think that the people of Taiwan should be allowed to decide their own future through a fair means, the most straightforward of which being a referendum. I do not buy the views of some Honourable colleagues. The point is that while a possible outcome of a referendum is independence for Taiwan, there are in fact also other possible outcomes. I notice that many opinion polls actually indicate that most people in Taiwan would prefer maintaining the *status quo*. To sum up, as far as I am concerned, if Taiwan asks for the maintenance of the *status quo*, we should respect its wish.

Similarly, if it asks for independence, we also respect its wish. And, of course, if it asks for unification, we also respect its wish. It is precisely because of this position that we shall refrain from casting a vote on the motion of Mr Jasper TSANG. The reason is that our opposition to his motion may in a way represent one kind of position, and likewise, our support for it may also indicate another kind of position. But very clearly, our position is that the people of Taiwan should be allowed to decide their own future one day. That is why I will neither oppose nor support the motion of Mr Jasper TSANG (for we actually hope that there can be a voting on whether Taiwan should be allowed to decide its future). However, we must also make our views very clear. Even if Taiwan asks for independence, we do not think that this will pose any great danger to the Asia-Pacific Region unless, unless of course, China really decides to launch a military offensive. If this really happens, I would certainly agree that there will be very far-reaching repercussions. That is why I am against the use of force as a means of achieving the reunification of Taiwan with China. I think that if force is really used, many people, not only the Chinese people but also the Asians and even the international community, will find this unacceptable. I will certainly not support the use of force.

Madam President, in March, when the Taiwan presidential election was held, the Frontier also sent a team of observers there. As we saw how enthusiastically the people of Taiwan took part in the election, we could not help envying them. I have said that "money politics" is really a big problem, and I will still say so even if I meet LEE Teng-hui or any other people on any occasion. However, unlike some of our government officials, I will never rule out all their achievements simply because of the presence of "money politics". I will never say that even a voter turnout rate of 80% is meaningless because there is "money politics" over there. I think that such remarks cannot do any fairness to the people of Taiwan. Their system may not be perfect, but it is definitely far better than ours. Before the election, Mr CHEN Shui-bian put up some electioneering advertisements in the press. One of these advertisements featured a portrait of Mr TUNG Chee-hwa right in the middle, with the remark that they were electing a president, not electing or, better say, preordaining a Chief Executive as in the case of Hong Kong. We the people of Hong Kong were naturally rather unhappy after seeing this advertisement. Although the circumstances in Hong Kong and Taiwan are different, we the people of Hong Kong would still like to exercise our legitimate right as *bona fide* citizens and elect our own government. So, when we saw that the people of Taiwan were able to do so, we could not help envying them. However, Madam President, I

do realize that such is indeed the power that only the people of Taiwan have — in particular the power to bring about a "dynastic change".

When Secretary for Constitutional Affairs Michael SUEN met with us a couple of weeks ago, he said right at the beginning of the meeting, "Why bother to learn from Taiwan? There can never be any 'dynastic change' in Hong Kong at all." But I really envy the people of Taiwan because they have been able to bring about a "dynastic change", and I envy them all the more because such a "dynastic change" has come about in a very peaceful, rational and non-violent manner. This is in fact the very lesson which I hope the Chinese Government can learn. Since Mr CHIANG Ching-kuo could do it, I cannot help asking, "Why can't Mr JIANG Zemin do it too?" The people of Taiwan can now say to the whole world that even the Chinese people are capable of achieving democracy, without opening fire, without any bloodshed at all. I admire them. It is not my intention to impose any mission on them. But the fact remains that all those 20 million or so people in Taiwan should have the legitimate right to decide their own future through any democratic means chosen by themselves. For this reason, I am against the use of force as means of achieving the reunification of Taiwan with China. Some say that the people of Hong Kong are against the independence of Taiwan and would want to force it to reunite with China; I am totally against such a remark, or any other similar remark worded in a different fashion. I hope that the people of Hong Kong can understand this point. I only wish to speak the mind of the Hong Kong people: Let the people of Taiwan themselves decide their own future.

Thank you, Madam President.

MR JAMES TIEN: Madam President, I expect this Council to approve the motion before us today for national unity, an issue of paramount importance that cuts across political party lines. I believe that the vast majority of the people of Hong Kong feel the same way, and we in this Council all feel this in the marrow of our bones.

I am speaking in English today because I want to send this message to the world community, which might have the mistaken impression that Hong Kong is for Taiwan independence after the uproar over the recent Cable Television interview with Vice President LU Hsiu-lien. We want the world to know that Hong Kong people do not support Taiwan independence but wish Taiwan to be

reunited with the motherland peacefully as soon as possible. We stand united in wanting to call prodigal Taiwan back to where it has always belonged. Nothing grieves us more than to have to fight our own kind. We Chinese did that too often in history and in the 20th century. We hope and pray that we would not have to do it ever again.

Madam President, although Hong Kong is 500 miles away from Taiwan, our fates are intertwined. For Taiwan to declare separation from China will inevitably lead to war. In that scenario, Hong Kong will be devastated.

Instability in any part of China will create insecurity, driving out foreign investments and capital, as well as affecting the stock and financial markets. Conflicts will harm imports and exports. The air and sea lanes could be closed. Tourists will cancel visits. Manufacturing, retail and high-tech communication will be hurt. The economy will stagnate, maybe even collapse. Unemployment will rise, confidence will sink, and livelihood as well as lives will be lost. If the United States, our single greatest trading partner, were sucked into the conflict, the result would be terrifying not just for us, but for all of Asia, and indeed, the world.

Hong Kong is opposed to Taiwan independence for many reasons, some of these the world community may not fully grasp. We are against splitting the nation founded by Dr SUN Yat-sen who overthrew the Qing Dynasty for a China that is strong, united, free and dignified. We as a people must not squander our energy and resources in tearing the country apart. Hong Kong is against independence for Taiwan on legal grounds. Our Basic Law outlaws secession. We are also against independence for Taiwan on grounds of history. Taiwan has long been an inalienable part of China and it cannot be torn away.

Hong Kong has a function to entice Taiwan back into the Chinese national family. I like the metaphor that China is like a big house which has many rooms — one for the Mainland, one for Hong Kong, one for Macao and another for Taiwan. We can live together, preserve our uniqueness, under one roof as brothers and sisters. When Mr DENG Xiaoping offered "one country, two systems" to Hong Kong, he had not just our city but also Taiwan in mind.

We can convince Taiwan that "one country, two systems" works. Almost three years after reunification, we are autonomous, free and capitalist. Hong Kong can even sign a contract valid for 50 years, renewable for another 50,

with Disney Corporation. Hong Kong is bidding to host the 2006 Asian Games on our own. Taiwan can have what we have and much more. The Chinese nation accepts that Taiwan must preserve all its existing institutions, such as a separate military, its own administration, laws, customs and culture.

Taiwan can have all the advantages from reunification or all the dangers from independence. The rational choice and the only one feasible for Taiwan is to negotiate a peaceful settlement on the principle of "one China" and itself being a part of it. Chinese national sovereignty is not negotiable but everything else is.

The United Nations recognizes only one China and Taiwan is a part of China. So does every major country. The world will be a very dangerous place if every corner of a country can opt for independence. Mr Abraham LINCOLN was arguably the greatest American President who held the United States together in a civil war at great costs, including the cost of his own life.

Madam President, the Chinese nation today is equally resolute in this principle. We in Hong Kong are determined to stand with the nation for its unity. We implore President CHEN Shui-bian to make an admission that Taiwan is a part of China when he takes office on 20 May. Mr CHEN has the chance to be the hero or villain of Chinese history. A few years back as the Mayor of Taipei, he expressed the wish that his city could be an Asian financial centre like Hong Kong and Singapore. But he knew that this was not possible, because Taipei was excluded from servicing the mainland market. Now, he has the chance.

Madam President, the Liberal Party supports the motion. We appeal to both sides of the Taiwan Strait to work out peaceful and prompt reunification of Taiwan for all Chinese people. We owe this to our ancestors, to our families, and to our descendants.

MR DAVID CHU (in Cantonese): Madam President, everybody supports the "one China" principle and all Chinese in the world support "the unification of China". Therefore, Taiwan independence is an impossibility and has no future, and we should oppose Taiwan becoming independent. Madam President, I strongly support the motion proposed by Mr Jasper TSANG on "opposing Taiwan becoming independent".

Since the ancient times, Taiwan has been an inalienable part of Chinese territory. The United Nations has recognized this long ago and most countries in the world have established formal diplomatic relations with the People's Republic of China. Thus, under the "one China" principle, any act publicizing the idea of "Taiwan becoming independent" and any act with the intention of alienating Taiwan from the national territory should be opposed. Ms LU Hsiu-lien has spoken time and again on "Taiwan becoming independent", and Mr CHEN Shui-bian does not accept the "one China" principle. Their acts are the main causes of the tensed cross-straits relations.

Madam President, the White Paper on the One China Principle and the Question of Taiwan published by the Central Government pointed out long ago that "peaceful unification and one country, two systems" are the principles for resolving the question of Taiwan. But if someone in Taiwan should intend to indefinitely refuse to solve the problem of unification of China and Taiwan through negotiation and peaceful means, and seek changes and independence through "procrastination", China must take decisive measures because the unification of China and Taiwan cannot be procrastinated indefinitely. As time goes by, apart from internal political changes in Taiwan, other countries will also take advantage of "Taiwan independence" to contain the future development of China, further complicating the unification and relation between all countries. Therefore, we must make the ruling party of Taiwan understand that "Taiwan independence" is an impossibility and those advocating "Taiwan becoming independent" must pay the price. China must remain determined to use force before it can achieve the peaceful unification of China and Taiwan that we all support.

The Chinese Premier, Mr ZHU Rongji, said before the Taiwan election to the effect that "we support the person who supports the "one China" principle and we will hold discussions with him over any matter, we can also make concessions for he is one of us". His remarks fully demonstrate that China attaches importance to the interests of the peoples and is sincere in promoting dialogues and negotiations between China and Taiwan. Yet, the crux of the problem is that Taiwan must adhere to the consensus reached by the Association for Relations Across the Taiwan Strait and the Straits Exchange Foundation and the position of the "one China" principle. I hope that Taiwan will not miss the golden opportunity and begin negotiations as soon as possible to promote the peaceful unification of China and Taiwan.

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

MISS CHRISTINE LOH: Madam President, from many surveys both before and after Taiwan's presidential election, it is clear that the vast majority of the people of Taiwan are not proposing independence. They have no wish to provoke the Mainland and they are eminently sensible.

Since the election, the President Elect has made a series of smart moves on cross-Strait relations. These include disassociating himself from the Democratic Progressive Party (DPP), appointing a non-partisan cabinet and stating his wish to see improved direct economic and trade dealings with the Mainland. He has made clear that he is the President of all Taiwan people, not just of those who voted for him. His party, the DPP, has even indicated that it would review its party platform which contains the stated goal of Taiwan independence.

In supporting the motion, I would like to take this opportunity to ask for clarification of the policy of the Government of the Hong Kong Special Administrative Region (SAR) towards Taiwan. The annual number of Taiwan visitors to Hong Kong amounts to nearly 2 million. Many Hong Kong people also travel there for social and business reasons. Our two places are very closely connected. And of course, the people of Taiwan are also closely connected to the people on the Mainland.

On 6 January last year, the Secretary for Constitutional Affairs reminded this Council of the Mainland's seven fundamental principles and policies for handling Hong Kong matters involving Taiwan after 1997. I would like to know whether there has been any changes since January 1999. Cross-Strait relations appear to be tense. To what extent is that affecting how the SAR Government is dealing with Taiwan-related issues? For example, is the work of the Chief Executive's Special Adviser, Mr Paul YIP, being affected? It appears that there are some difficulties in Taiwan-related matters. The new appointee to the Chung Hwa Travel Services has not yet been given a visa to come to Hong Kong to take up his post. Media reports say that more restrictions are being imposed on the Taiwan representative than before. I would like to hear from the Administration what really is going on. I ask this out of concern for smooth relations between Taiwan and Hong Kong.

I hope that Beijing can find a new way to deal with the new Taiwan. The people of Taiwan have become a self-determined lot. They clearly do not want anyone to tell them what to do. Madam President, many Members have been to Taiwan at various election times. Taiwan people from all walks of life were

very engaged in the election process, both academic and business leaders there get very much involved. The whole society has become politically sophisticated and highly-motivated. I must admit that I envy the progress which Taiwan people have made over the past decade.

I hope that both Beijing and the new Government in Taipei will exercise the highest degree of wisdom to pursue peace and development on both sides of the Taiwan Strait.

DR RAYMOND HO (in Cantonese): Madam President, the cross-straits relations have been tense over the past year. In July last year, Mr LEE Teng-hui put forward his "two states theory", thus exposing his intention to perpetrate the secession of Taiwan from China. The recent dramatic changes taken place in Taiwan's political scene have also added variables to the situation of the Taiwan Strait. Before Taiwan's presidential election was held this year, I led a delegation to Taiwan to visit the earthquake areas as well as taking the opportunity to have a better understanding of Taiwan.

When I was interviewed by *Ta Kung Pao* as early as July last year, I already made it clear that, insofar as all Chinese people are concerned, the unification of both sides of the Taiwan Strait is a national cause of priority. Of course, negotiations can be carried out between the governments of the two sides of the Strait with respect to details and progress of the unification. However, both governments must share a common goal, and that is, China's territory must not be torn apart; Taiwan must not be allowed to break away from China. Once this common goal is twisted, it will only do harm rather than good to all the Chinese people.

Recently, the newly-elected leader of Taiwan has, on the one hand, made such remarks as to "reconcile sincerely, co-operate positively and make permanent peace" with the Mainland and, on the other, expressed reluctance to give up his intentions of striving for "Taiwan independence". The remarks made by Ms LU Hsiu-lien with respect to "Taiwan independence" have infuriated our compatriots in the Mainland. What is more, such ridiculous remarks as Taiwan and the Mainland are "historically distant relatives" and "geographically neighbours" made by Ms LU have raised eyebrows all over the world.

The remarks made by Ms LU have completely ignored the historical reality and the mainstream development of Chinese history. Since the ancient times, Taiwan has been part of China. The recorded history of Taiwan can be dated back to the Three Kingdoms period, namely the Wei, Shu Han and Wu Dynasty, in A.D. 230. Since the Song Dynasty, the Chinese governments of successive dynasties had set up administrative organs in Taiwan to exercise jurisdiction. Moreover, the Chinese nation has always been pursuing national unity and against secession.

Actually, the smooth reunification of Hong Kong and Macao with China has demonstrated that "one country, two systems" provides the best way to solve the Taiwan issue. Moreover, the Central Government has all along made it clear that, owing to differences between the characteristics of Taiwan and those of Hong Kong and Macao, a more lenient policy will be applied to Taiwan within the framework of "one country, two systems" and in the course of solving the Taiwanese issue to safeguard the interests of Taiwanese compatriots and all sides in concrete terms. On the other hand, the Central Government has also explained the baseline of its Taiwanese policy very clearly a long time ago and stated that "Taiwan independence" would imply war. Indeed, the brilliant concept of "one country, two systems" has offered the best solution to achieve peaceful unification of Taiwan with the Mainland.

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

MR AMBROSE LAU (in Cantonese): Madam President, safeguarding national unity and territorial integrity is both a value commonly held in esteem by all human communities and a valuable tradition in Chinese culture. Hence, it stands to reason that we oppose the independence of Taiwan and any attempts or actions to split up our Motherland. We certainly are opposed to that. Patriotism is a tradition of not only the Chinese nation; it is also the splendid tradition of all human communities dating back to ancient times. In the West, it had been pointed out a very long time ago by ancient Roman philosopher Marcus Tullius CICERO that "our motherland should be of paramount importance to us". Patriotic remarks of such kind which express one's love for his country or one's determination to safeguard the dignity and unity of his own country are just too numerous to recount in the West. From this we can see that patriotism has been developed and handed down from generations to generations in human history; it is the deepest love that one can have for his own country.

In China, it has already been the fine tradition of the Chinese people to love our Motherland and to safeguard national unity. Our national hero YUE Fei once said, "Let us serve our country with loyalty and righteousness, we shall than live on in spirit." LU You, our patriotic poet, also said, "Despite my humble position I dare not forget about my concern for the country." Since the past century or so, as a result of deep-rooted poverty and weakness, China has been invaded, partitioned by foreign imperialist and colonialist powers and has thus suffered immense humiliation. In order to safeguard national unity and to defend our national pride, countless virtuous people with lofty ideals have fought unflinchingly one after another many arduous battles. As a result of his efforts to resist the British imperialists and to ban opium smoking, LIN Zexu was sent into exile by the Qing Dynasty. Yet on his way to Xinjiang, he still wrote this famous line: "I will live and die for the benefit of my country, there is no question of changing my mind on account of weal or woe." As regards our democratic revolutionary martyr QIU Jin, she once said, "The impaired territorial integrity must be mended, how dare I not sacrifice my life for my country's sake?" She did live up to her words and sacrificed her life for the country. Dr SUN Yat-sen, whose slogan was "Strengthening China", stressed that "national unity is a blessing for the people." Many Chinese people have shed their blood in the heroic and tragic war against Japanese invasion. After fighting persistently for eight years, we finally won the war and recovered Taiwan, which had been occupied by Japan for 50 years. The Chinese people will never allow Taiwan to be seceded from China for any reason. National unity is an important foundation on which the strengthening of China can take place; it is also the long cherished goal and aspiration of the countless virtuous men and women in our history. For this reason, it is the bounden duty and reasonable obligation of every member of the Chinese nation to oppose the independence of Taiwan and to safeguard the national sovereignty and territorial integrity.

With these remarks, Madam President, the Hong Kong Progressive Alliance supports the motion.

MISS CYD HO (in Cantonese): Madam President, any nation should be founded on the well-being of its people. How would a nation possibly come into being without its people? If we aspire for national unity out of our love for the

country, then, I really have to ask whether the means to this end do have regard for the well-being of the people. In this connection, I am always against the remarks consistently made by President JIANG Zemin that China cannot give up the use of force to effect Taiwan' reunification with China. If we must resort to using force at all costs, or even waging a war at the expense of the lives of Chinese people, in order to attain an objective, whether it be unification or independence, then, I am resolutely opposed, I repeat, resolutely opposed, to it, irrespective of whether it is Beijing or Taiwan that started the war.

During the civil war between the Kuomintang and the Communist Party, the Chinese had fought against the Chinese and slaughtered their own kind, resulting in a heavy toll on human lives. Do we wish to see history repeating itself? Have we learned a lesson from history?

Madam President, I remember that on 12 May last year this Council had a motion debate on the North Atlantic Treaty Organisation's bombing of the Chinese Embassy in Yugoslavia, claiming the lives of three Chinese nationals. At that time, all of us were filled with indignation, grieving over why the lives of Chinese people were treated as if they were merely worth a straw. Colleagues of the Democratic Alliance for the Betterment of Hong Kong asked why the lives of Chinese people were regarded as inferior and contemptible, and urged for resolution of the matter through peaceful political negotiations, which is very sensible. However, when it comes to the question of unification, why do we insist on the use of force to degrade the lives of our comrades so willingly?

Not a single person lost his life in the peaceful unification of East and West Germany. The collapse of the Berlin Wall has made many family reunions possible. This is indeed a glorious page of humanity in modern history. I hope China can draw on their experiences. Recently, even South Korea and North Korea can sit down for negotiations. Why can we not do the same to resolve the problem by peaceful means?

Just now Mr Jasper TSANG said that force might be used in the end even if China vowed not to resort to force, so this option cannot be withdrawn. I think the use of such "verbal threats" as a tactic to achieve unification is simply unworkable for firearms might be accidentally discharged in the course of cleaning. If the cross-straits situation remained so tense, and if a military officer, who failed to see that China was just uttering verbal threats to Taiwan with no intention to take genuine actions, hastily launched an attack that started a

war, it would be a downright tragic mistake which would cause many casualties. I believe that the overwhelming majority of Chinese comrades do not wish to see such a mistake. Therefore, if we genuinely do not wish to see a war break out across the straits, we must endeavour to promote peace, not threatening the other side with the use of force.

Madam President, I hope that Honourable colleagues present can treasure the well-being of the people and handle all matters on the principle that people's lives and properties must be protected. I so submit. Thank you, Madam President.

MR LAU WONG-FAT (in Cantonese): Madam President, although it can be said that the Chinese people have stood up, there are still occasional occurrences of events which cause insult to the dignity of the Chinese nation and inflict emotional wounds on it. Recent examples of these include the bombing by United States warplanes on the Chinese Embassy in Yugoslavia, the acquiescence of the Japanese Government to the provocations made by rightists on Diaoyutai, the auctions made by foreign auction houses in Hong Kong of the national treasures looted by imperialists in the Qing Dynasty, and so on. In Taiwan, hard-core pro-independence activists have put forward the absurd view of "distant relatives and close neighbours" after the end of the presidential election in Taiwan. Seditious views like these invoke the wrath of the Chinese people and convince them that it is of vital importance to have a unified and strong China.

After the presidential election in Taiwan, the pro-independence Democratic Progressive Party became the ruling party. Cross-straits relations grew tense and uncertainties appeared. Since time immemorial, Taiwan has been part of China, the people on both sides of the straits are joined by a common bond of sharing the same blood, culture and language. And this is a fact which cannot be denied or argued away by any sophistry.

In 1895, the Qing government was forced to sign the Treaty of Shimonoseki and ceded Taiwan to Japan, a country with undisguised ambitions. It was only 50 years later with the defeat of Japan in the Second World War that Taiwan was returned to China. This shameful episode in Chinese history was thus ended. China is now determined not to see the secession of Taiwan from China again.

It is unfortunate that with this talk of independence in Taiwan gaining so much ground nowadays, and with the indefinite postponement of cross-straits talks, the developments are indeed worrying. Doubtless Taiwan independence would mean disaster. There is no chance for it to become successful, for China would resort to all means available, including the use of force, to shatter any attempt to make Taiwan independent.

Taiwan independence means war. This is no scaremongering. Even if Taiwan is backed up by the only superpower in the world, and even if China longs for peace and stability to facilitate its continued economic construction, should pro-independence elements in Taiwan take any action, there will be no choice for the Central Government but to resort to the use of force. The preservation of territorial integrity is the most important and sacred task of any country. No Chinese leader can afford to bear the responsibility of losing Taiwan, and the Chinese people will not concede to the independence of Taiwan.

Madam President, the independence of Taiwan would certainly mean war. When the governments on both sides of the straits wage war, it will only bring tragedy to the Chinese people. Therefore, the opposition to the independence of Taiwan is also an opposition to secession, to war and to the pushing of the Chinese nation into an abyss of disaster.

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

MR HUI CHEUNG-CHING (in Cantonese): Madam President, history and facts have irrefutably proved that there is only one China in the world and Taiwan has been part of Chinese territory since time immemorial. The people of China have a long history of civilization and a strong sense of cohesion. The alienation of the two sides of the Taiwan Straits at present is caused by the civil war and the change in the leadership or ruling party of the Taiwan region can definitely not change the fact that Taiwan is part of Chinese territory. Reviewing history, China was invaded and divided up by the Imperial powers and the Chinese territory was occupied by the enemy. In 1895, after the war against China, Japan forced the Qing government to execute the unequal Treaty of Shimonoseki and forcibly occupied Taiwan. The Postdam Proclamation after the Second World War declared Taiwan a part of the Chinese territory and

that Taiwan ought to be returned to China. The United Nations No. 2758 Resolution in 1972 also affirmed that there was only one China in the world and Taiwan was part of Chinese territory. Anyone who intends to split up the Chinese territory will be condemned by history. The new leader of the Taiwan region must not underestimate the determination of the Chinese Government and people in upholding national sovereignty and territorial integrity.

Even though China was divided up by foreign powers in the late Qing Dynasty, and there was the civil war between the Kuomintang and the Communist Party, China has now assumed an important position in the economic and political arena in the world through the painstaking efforts made by the Chinese people for decades. As China has unparalleled potential for development, a foreign careerist once stated explicitly that a unified and strong China would be a dire threat to them. Thus, only splitting up China into a few small states will comply with their interests. If the leader of Taiwan insists on secession and independence, he has precisely fallen into the trap of foreign careerists who intend to stir up trouble and cause contradictions within China so that China will be split up once again. Foreign forces may even control China politically and economically again, causing social unrest and even a civil war. This will smash the stability and prosperity that China has painstakingly established over the decades and cause the Chinese people sufferings again.

Everybody knows that the Central leadership has been appealing for cross-straits negotiations since 1979, saying that all matters can be discussed under the premise of "one China". On 21 February this year, the Central Government explicitly and solemnly stated in the White Paper on the One China Principle and the Question of Taiwan three bottomlines for taking military actions against Taiwan. These serve as the basis on which the peaceful unification of China and Taiwan can be more effectively achieved through peaceful negotiations.

National unification and territorial integrity are major issues of principles related to the righteous cause of the nation. They also involve the interests of all Chinese people including us in Hong Kong. As the citizens of China, all of us in Hong Kong have the responsibility and obligation to uphold national unification and territorial integrity as well as be determined to oppose Taiwan becoming independent.

In my view, for the benefits of Hong Kong people, to realize the peaceful unification of compatriots on both sides of the Taiwan Strait at an early date and for the stable development of the Asia-Pacific Region and the world, the Legislative Council of Hong Kong should have a clear-cut stand in opposing Taiwan becoming independent.

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

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, ever since this motion has been proposed, there has been a widespread outcry of affirmation from the Beijing Government, its agents in Hong Kong and some Honourable Members of this Council from the democratic camp. In this cardinal issue of right and wrong, it seems there is only a need to show one's stand and there is no room for discussion. Madam President, I think it is precisely because it is a cardinal issue of right and wrong that we must discuss it in great depths and we cannot afford to pass this motion which opposes to the independence of Taiwan and think that it is all we need to do. In the political developments in these last few days, it has shown one again that the Beijing Government and its agents only allow us to show our stand in this issue and we cannot ponder seriously over the other related issues, nor discuss them in detail. I am very disappointed. I hope that in addition to making our stands clear and offer our support to Beijing, we can also consider other related issues. We should not add fuel to the flames in the tense cross-straits relations and we should respect the democratic rights of the people of Taiwan.

Madam President, originally I wanted to propose an amendment to the motion, stating that we should respect the right of the Taiwanese in determining their own future. But that was not approved. I proposed this amendment because I thought that the best way for a people to determine its future is for it to engage in democratic and rational consultations. The unification of a country cannot be achieved by the wishful thinking of one party alone, there is also the question of national identity. So the most critical consideration is the wish of the people of Taiwan. If Beijing attempts to achieve unification by force, that will lead to greater resistance from the people of Taiwan and unification will become futile. Looking around at the state of international affairs, it can be seen that a resort to force to crack down on separatists will only cause greater conflicts and a long-lasting unification will be impossible. The former Soviet government used military force to suppress the independence movements in the

three former republics and the use of force by Russia to crack down on Chechen rebels are good examples. On the other hand, there are examples of the use of referendum to determine the independence or unification in East Germany and West Germany, and whether the province of Quebec should stay in Canada. Peaceful results are achieved. So we should respect these peaceful means to determine the future of a country. Some people may query whether the people of Taiwan have the right to self-determination and whether there is any mechanism for them to do so. If such queries do exist, then we should discuss whether the Taiwanese people have this right to self-determination or not. We should also discuss whether there is a better mechanism to handle the issue, rather than dismissing that it does not work. The crux of the question is not in the right or the mechanism, but in whether the present conditions of China could convince the people of Taiwan that there should be reunification. So this motion which places emphasis on making one's stand known without considering the wish of the people of Taiwan is not conducive to resolving the problem.

Madam President, Mr James TIEN wrote an article in a newspaper yesterday which when translated into English was entitled "No room to support Taiwan independence". The gist of the article is that any attempt by Taiwan to become independent would only cause war between both sides of the Straits and hence great damage to their economies. The economy of Hong Kong will also be adversely affected. Madam President, it is precisely because we are worried about the intensification of cross-straits tensions that we cannot rashly consider or oversimplify the issue of the future of Taiwan. We should not just pass a motion as simple as this one to oppose the independence of Taiwan or give support to it. Even if we pass this motion, what practical purpose does it serve? Shall we also force the Taiwanese people to succumb? If they do not, then what can we do? Shall we also resort to the use of force? I hope we shall not just look at the matter from the perspective of our own political interest and pass the motion without regard to its consequences.

Madam President, as we all know, most of the people in Taiwan want to keep things as they are. There is no danger of the independence of Taiwan at the moment. The irony is that it is the officials in Beijing who always talk about the independence of Taiwan. The so-called danger of the independence of Taiwan is to a large extent the deliberate propaganda made by Beijing as a pretext to suppress the demand for democracy by the people of Taiwan. As Beijing expects that CHEN Shui-bian might get elected, the Chinese Premier ZHU Rongji made a stern speech to threaten Taiwan with the use of force. This

is trying to influence the decision of the Taiwanese in the presidential election. Since the election of CHEN Shui-bian in 18 March, there has been a lot of news of the People's Liberation Army exercising in the Taiwan Straits. At the same time, Beijing also organizes a nation-wide smear campaign against the Vice-President of Taiwan, Annette LU Hsiu-lien. Even Hong Kong is involved. Officials from the Central Government Liaison Office in Hong Kong demanded that the Hong Kong media to present a unified opposition to Taiwan independence. All these show that Beijing is preparing for the scenario of using force against Taiwan and soliciting the support of overseas Chinese. The above-mentioned actions are a threat to the right to democracy of the people of Taiwan and it demonstrates Beijing's total disregard of the people's wishes and of the institutions of democracy. The motion today seeks to force us to join the camp to suppress democracy in Taiwan in the name of the interest of the Chinese people and of the major principle of national unity. So I am determined to stay away from it.

Madam President, the motion we are about to pass today is a sign of this Council's opposition to the independence of Taiwan and its outcome is (*the buzzer gave a continuous sound*)

Madam President, I so submit.

MR WONG YUNG-KAN (in Cantonese): Madam President, those international powers which are in enmity with China are always trying to besmear the image of China. This has led to those who support and sympathize with the cause of Taiwan independence think that only when Taiwan has become independent that the "China peril" will be gone and that the people of Taiwan can enjoy freedom and democracy forever.

I want those who support, sympathize with and advocate the independence of Taiwan know that even if Taiwan managed to become independent, their complexion and the blood in their veins will remain unchanged. Most of the people living in Taiwan are immigrants from mainland China belonging to the Han race. Western countries that are only concerned about ferrous metals and discriminate against the coloured people will not want to see a China rich and strong.

Remember the notorious Cox Report? This is the masterpiece of some xenophobic politicians who want to tarnish the reputation of China in military technology and so a Taiwanese immigrant to the United States, a scientist by the name of LEE Wenho was made a scapegoat. All these persecutions happened because LEE Wenho has Chinese blood flowing in his body.

In preparation for the motion debate, I re-read the book written by James C H SHEN, the last ambassador from Taiwan to the United States, entitled *Eight Years as Ambassador to the United States* (translation). The book talks about when President NIXON was about to establish foreign relations with China, Mr SHEN was given a cold shoulder by the American officials and he botched everything up. When the United States was to sever ties with Taiwan, not only was he unaware of it, even Mr CHIANG Ching-kuo was told only when he was wakened up in the middle of the night. As a member of the People's Republic of China, I was happy to learn that China won another victory on the diplomatic front. But when I see that for so many years Taiwan, under the rule of CHIANG Kai-shek and CHIANG Ching-kuo, had given such staunch support to the United States, yet the United States could abandon its ally for its own interest so easily, I feel that China must be united or else it would be subject to more humiliations by other countries.

Let us flash back to the shelling of Quemoy in 1958. At that time, the United States sent warships to act as convoy to the Taiwanese supplies fleet. At that time, Chairman MAO Zedong gave an order that only Taiwanese instead of American warships were to be attacked, but the American warships just turned away and left the Taiwanese ships alone when they saw the shells coming.

The reason why I am citing these incidents from history is that I wish the Taiwanese people can wake up from their indulgence in the myth of having foreign support. They should know that their being supported by foreign powers now is because Taiwan is being used as a pawn to check the growth of China into a strong nation. Should there be any change in the state of international affairs, and if Taiwan loses its strategic value, will it be regarded highly any more? Those who do not believe in this can see how Thailand, a logistic base for the American forces during the Vietnam War, was so brutally devastated during the Asian financial turmoil without getting anyone's help.

When super powers are proven so unreliable, who else can Taiwan turn to? I can assert that the most reliable friend for Taiwan is the Chinese people. It is because we share the same race and origin.

When the gun battle in Quemoy was at its heights, the Chinese Defence Minister PENG Dehuai conveyed a message to Taiwan which proposed talks to achieve a peaceful resolution of the Taiwan problem. Then in the new era, DENG Xiaoping put forward the idea of "one country, two systems" to solve the Taiwan problem. Then YE Jianying, the Chairman of the National People's Congress and President JIANG Zemin also made speeches to set the concrete directions for the reunification of Taiwan. The issue has suffered setbacks because there are some foreign powers who are envious of the strength of China and they are using their Taiwanese agents who forget about their origins to impose obstacles to the progress towards peaceful unification.

China has always made it clear that there is only one China and Taiwan is an inalienable part of China. China only demands that the Democratic Progressive Party (DPP) to take on the "one China" principle and renounce their goal of Taiwan independence, and sever all ties with foreign powers which are hostile to China. The DPP is a product of the Kuomintang's maladministration of Taiwan. Some core members of the DPP visited China quite a long time ago and so it can be said that there existed some kind of basis for communication and co-operation between the DPP and China. It is only later when the DPP was infiltrated by some people with malicious intent that the party transformed into one which advocated the independence of Taiwan.

The implementation of "one country, two systems" in Hong Kong and Macao can demonstrate that the Chinese Government honours its pledges. The idea of the independence of Taiwan is not just something not supported by the Chinese Government, it is also something not supported by most Chinese all over the world, including those in Taiwan. The only proper way out and future for Taiwan lies in its reunification with the Motherland. I hope that the new leaders of Taiwan will consider the fact that people on both sides of the straits belong to the same race and that they should start talks with the Mainland on reunification. They should join hands in building a greater China so that people on both sides of the straits will share the dignity and honour of the Motherland in the international scene.

Madam President, I so submit.

MISS CHOY SO-YUK (in Cantonese): Madam President, recently with the end of the presidential election in Taiwan, CHEN Shui-bian of the Democratic Progressive Party becoming the President elect, and the new Vice-President Annette LU Hsiu-lien making her absurd remarks on the independence of Taiwan, the Taiwan issue has become a focus of attention in Hong Kong. We are concerned whether or not CHEN Shui-bian will press for Taiwan independence and hence shatter cross-straits relations. We are more concerned also whether a consensus can be reached between the governments on both sides of the straits, hence achieving the unification of the Motherland. I think that is what all the Chinese people will hope and long for.

Madam President, as a Fukien native, I would like to present my views on the close ties between Fukien and Taiwan in history. There has been a strong and close link between the Fukienese, especially those from the southern counties of Fukien, and the Taiwanese. According to the Chinese book, *A History of Taiwan*, as early as in the Southern Song Dynasty, people from Zhang Zhou and Quan Zhou began to go to Taiwan to farm and trade. At the beginning of the 17th century, Taiwan was occupied by the Dutch, but that did not stop the Fukienese from going to Taiwan for resettlement. At the end of the Song Dynasty, during the reign of Emperor Chongzhen, there was an exodus of Fukienese to Taiwan because of natural disasters on the Mainland. These people opened up farm land in Taiwan and laid down the foundation of farming there. Then CHENG Ch'en-kung and his army of 35 000, which was composed mostly of Fukienese, took back Taiwan from the Dutch. During the reign of Emperor Kangxi in the Qing Dynasty, the CHENG Ch'en-kung regime surrendered to the Qing government and that ended the separation of Taiwan from the Mainland. Then the Qing government established the Taiwan prefecture and it came under the rule of the Governor of Fukien. For 200 years, Taiwan was a prefecture under the Fukien Province.

For hundreds of years, the people of Fukien opened up Taiwan together with the aborigines in the mountainous regions. The people of Fukien and the people of Taiwan have since become very close. According to figures from the days of Japanese occupation, of the residents of Taiwan of the Han race, 83.1% were of Fukienese origin. Of this, 44.8% belong to the counties of the Quan Zhou prefecture, and 65.1% belong to the counties of the Zhang Zhou prefecture. Thus figures show that the ancestors of the Taiwanese people are mostly people from the counties of southern Fukien. The fact that the southern Fukienese dialect is still widely spoken in Taiwan is proof of this link with Fukien.

It remains, of course, that the most important thing is not that there exist close ties between Fukien and Taiwan, but that as evidenced by history, Taiwan is an inalienable part of China. Even if Taiwan was subject to the rule of CHENG Ch'en-kung and the Qing Dynasty, it was ultimately reunited with China. Now a similar state of affairs exists. There are two governments on both sides of the straits and for a long time, a consensus has not been reached on the unification issue. It is our hope that China can be unified as soon as possible and both parties can learn the lesson from history and accord priority to the interest of the Chinese people.

Madam President, as a Chinese and as a Fukienese who has close ties with the people of Taiwan, I believe all the people of Taiwan are aware of the idea that blood is thicker than water. I also believe that all the people of Taiwan will hope for an early reunion with China. I believe all the more that most of our compatriots in Taiwan will understand that Taiwan's future lies in an early peaceful reunification. The present trend is for close relations and economic co-operation between the straits. People on both sides of the straits belong to the same Chinese race and they have a common origin for cultural heritage, moral values, lifestyles and way of thinking. It is only natural that both sides of the straits should integrate and that is the wish of the people. They should put aside their old grudges and work hard for unification. In this way the people will benefit and there will be a brighter future for Taiwan.

Looking at the matter from another perspective, reunification will help bring about peace in the region. Some time ago, a resident of North Point told me what he thought of the issue. He hoped that I would make his views known. He thought that the two sides of the straits should first be united before the issue of the repeated encroachments by Japan on our Diaoyu Islands be solved. The Diaoyu Islands have important military and strategic value by virtue of their geographical position. It is an important pawn in the revival of militarism in Japan. The reason why Japan hesitates to build a military stronghold on the Islands is due to the geographical proximity of Taiwan and Taiwan's stand on the issue. If Taiwan becomes independent, Japan may want to make Taiwan its ally and if that happens, a crisis will emerge in the region. On the other hand, if both sides of the straits are united, then the Japanese scheme of using the Diaoyu Islands and Taiwan to further its ambitions will be shattered. That is what that resident thinks.

Finally, I urge the new leaders of Taiwan to abandon their unrealistic fantasies and prejudices. They should put the interests of the Chinese nation and the people of Taiwan above all else. They should return to the "one China" principle and work hard towards the unification of China. They should never be bent on fulfilling their dreams of the independence of Taiwan. Otherwise, they will become sinners in history and be forever condemned.

With these remarks, Madam President, I oppose the independence of Taiwan.

DR PHILIP WONG (in Putonghua): Madam President, it is my fervent hope that China should be united as soon as possible, so that the Chinese people can become a strong nation in the 21st century. At a time when Taiwan is standing at a crossroads, I support the passage of the motion opposing the independence of Taiwan. This is to show the heartfelt wish of the people of Hong Kong. I will present two arguments from the perspective of the idea that it will be beneficial to all parties concerned if talks can begin as soon as possible.

First of all, I think that the sooner the Taiwanese authorities start talks with the Mainland, the more benefits it will bring to the people of Taiwan. As I have observed the situation for a long time, I am convinced that as people on both sides of the straits share the same language, race and origin, it is the hope of all Chinese that China will be united and that a lasting peace will come to the straits.

Some people in Taiwan may harbour some false hopes that China will not use force against Taiwan because the situation in the Taiwan Straits is very complicated; then if China is to use force against Taiwan, the United States will come to Taiwan's aid. Hence, Taiwan tries to put off the talks to as late a date as possible. This kind of myth is very dangerous. If Taiwan does not regard itself being a part of China, it is underestimating the determination of 1.25 billion people. If Taiwan is determined to go independent, it is very likely that conflicts and disasters will ensue, and war will break out in the end. We can sense that the situation in the Taiwan Straits is very tense and the gap is widening between the straits in terms of their strengths in political, economic, diplomatic, military and technological aspects. Should anyone take on a reckless course, the Mainland is likely to take decisive steps to uphold its sovereignty and territorial integrity. The resulting tragedy would be far worse than the

earthquake which shook Taiwan on 21 September last year. This is something which the government of Taiwan, Chinese in Hong Kong, Macao and from all over the world would not like to see.

I hope the new leaders of Taiwan will attach more importance to the people and learn the lesson of history. They should care about their own future and that of their party. They should take a pragmatic, rational and flexible approach to face the political reality of the straits, make use of their intelligence and conscience to make a right choice. They should renounce their platform of Taiwan independence and return to the "one China" principle. In this way they can turn the crisis into an opportunity. As a matter of fact, the "one China" principle has long been recognized in international law and by the United Nations. It is something which cannot be avoided, and it is never ambiguous. The Taiwanese leaders must seize the opportunity for time is running out and any decision they make may lead to war or peace. The Mainland has made a call for negotiations on an equal footing, instead of between the central and local levels. It is a show of goodwill. Looking at the matter from the perspective of Taiwan, the sooner talks are held, the greater the sincerity shown for *rapprochement*, peace and *détente*. There will also be greater chances to dispel the apprehensions on both sides and that their dignity can be taken care of. Both parties will be able to make the best use of the bargaining chips they hold and look for the most favourable terms. This will be able to turn the possibilities of war into peace and both parties can become the heroes of history. They can obtain favourable terms for the people of Taiwan and hence bring in a bright future for the island. The well-being of the 23 million inhabitants of the island and their descendants can thus be secured. That is a wise step to take and will make the Taiwanese leaders the winners.

Secondly, the sooner the cross-straits talks are held, the more benefits will they bring to the United States and the international community. As we all know, the reunification of Hong Kong and Macao with the Mainland was beneficial to the peace and stability of the Asia-Pacific region. It was also beneficial to the prosperity of Hong Kong and Macao, to Britain, Portugal, China, the United States and even the whole world. It has become a model of excellence to be applauded.

The Taiwan issue is somewhat different from that of Hong Kong and Macao. The latter is a historical issue left behind by foreign occupation and it was resolved by the signing of the Sino-British Joint Declaration and the Sino-

Portuguese Joint Declaration. But the Taiwan issue is a problem left over by the Chinese civil war. It is by nature within the scope of Chinese sovereignty and there is no room for concession or manoeuvre. The people of China have a tradition of defending every inch of Chinese soil with their blood. They will never bear to see their own land become the "unsinkable aircraft carrier" of foreign powers. The Taiwan question must be resolved by people on both sides of the straits. Foreign powers do not have any rights of meddling with Chinese affairs. Any attempt made on the part of foreign powers to interfere with and to internationalize the issue is doomed to failure.

I think if the United States is to avoid being sucked into military confrontation with China as a result of the pro-independence movement in Taiwan, it must adhere to the "one China" pledge and put in more efforts conducive to the stability of the Taiwan Straits. It should not have passed the Taiwan Security Enhancement Act to give boost to the pro-independence movement. It should refrain from supplying bulks of sophisticated weaponry to Taiwan, for this will intensify the tension in the Taiwan Straits or even lead to large-scale armed conflicts.

Like their compatriots in Taiwan, the people of Hong Kong are living in a free-market economy and they have close economic ties. They are sentimentally attached to each other and they want to live and work in peace. They want to avoid war and conflict. I am cautiously optimistic about the trade and economic relations between Hong Kong and Taiwan, and that both sides of the straits will hold talks based on the "one China" principle. Thank you.

MR SZETO WAH (in Cantonese): Madam President, Taiwan is an inalienable part of China. Comrades in Taiwan are related to us by blood. Our historical and cultural backgrounds are common and we are members of the Chinese nation. Advocates for Taiwan independence are sinners for a millennium. So are those who start a war driving the Chinese people to slaughter their own kind. I resolutely support the reunification of Taiwan with China on a peaceful and democratic basis.

In 1995, I headed a deputation to Taiwan to observe the election of the mayor of Taipei. At a meeting with a leader of the Democratic Progressive Party (DPP), a member of the deputation asked what the DPP's policy on Hong Kong was. The lady replied that it was a diplomatic issue. Having heard what

she had said, I was infuriated and could not help asking her this: How would the relics at the Palace Museum be handled on the basis of the DPP's platform calling for Taiwan independence? She remained silent for almost one minute and replied that it would be decided by referendum. I refuted, "How could a referendum be held to decide on something which do not belong to you in the first place?"

Last year, I visited Taiwan to observe the election of the mayor of Taipei again. At a meeting with LEE Teng-hui, we criticized that the Taiwanese Government had acted cowardly on the issue of Diaoyutai. LEE Teng-hui contended that our mentality smacked of chauvinistic nationalism. Mr Albert HO and Mr CHEUNG Man-kwong sternly refuted his comments right away.

On the question of Diaoyutai, we are greatly disappointed by the reaction of the Chinese Government and the Taiwanese Government. Diaoyutai is also an inalienable part of China. Why is it that leaders of China and Taiwan could say to Japan that this question should be left to be settled by the next generation, but could not say the same on the question of unification?

Now that South Korea and North Korea are already at the negotiation table discussing the unification of the Korean Peninsular being divided at the 38th parallel. Why is it that leaders across the straits cannot sit down and discuss the reunification of Taiwan with China? Both sides should sit down first, and they can discuss all matters as long as they are at the negotiation table.

Let me stress again that Taiwan is an inalienable part of China. Comrades in Taiwan and us are all Chinese people. Chinese people cannot kill their own kind. I resolutely support the reunification of Taiwan with China on a peaceful and democratic basis.

With these remarks, Madam President, I support the motion. This has been my long-standing position, not that I wish to bare my soul and take side.

MR CHAN WING-CHAN (in Cantonese): Madam President, a few years ago, some veterans in Taiwan put on vests with the Chinese characters "thinking of home" and sat on the street and protested in silence. They demanded that the Taiwanese authorities talk with China on the question of the "three direct links". The words "thinking of home" would include many implications. But what

"home" refers to is self-evident, meaning home on the other side of the Taiwan Straits. It is the People's Republic of China. It is clear that home means a place in China.

The issues left behind by history have caused a stalemate in cross-straits relations. They have also led to the disparity between the economic and political developments on both sides of the straits. Despite all these, it can never be denied that we have the same root.

It is crystal clear historically that the people of Taiwan are descendants of the Chinese race and that Taiwan is an inalienable part of China. It is an iron clad fact that cannot be denied. However, some people with ulterior motives appear to advocate reunification, but they are in fact calling for independence. They have also advanced the "two states theory" which is against the wishes of people on both sides of the straits. These people have since then put forward sophistry on a number occasions in an attempt to deceive the people. Their desire for independence is clear to every one.

After CHEN Shui-bian and Annette LU Hsiu-lien were elected in Taiwan, they have given a number of talks on various occasions. They give me the impression that when CHEN Shui-bian talked about the "one China" principle, he was avoiding the crux of the matter and never gave a clear and unequivocal answer. He is like a chameleon that takes on camouflage to protect himself.

CHEN and LU are the best partners on the political stage. LU is more vocal than LEE Teng-hui when she made remarks to the effect that Taiwan was a country with independent sovereignty. She even said that fortunately the Qing government had ceded Taiwan to the Japanese. These are insults to the dignity of the Chinese nation. Besides, she has also openly talked about the independence of Taiwan and called for the intervention of foreign powers in cross-straits politics. This kind of shameless nonsense has caused great outrage from Chinese compatriots.

The Taiwan issue is an internal problem of China. It must never be meddled by foreign countries. Any remarks calling for the independence of Taiwan will cause the resentment of people on both sides of the straits and they are regarded as a kind of provocation. They will only cause damage to the national feeling of the Chinese and even endanger the security of the straits.

Madam President, the Chinese is a peace-loving people. We have the idea that all men within the seven seas are brothers. We are broad-minded. Over the years the Chinese Government has proposed many solutions to the Taiwan question under the major principle of "one China". This is made with the hope of seeking common grounds and ironing out the differences between the straits through peaceful consultations, thereby achieving unification in the end.

Madam President, we do not want to see any conflict and clash among the Chinese people. In making remarks opposing the use of force to solve the Taiwan problem, Miss Cyd HO and Mr LEUNG Yiu-chung have presented a lot of reasons which are non-reasons meant just to confuse and deceive. I just want to ask this question: If some people should engage in activities striving for the independence of Taiwan, will Miss HO and Mr LEUNG still oppose to the use of force?

Those people who advocate the independence of Taiwan and engage in such activities are far more dangerous than the Japanese invaders and Chinese traitors like WANG Chingwei in the past. It is because they are undermining the principles of the integrity of Chinese territory and that Taiwan being an inalienable part of China.

There are people who make laurels of olive branches and place them on their head and try to pass off as angels with a shining halo. They talk of peace and self-determination and shun away from the above-mentioned cardinal principles.

I wish to stress that the use of force to resolve the Taiwan issue is not something we have always been advocating. But if the pro-independence activists continue to act in defiance, and if some people should attempt to sever Taiwan from the Mainland, then in order to defend the territorial integrity of our country and as a last resort, we will take effective steps to use force as a means to resolve the Taiwan issue. The Hong Kong Federation of Trade Unions is determined to support such a move.

On 18 March when the elections in Taiwan were over, the Democratic Progressive Party ended the century-old reign of the Kuomintang

PRESIDENT (in Cantonese): Mr CHAN, your time is up. Please sit down.

MR CHAN WING-CHAN (in Cantonese): Thank you, Madam President.

DR YEUNG SUM (in Cantonese): Madam President, I speak in support of the motion moved by Mr Jasper TSANG. The Democratic Party supports the principle of one China and oppose the independence of Taiwan. We support the use of peaceful means to achieve reunification. That point has been stated clearly in our party platform.

I would like to make use of this debate to respond briefly to some of the arguments put forward in favour of the independence of Taiwan. First of all, there are people who think that since China has become a signatory to the International Covenant on Civil and Political Rights and that Article 1 in Part I of the Covenant states that "All peoples have the right of self-determination", China therefore has the obligation to put the provisions of the Covenant into practice. It should therefore let the people of Taiwan exercise their right of self-determination on the issue of independence.

Madam President, China has indeed signed the International Covenant on Civil and Political Rights, but to date the Covenant has not been ratified and confirmed by the National People's Congress, so the above-mentioned demand cannot be said to be justified.

There are also some people who think that since the Chinese Government practises one-party dictatorship, and that the people are deprived of their freedoms, therefore, the Taiwanese have the right to propose independence. In my opinion, even though the Chinese Government is not a democratic government and that it deprives people of their freedoms and that it suppresses human rights, that does not justify the independence of Taiwan. For Taiwan is a part of China and if it is to become independent, it will cause the disintegration of the country and the dismemberment of the territory. That is simply not acceptable. It must be borne in mind that any discontent against the dictatorial rule of the Chinese Government should be redirected to seeking a reform of the political system through the launching of democratic movements and political reforms. But any discontent against the political system should not constitute any grounds for making Taiwan independent.

Madam President, it is beyond doubt that Article 1 of Part I of the Covenant states that "All peoples have the right of self-determination". The words "all peoples" refer to all the people and in terms of the issue at hand, it refers to all the people in China and cannot be taken to mean the people of Taiwan alone. So, even if the provision in the Covenant is invoked here, with respect to the issue of the independence of Taiwan, it is still not justified for the people of Taiwan to say that they may exercise the right of self-determination.

In addition, from the historical and constitutional perspectives, places like the province of Quebec in Canada which have adopted the means of referendum to decide on the issue of independence have acted with the consent of the government of the countries concerned. Moreover, the communities there have their own particular cultural and racial backgrounds, but it is doubtful that there exist such differences in the cultural and racial make-up of Taiwan and the Mainland.

Therefore, the Democratic Party supports the principle of one China and we are opposed to the independence of Taiwan. As to reunification, we support peaceful reunification.

Madam President, I have visited Taiwan a number of times to observe the elections there. I have since then acquired a better understanding of the issue of Taiwan independence. Before the recent presidential election in Taiwan, the former Mainland Affairs Council conducted a survey and it was found that most of the interviewees thought of themselves as Taiwanese and only a minority thought of themselves as Chinese. This Taiwanese identity is even more common among the young people. On the issue of reunification or independence, most of the interviewees opted for the *status quo* and they were not eager for reunification or independence. Many surveys found that there is only about a 30% support for independence. Even the pro-independence President elect, CHAN Shui-bian, manages to get only 40% something of the votes.

Madam President, I have cited these figures to bring out the point that the Central Government in China should gauge better the public opinion in Taiwan and refrain from making attacks in writing and posing military threats to Taiwan as a means to handle the issue. Such a kind of bullying tactic will do no good to the peaceful reunification of Taiwan.

I would like to stress in particular that the Central Government should respect the wishes of the people of Taiwan and to handle the issue in an open manner.

As overseas Chinese, we are glad to see Taiwan making progress towards democracy. There are many aspects we can learn from Taiwan's democratic development. China should also move in this direction of political democratization to tally with its economic liberalization. In the long run, it can be said that once the favourable groundwork is laid, the issue of unification can be resolved in no time. Thank you, Madam President.

MR GARY CHENG (in Cantonese): Madam President, I seldom query Mr Jasper TSANG, the Chairman of our party, but when he proposed his motion, I really did have queries. I thought: Is there a need to debate on a motion as straightforward as that? There are only seven words in the motion even when the words "That this Council" are counted. However, since someone said that an amendment was to be proposed and some people put forward some views in the newspapers, and after I have heard the speeches made by Miss Emily LAU, Mr LEUNG Yiu-chung and Miss Cyd HO earlier, I really feel that it is absolutely necessary and very timely to have this motion debate today.

Mr LEUNG Yiu-chung has asked earlier why this issue cannot be debated and why it is necessary to make one's stand known. Let me put the question the other way round: It is all right to have a debate, but why is it not possible to make one's stand known? Somebody may say that this is forcing others to make their stand known. But may I ask, do we need to force people to make their stand known on an issue like this? Unless you are not a Chinese, otherwise, you need to stand up and make your stand known. You do not need someone to force you to do that.

The speeches made by the above-mentioned three Honourable Members are mostly self-contradictory and full of muddled logic. They say that the people of Taiwan should have the right to self-determination. They also say that they appreciate and envy the fact that the people of Taiwan can have a leader whom they have chosen by way of election. Although the leader is popularly returned, he has said that he would not propose a popular referendum. He will not talk about the independence of Taiwan. Then why did these three Honourable Members raise the idea of self-determination for the people of

Taiwan? What a contradiction! Nobody here in this Chamber would like to see that the Taiwan issue resolved in any way other than a peaceful way. There is one option to a peaceful resolution and, that is, reunification. Reunification is the only way out, it is the only peaceful solution. So Miss Cyd HO cannot agree to Miss Emily LAU's idea, for self-determination may make reunification impossible. Then there will be contradictions and confusions in logic. I do not know if Miss HO really wants to strive for independence.

Moreover, there is a big question and it is about one's stand. The Honourable SZETO Wah has said twice that Taiwan is an inalienable part of China, and that the Taiwanese and us are all Chinese. We can easily say that we are all Chinese. But can these Honourable Members say the same thing so easily? It is just like someone wants to chop off your hand and you say, "Okay, do whatever you think is right." It is also like someone who says that fortunately the Manchu government ceded Taiwan to Japan, and you say, they were just doing what they thought was right. What kind of stand is that? Are you saying these because you are like what Mr SZETO Wah has said that we are all Chinese? If this is so, then I think you have no right to say these things.

The reason why there are so much contradiction and so much confusion in logic is simply because some people do not want to give a clear-cut "yes" or "no" answer. So I think the debate we have does have some significance because it can make me see what some people are truly like. I used to think that no one in Hong Kong will want Taiwan to become independent, but I am beginning to have doubts. I will give my full support to Mr Jasper TSANG's motion and I urge Members to vote for it. Thank you, Madam President.

MISS MARGARET NG: Madam President, tonight's debate is about a topic of momentous importance: It is the destiny of China as a nation, and its effect on the future of world peace. How China emerges as a modern nation, what path of development it chooses to follow is crucial. And nowhere is this so sharply tested as in the question of reunification. Is reunification to be achieved by threat and if necessary by force, or through mutual respect and by consent freely given?

Madam President, many of us in Hong Kong have grown up with a burning love for the country to which we long to return, physically and spiritually. We harbour ideals for China for which we are prepared to make

sacrifices. Solidarity is one such ideal. Economic strength is another. But we do not merely want China to be reunited so as to be rich and powerful. Following our forefathers in the May Fourth movement, we also want China to be a strong, modern and democratic country, where art and science flourish, personal rights and freedoms are respected, and all are equal before the law. We want an open society and good administration, and a government free from corruption.

These ideals do not die: Time merely shapes new ways for their realization.

The question for China is not whether reunification should be pursued, but how reunification is to be pursued so as to give us a straighter path to the real China that we all hope to see.

I am reminded only recently that the path by which reunification is pursued will set its seal on the character of the reunified China. The outcome of the recent election in Taiwan may have brought about a situation of great tension and uncertainty. But that new political situation also forces the Mainland to explore new approaches to the old problem. The approach taken to resolve the Taiwan questions will depend not only on the future of China, whether Chinese people in the diaspora will be able to have a home to go to, but also the future of world peace.

One acknowledged stumbling block between Taiwan and the Mainland is the degree of democracy and socio-economic freedom enjoyed by the people. The Government in the Mainland may be the more powerful, but the ordinary people in Taiwan have a greater control over their own lives and greater say in how they are governed. It is understandable that they asked themselves: What do I gain by reunification? Or would that event put at risk what I have been already enjoying?

But suppose we leave the interests of the Taiwan people aside, and look at Taiwan from the perspective of the Chinese people and, Madam President, the "Chinese dream" if you like. Many criticisms are justifiably made of Taiwanese politics. But nothing can blot out this one momentous achievement: that of a peaceful change of government through a democratic election by universal suffrage.

For the first time, this has happened in a Chinese society, on Chinese soil. It is an achievement that the overwhelming majority of the people are proud of in Hong Kong. This is the kind of achievement that we, as the Chinese people, wish to preserve and enlarge in the China of the future.

So, for us, the question of reunification must be: What is the kind of approach which is most likely to preserve the freedom and democracy already achieved in Taiwan, whereby the people can vote for the highest posts in their government? What approach is most conducive of the metamorphosis of China into a democratic state with strong institutions for peaceful and rational dispute resolution?

Whatever the answer is, it cannot be reunification under threat or pressure, through subjugation and submission. It may be that reunification can still result from it, but if it does, it can only be a China marred by force and suppression, with the centralization of power, the tight control by a central leadership more entrenched rather than devolving towards a government based on greater power-sharing. This goes against the common goal of the Chinese people.

Other approaches are possible, even if "one country" is the premise. For there are many models for state structure, as is well-known to all of us. The prerequisite is true tolerance, mutual respect and an open mind.

A Hong Kong barrister has recently written of Hong Kong: "The irony is that it is by demonstrating that 'separateness' can succeed within one country that China's reunification is to be achieved."

No doubt on the question of Taiwan, too, the solution lies in the readiness to accept a greater measure of separateness and finding the institutions which would make it work. It has been said more than once that Taiwan will get an even better deal than the "one country, two systems" solution for Hong Kong. What is becoming increasingly clear is that what is needed is even greater creativity and breadth of vision: the vision of a modern, democratic China. Paranoia about separateness and moves to widen the suppression of views of "separatism" can only be counter-productive in such an enterprise.

And that is why, Madam President, I find it difficult to support the motion. It is out of keeping with the right approach to the Taiwan question. It gives the wrong impression and sets a bad example: It suggests that reunification means

that on political issues, we can no longer speak our own minds but must toe the line; that we are robbed even of silence, but are expected to take on the old mainland communist culture of *biao tai* (表態). We have to outdo each other in exhibiting our loyalty or "patriotism", for fear that insufficient enthusiasm will be branded as treachery. It does a disservice to the long-term goal of the one country that we aspire to as a people.

Madam President, I do not speak in defiance but in concern. I speak as one would speak in a land where truth and honesty are honoured instead of feared.

MR TAM YIU-CHUNG (in Cantonese): Madam President, last week two international auction houses auctioned in Hong Kong our national treasures plundered by the British and French imperialists in the Qing Dynasty, paying no regard at all to the objections raised by all sectors of our community. This has aroused deep anger among many people of Hong Kong at the piece of history in which the British and French allied army invaded our country and looted a lot of treasures more than a century ago. Members of the Chinese nation and people of Chinese descent all hope that one day we could recover those national treasures plundered by foreign imperialists in the past. Strong national sentiments of this kind are often reflected in the long-term pursuit of national unity.

In 1894, Japan wilfully invaded China and triggered off the Sino-Japanese War. In the following year, Japan even forced the Qing government to sign the unfair Treaty of Shimonoseki and seized Taiwan as well as the Penghu Islands. Subsequently, compatriots in Taiwan and the rest of China started their long-term resistance against the Japanese invasion. In August 1945, with the defeat of Japan in the Second World War, Taiwan was finally returned to China. However, because of the American intervention and obstruction, Taiwan was once again separated from its Motherland on the Mainland across the Taiwan Straits.

Although the both sides of the Straits have yet to reunite, it still cannot change the fact that Taiwan has been an inalienable part of China since ancient times. Actually, Taiwan is separated from its Motherland by just a mere strip of water. Over the past 20 years, with the reforms and opening up of the Mainland, the economic and trade relations between both sides have become

much closer. As many Taiwanese enterprises are now investing in the Mainland, the economies on both sides of the Straits can complement each other very well. The reunification would certainly mean a much stronger and wealthier China. Here, I should like to express my feelings with a few lines of verse:

"Mandarin ducks do swim in pairs, but lovebirds never part.

Other people are just allies, but kindred are our family."

Just now I heard some Honourable Members say that the democratic way to resolve the issue should be for Taiwan to hold a referendum on its reunification with China. I consider this view to be a disguised effort to advocate Taiwan independence, which is highly dangerous. Further still, there has also been a view that the purpose of this motion debate today is to bare one's soul and show one's stand to the authorities in Beijing. Being members of the Chinese nation, it is just natural for us to pine for the unification of our Motherland. We will brook no slander in this respect.

Today, we can see many uncertainties in the cross-straits relations, and so we are here to make our stern stand against the independence of Taiwan, in the hope that those people who try to advocate Taiwan independence could pull back before it is too late. I just hope that our nation can achieve unification promptly and peacefully, without being forced to resort to war. With these remarks, Madam President, I support the motion.

PROF NG CHING-FAI (in Cantonese): Madam President, Taiwan has been part of Chinese territory since time immemorial, and historical documents, cultural relics, national language, culture, religion, convention and habit as well as the blood relationship among people on both sides of the Taiwan Straits illustrate that Taiwan and mainland China is an inalienable integral whole. Chinese governments of successive dynasties have established executive bodies in Taiwan to exercise sovereignty.

In 1895, the corrupt Manchurian Government executed the Shimonoseki Treaty under which the Japanese Imperial Government occupied Taiwan. When the news spread to Taiwan, Taiwanese people were deeply grieved, and many people with lofty ideals stood forth boldly and resisted the Japanese

invaders. In fact, up till 1915, there were incessant Anti-Japanese armed struggles of various scales. Anti-Japanese heroes such as KE Tie, LUO Fuxing and YU Qingfang have become well-known figures. Because of the time constraint, I can only recall facts about Mr YU Qingfang here. Mr YU was a native of Pingdong and he worked with the Fengshan County Police Office in Southern Taiwan. In 1915, YUAN Shikai accepted the 21 conditions of the Japanese which roused all people to great indignation. As YU Qingfang and his compatriots were driven beyond forbearance, they staged an uprising in Siraian in Southern Taiwan and called upon all people to resist the Japanese. YU started the uprising in Southern Taiwan and occupied Central Taiwan and Zhiji within three days. Later, the Japanese Taiwan Governor deployed soldiers and used cannons against primitive weapons. After fighting a fierce battle for seven days, the righteous soldiers hid in the hills after they had run out of ammunition and support, the Japanese only arrested YU Qingfang after nine months. This historical incident that shocked all Taiwanese people was known as the "Siraian Uprising". The Japanese revenged against the Taiwanese people in the most brutal way. They sentenced some 1 300 people to death and arbitrarily slaughtered the weak — they tied up all the 3 200 people of Zhao Banian, YU Qingfang's base, and slaughtered them in groups of 100. The Japanese soldiers killed all of them with long knives, not sparing anyone. This beastly act is no different from the Nanjing Massacre by the Japanese later on.

Madam President, I have taken the trouble to review the history of Taiwan with Members because I want to illustrate that historically, Taiwanese people and mainlanders were oppressed by imperialism, Taiwanese people had never alienated themselves from mainlanders and they had the glorious tradition of fighting against invaders. To our surprise, on the centenary of the execution of the Treaty of Shimonoseki, Annette LU went to Japan and thanked the Japanese for the seizure of Taiwan. It can be said that she was calling the enemy her father and had forgotten her origin. She forgot her Fujian Province origin and that of the Taiwanese martyrs. It is really not undue for some to call such people the dregs of the people of China.

Madam President, apart from armed struggles, in the cultural aspect, within the 50 years of Japanese occupation, many Taiwanese writers upholding the righteous cause of the nation were not moved by imperialism and they passed on the torch of learning about Chinese culture in Taiwan despite persecution by the Japanese. Mr YANG Kui, author of the *Newspaper Dispatcher* and the *Unyielding Rose*, was an outstanding writer who insisted on writing in Chinese.

In 1937, the Taiwan Governor suppressed Chinese publications and the *Taiwan New Literature* magazine supervised by him was forced to suspend publication. Mr YANG was arrested by the Japanese police and imprisoned for 10 times. After his discharge from prison, he went home and became a farmer. He operated the "Shouyang Farm" named after BO Yi, SHU Qi who refused to yield even if they would starve to death, to show his strong resistance against the Japanese. A commentary on him and his writing reads: "YANG Kui put on his shoulder the common sufferings of Taiwanese compatriots under Japanese occupation and inherited the spirit of acute protest. His writings have an honest and natural style and simple structure, and they displayed the unyielding spirit of the suppressed." There are many writers like YANG Kui who had ardent love for Taiwan and cherished the Chinese culture. They belonged to Taiwan and the people of China as a whole. I wonder how those who fanatically advocate Taiwan independence, rack their brains to establish the theoretical basis for Taiwan independence and allege that Taiwanese residents are different from the Taiwanese people of the people of China can remove records of these outstanding Taiwanese writers from history.

Madam President, a few Members have mentioned today that the people of Taiwan have the right to determine their future. This sounds right but I must remind them that the future of Taiwan does not include its "independence". Taiwan is part of China and the future of Taiwan will be jointly determined by Taiwanese people and mainlanders including Chinese people in Hong Kong and Macao. As sovereignty is inalienable, any part of the territory cannot be alienated by means of a "referendum" unless by a decision made by the highest authority of a country.

The United Nations "Declaration on the Independence of Colonial Countries and People" adopted on 14 December 1960 explicitly stated that only a former colonial country can enjoy the right to self-determination and seek independence through a referendum. Item six of the Declaration also explicitly stated that "any intention to partially or fully split up the unity of a country and destroy its territorial integrity violates the purpose and principles of the United Nations Charter". Here, I would also like to cite the example of Quebec in Canada that Members are more familiar with. The Government of Quebec has held a referendum on the independence of Quebec from Canada, but the question is not supported by the majority. But less people have noted the judgment of the Supreme Court of Canada in February 1998 on the alienation of Quebec. The judgment stated that in accordance with national and international laws, Quebec

did not have the right to self-determination on the alienation of Quebec from Canada. In other words, even though the result of the referendum before or after that was that a majority supported the independence of Quebec, the Federal Government of Canada would deem such actions illegal. Those who advocate that the people of Taiwan should have the right to decide on Taiwan becoming independent should read more, otherwise, unless they have other intentions, they will only continue with their ignorant somniloquy.

Madam President, Taiwan came under Japanese colonial rule for 50 years and soon after Taiwan returned to the embrace of its Motherland after recovery, the February 28 Incident occurred. Governor CHEN Yi of the Kuomintang Government failed to treat Taiwanese compatriots well and the incident occurred after some police investigators had beaten up a woman selling cigarettes on 27 February 1947. This tragedy hurt the feelings of Taiwanese people seriously, as a result, they became obsessed with their Taiwanese nationality and even thought about the alienation of Taiwan.

Madam President, we should have sympathy for the sufferings of the Taiwanese people. We can understand why some Taiwanese compatriots became obsessed with their Taiwanese nationality and even thought about the alienation of Taiwan on account of historical factors. We can also understand that many Taiwanese compatriots have doubts about immediate unification with mainland China that has different political and economic systems. Yet, we have to unambiguously state that Taiwan becoming independent is a blind alley because this appeal has overlooked the interests of the people of China as a whole.

Madam President, as time is running out, I can only say that we strongly support the motion.

MR HO SAI-CHU (in Cantonese): Madam President, after the establishment of New China, the first and foremost task is to promote economic development and improve the people's livelihood, with the unification of China torn apart by foreign powers being the ultimate goal. Not only the Chinese leaders earnestly hope to achieve the unification of China as soon as possible, all Chinese people actually sincerely hope that unification will be achieved as soon as possible. Along with the reunification of Hong Kong and Macao, they certainly hope to achieve the peaceful reunification of Taiwan as soon as possible.

Many colleagues have just said that Taiwan is actually an inalienable part of China. As a result of blood relationship, Taiwanese are actually Chinese. I do not think there is any reason for us to support the alienation of Taiwan from China, especially after Taiwan has been seceded to Japan for a certain period of time because of an unequal treaty. That Taiwan has once returned to China, there is no reason why we should let Taiwan go again.

Many colleagues have said that they support peaceful unification and they think that we should not kill our own kind. I believe China is very clear about this and the leaders have repeated time and again that they hope to achieve peaceful unification. They definitely want to use a peaceful method to reunify Taiwan with China in a smooth, happy and pleasant manner just like what Hong Kong and Macao did, without war or turmoil. This is our common wish.

But some people have said that people of Taiwan should be given a right to exercise self-determination. As many colleagues have discussed this, I do not intend to repeat the points they have made. In my view, this should not be done as far as principles and legal principles are concerned. However, in that eventuality, we can only consider whether the common wish of our country is to uphold territorial integrity by force if someone attempts to invade and split up our territory. We will certainly do so. We should not put this the other way round and say that force must be used to uphold national unification or that Chinese people should fighting against Chinese people. This is definitely not the case. If someone should attempt to split up our territory, he is not a Chinese at all. Although he may call himself a Chinese, he may look like a Chinese, or he may have a Chinese blood relationship, his mind is not that of a Chinese. Thus, we should not say that Chinese people will fight against Chinese people or we may not be able to safeguard our territorial integrity. We want peaceful unification but we should not rule out the possibility of ultimately using force.

Although Mr CHEN Shui-bian has been elected the President of Taiwan, I hope that the Democratic Progressive Party would not feel complacent or think that Taiwanese people eagerly wants Taiwan to become independent. Actually, he has got less than 40% of the votes. Do his voters support Taiwan becoming independent? I do not think all of them do. In fact, the corruptness of the Kuomintang and other factors made some people think that rather than voting for a Kuomintang candidate, they might as well vote for another candidate. Yet, this does not mean that they will certainly support his arguments for Taiwan becoming independent. Even if all his voters think so, they account for less

than 40% of all voters. Thus, we hope they will understand that Taiwanese people basically do not want Taiwan to become independent. In that case, if they want peace, they should handle the matter immediately instead of pawning the lives and property of all Taiwanese people to take the risk.

As a Chinese, I certainly hope China to achieve unification at an early date. Although we hope so, I believe our country would not do so rashly without a second thought. Our leaders have stated very clearly that any issues can be discussed on the "one China" premise. The message that Taiwan may be better off than Hong Kong or Macao is very clear and we can rest assured about the return of Taiwan to our big family.

We have a meaningful debate today because we Chinese will be very honoured and we will not shrink back or fear that other people would ask us to show the position that we oppose Taiwan becoming independent. In my view, we cannot find any excuses to avoid telling everybody that we Chinese certainly would like Taiwan to return to the embrace of the Motherland instead of becoming independent. We oppose Taiwan becoming independent because this will only give rise to a war. At that time, China and Hong Kong will be affected. This is the last thing we wish to see.

I am very grateful to Mr TSANG for proposing the motion. As we Members of the Liberal Party strongly oppose Taiwan becoming independent, we will support the motion on opposing Taiwan becoming independent.

Thank you, Madam President.

MR LAU KONG-WAH (in Cantonese): Madam President, when Mr Jasper TSANG proposed this motion, I thought that this is an unambiguous issue and everybody could easily state his position. However, things go contrary to our wishes and it seems that some colleagues of this Council do not want to support the issue and use different reasons to divert our attention. Some have diverted to say that we should not use force while some others alluded to self-determination by the people of Taiwan. Some even said that this issue is forcing Members to state their position. Regardless of how a Member diverts our attention, he must answer a very fundamental question: Does he oppose Taiwan becoming independent? He has to state his attitude instead of being ambiguous or diverting attention. Having listened to Mr SZETO Wah's

remarks, I highly appreciate the first sentence he made. He has put it very clearly that Taiwan is an inalienable part of Chinese territory. Article 1 of the Basic Law also states that the Hong Kong Special Administrative Region is an inalienable part of the People's Republic of China. Some people say that they uphold the Basic Law, so they should support that Hong Kong is a part of China after they have joined this Council. Yet, they conversely say that the Taiwan issue should be resolved by self-determination of the people. When these people joined the Council, they indicated that they support and uphold the Basic Law. How can they say today that Hong Kong can practise self-determination? Are they saying one thing while meaning another?

Madam President, Miss Emily LAU — it is a pity that she is not here — seldom abstains from voting on a motion and she rarely does so. She often tells me that we must state our position on everything regardless of whether we are for or against it. Yet, she has said that she will not state her position today and this surprises me. Why does she not state her position on this? But now when I recall that she did not speak a word on the NATO's bombing of our embassy and the Diaoyutai issue, it is not at all strange if she does not state her position on opposing Taiwan becoming independent. Evidently, this shows that her attitude towards the territorial integrity of China is very ambiguous and weak. She has even made a very dangerous point that it is not dangerous for Taiwan to become independent. I have never heard such a remark even in Taiwan.

She has also said that she supports a referendum. As many colleagues have advanced many arguments from historical and international perspectives, I will not repeat them here. In respect of the future of Taiwan, even CHEN Shui-bian has said in public that he would not talk about a referendum any more, but still Miss Emily LAU mentioned a referendum. Evidently, Miss Emily LAU is more CHEN Shui-bian than CHEN Shui-bian.

Madam President, as regards the Taiwan issue, we have been keeping an eye on the historical development of Taiwan, from the Taiwanese Government's resistance against mainland China to neither unification nor independence to one China, one Taiwan, then, the extraordinary "two states theory" and finally a Taiwan sovereign state as recently proposed by Annette LU. Today, we also heard someone say that it is not dangerous for Taiwan to become independent. I am extremely astonished by such remarks that are getting more and more out of range of unification. While the Chinese territory: Hong Kong and Macao have been returned by foreigners to we Chinese one after another, we also see and

hear that the Taiwan issue has gradually got out of range of the territorial integrity of China. What does that mean? I think that it is very, very dangerous for someone in China to say that seceding, alienating or even making Taiwan independent is not dangerous.

Madam President, I visit Taiwan and get in touch with Taiwanese people from time to time, and I exchange with them our views on independence and unification. Actually, the people of Taiwan are not keen about Taiwan becoming independent for they want peace only. Thus, before I went to observe the elections in Taiwan, I was asked which candidate I would like elected. I answered that I would like peace to be elected. I really hope that peaceful unification can be achieved. As regards the future of Taiwan, Taiwanese people who have been alienated from mainland China for so long must be suspicious about the implementation of "one country, two systems". I think Hong Kong people can appreciate such sentiments very well. We spent 13 years on the transitional period. Why did it take so long? It is because we have had similar sentiments. In any case, Taiwanese people unanimously ask for unification and oppose Taiwan becoming independent and their views will surely not be affected by some people's views on secession. Madam President, I support Mr Jasper TSANG's motion. Thank you.

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

MR CHAN KAM-LAM (in Cantonese): Madam President, Taiwan is a part of the integral territory of China and this unambiguous fact has been recognized and affirmed by the people of China and the international community. Although Taiwan has been occupied by foreign countries for a certain period in the past, this does not change the fact that Taiwan is the sacred territory of China. Taiwan will return to the embrace of the motherland ultimately.

The Kuomintang's retreat from the Mainland to Taiwan 51 years ago resulted in the present political situation of "alleging the liberation of Taiwan on the one hand while alleging resistance against the Mainland on the other hand". Having alleged this for decades, the principle of "one China" has not yet been implemented. The Kuomintang dared not declare Taiwan independent because CHIANG Kai-shek, CHIANG Ching-kuo and LEE Teng-hui knew clearly that all nationals, including Taiwanese compatriots and overseas Chinese do not

approve of Taiwan becoming independent of the motherland. Anyone who advocates Taiwan independence will bear the loathsome name of "sinner condemned by Chinese history". All Chinese people at home and abroad will definitely not allow Taiwan independence to come true. Thus, Taiwan becoming independent will only initiate a cross-straits battle, a blind alley.

Although the two sides of the straits have established contacts through the Association for Relations Across the Taiwan Straits and the Straits Exchange Foundation for years, and despite the fact that the leaders of the Kuomintang are not willing to do so, they have been making efforts towards the goal of peaceful unification. Along with the reform and opening up of the Mainland, rapid economic development and the gradual disappearance of enmity between China and Taiwan, people on both sides of the straits frequently visit one another, do business and travel to and fro. People are advocating peaceful unification more strongly, yet, the progress of the negotiations over unification has been slowed down in recent years under the Kuomintang administration led by LEE Teng-hui. This has something to do with LEE Teng-hui's idea of Taiwan independence and is directly related to the brazen support of the United States at the back. The United States has always implemented the policy of "besieging China, isolating China and splitting up China". Though it approves of one China which is the People's Republic of China, it actually sells Taiwan a lot of armament and has passed the Taiwan Security Enhancement Act to improve the relationship between the United States and Taiwan. The United States wants Taiwan to be alienated from its Motherland for long in order to control the politics and economy of Taiwan in the long run. Those with a clear mind will know that Taiwan has become a satellite state of the United States. Yet, it will not have its way. The unification of China is a mighty historical trend that nobody can stop.

The Democratic Progressive Party is a political party with a platform advocating Taiwan independence. The fact that CHEN Shui-bian is in power certainly makes the people of China concerned about whether he will advocate Taiwan becoming independent and alienating Taiwan from China. Thus, any upright ethnic Chinese with conscience will oppose Taiwan becoming independent without hesitation. In this Chamber today, some Members have said that Mr Jasper TSANG's motion wants to force other Members to state their position. This is absolutely wrong. Unless some people have different views from those who oppose Taiwan becoming independent, otherwise, I do not see any difficulty in agreeing to the motion on opposing Taiwan becoming independent and I do not think that Members should feel like being forced to

state their position. Perhaps we may be over confident in thinking that all Chinese people do not want the sacred territory to be split up and naturally think that other people will also oppose Taiwan becoming independent. Some of us are afraid of stating their position or do not want to do so probably because they support Taiwan becoming independent and are afraid that stating their position will expose their position for which the public and Chinese people will cast them aside. To be frank, it is irresponsible to intentionally conceal their position of supporting Taiwan becoming independent. The Democratic Alliance for the Betterment of Hong Kong would certainly like the Legislative Council of the Hong Kong Special Administrative Region to convey a clear message to CHEN Shui-bian, that is, that Hong Kong people oppose Taiwan becoming independent. We hope that CHEN Shui-bian can determinedly annul his advocacy of Taiwan independence and conduct negotiations contributing to the unification of the Motherland.

Today, the Honourable Martin LEE has also said that the Central Government should not rashly open war for the purpose of unification. It is not a must to maintain the *status quo*, seek unification or independence. Certainly, many people in Taiwan expect to maintain the *status quo*, but the country can definitely not be split up for too long. The implementation of "one country, two systems" in Hong Kong is not only feasible but also recognized and applauded by the international community. Mr Martin LEE has said time and again that CHEN Shui-bian cannot accept "one country, two systems" and does not want Taiwan to become the second Hong Kong or Macao because the implementation of "one country, two systems" in Hong Kong is a failure. The Central Authorities have not intervened much in Hong Kong affairs, but such intervention has been implied. Some said the Chief Executive was preordained by the Central Authorities. Is it true? Is it true that the Government frequently makes mistakes in administration? In fact, we would like our Motherland to be unified but many people have made things difficult and expressed many different views.

We understand that the people of a region should have the right to self-determination within the scope of autonomy, but they certainly do not have the right to self-determination in respect of the unification of the motherland. I believe that all Chinese people have reached a consensus on this.

Madam President, I so submit.

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

MR ALBERT HO (in Cantonese): Madam President, the Democratic Party explicitly supports today's motion on opposing Taiwan becoming independent. Many Members have spoken today, but I have not heard any remark in support of Taiwan becoming independent. Some Members have said that Taiwanese compatriots should be given the right to self-determination, but this is not the same as supporting Taiwan becoming independent. They have only adopted an open attitude. I certainly understand that this is different from opposing Taiwan becoming independent but it does not mean that they support Taiwan becoming independent. However, I would like to respond to the issue of giving the people of Taiwan the right to self-determination.

Firstly, many people think that the right to self-determination is a political right recognized by the international community and even equated to the right to democracy. This is a misunderstanding in my view. Many people base their argument on the fact that Article 1 of the International Covenant on Civil and Political Rights has stated that all peoples should have the right to self-determination. I would like to emphasize that the word "peoples" as used in the Covenant refers to peoples as a whole. Evidently, the people of Taiwan make up a people but they are not a nation, not the Chinese nation.

Secondly, the right to self-determination as alluded to in the Covenant mainly comprises cultural, economic and social rights. Many people interpret the right to self-determination as comprising two parts: first, independence, the independent right to self-determination of a political whole; and second, the right to self-determination in respect of economic and social development. The 1960 United Nations Declaration just mentioned by Prof the Honourable NG Ching-fai is actually the background of this. Very clearly, the entire Covenant deals with the positioning and self-determination of peoples who used to be humiliated and suppressed, after the termination of colonial rule. This is a very important background. If we do not understand this background, we will have misunderstandings and think that becoming independent is a right to self-determination. This is definitely not the case. The most important thing is that it is about the directions to be followed by some peoples after decolonization. This is definitely not the case with Taiwan. After the war, Taiwan has actually returned to the Motherland. If not, a government that used to represent China would not be ruling Taiwan today. This is an unambiguous point.

When some peoples cease to be colonial subjects, they will establish a community with other countries. For example, some islands have established a community with the United States or the United Kingdom. Within the community, some agreements permit the country to exercise self-determination and remain alienated. This is another option that gives the right to self-determination through constitutional arrangements which is different. As for Quebec, if it really becomes independent by self-determination in future, it must secure a constitutional approval. In other words, it can only be alienated from the country and become independent by means of a constitutional amendment or a constitutional approval. As Quebec is not a commonwealth country, it cannot casually or freely join or withdraw from a commonwealth, thus, it will not have the right to self-determination. Its final decision entails a constitutional amendment or a constitutional arrangement.

It will be wrong for us to equate the right to self-determination which appears attractive and romantic to democracy because the concept of democracy is very explicit and is the right of everybody. Yet, the right of peoples to self-determination is a very complicated issue. If Taiwan has the right to self-determination, what about Tibet? What about Xinjiang? What about Guangxi? What about Inner Mongolia? What about Gaoxiong in Taiwan? What about Yilan? What about Penghu and Mazu? This is an extremely complicated issue, thus, no one will say that as Taiwan is a people and has its special history, it has the right to self-determination because this cannot be justified.

On the whole, I have responded to the issue about the right to self-determination. This is not a political right issue as some have thought and it is not based on the international laws.

We have spoken a lot on opposing Taiwan becoming independent today but I think that we should discuss more specifically how to promote unification and avoid Taiwan becoming more alienated from its country. This is more important in my view. Every Chinese has the responsibility to discuss more about this and give his government more advice so that the governments on both sides of the Taiwan Straits can make efforts to promote unification.

I trust Members will agree that we must not overly believe that the use of force and intimidation will work. As we all know, missiles and warships can really threaten Taiwanese people but they cannot get their support. For Taiwan to be unified or reunified, we cannot merely seize its land because popular support among the people of Taiwan is very important. Thus, we should lay emphasis on how Taiwanese people can be made inclined towards but not against unification. This is the most important point. Yet, unfortunately, apart from historical reasons, as the ideology of China differs from that of Taiwan and because of the old civil war and antagonism between the two, I think that the Central Government has frequently made policy blunders.

As time is running out, I would only talk about the problems arising from the earthquake in Taiwan. As we can see, Taiwanese compatriots are very unfortunate but mainland China has missed a very good opportunity to express its "blood is thicker than water" feelings. It cannot cast aside many burdens. For instance, it bothers about whether donations should be made to the Red Cross in China and whether the Russian rescue team dispatched to Taiwan should go through some formalities for its passage through the Chinese territorial air space. Why? A review is needed and mainland China must cast these burdens aside.

After the reunification, Hong Kong no longer plays the role of a bridge between both sides of the Taiwan Straits or serves a buffer function. Everything has actually retrogressed. CHENG An-kuo has said something on behalf of his government. We can disagree or criticize him but why can we not allow him to return to Hong Kong for reinstatement? The new representative of the Chung Hwa Travel Service has not come to Hong Kong yet and there is an increasing lack of mutual understanding and a retrogressing relationship between Hong Kong and Taiwan. Will this be helpful?

I would like to put forward five points that will hopefully improve the relationship between Hong Kong and Taiwan. Firstly, the two sides of the straits must maintain dialogue rather than bothering about some prerequisites; secondly, "three direct links" must be established to comprehensively promote co-operation and exchange; thirdly, multilateral relationship must be established on the basis of "three direct links" so that an economic community will be established to drive the establishment of a social community and a political community; fourthly, Hong Kong's role as an intermediary must be enhanced; and fifthly, a democratic China that upholds the rule of law and respects human rights and freedom must be established. Only this will contribute to the development of China and the unification of the two sides of the straits

PRESIDENT (in Cantonese): Mr HO, your time is up, please be seated.

MR ALBER HO (in Cantonese): and match the trend of development of the world. Thank you, Madam President.

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

(No Member responded)

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, today's debate in the Legislative Council on the motion opposing Taiwan becoming independent fully reflects the deep concern of the people of Hong Kong over the question of Taiwan. With the overall interest of our nation and the future of all Chinese people in mind, the Government of the Hong Kong Special Administrative Region (SAR) fully supports national unification and is strongly opposed to any proposal advocating Taiwan becoming independent.

We believe that the early and satisfactory resolution of the question of Taiwan is not only an important matter of principle involving national sovereignty and territorial integrity, it is also in the interests of Hong Kong. National unification is the common wish of all Chinese people, including those of us in Hong Kong. The results of several opinion polls taken recently clearly demonstrate that this represents the consensus of Hong Kong people.

Madam President, to promote the common goal of national unification, the SAR Government has been promoting exchanges between the people of Hong Kong and Taiwan. Since the reunification, Hong Kong and Taiwan have developed closer ties in areas such as trade and commerce, culture and tourism. Taiwan has been our fourth largest trading partner in the last five years, and the number of visitors between the two places has continued to grow. Many Hong Kong people have come to recognize that cross-straits relations have a direct impact on our economic prospects and social stability. It is clear that any attempt to make Taiwan independent will deal a blow to the trade and commercial exchanges between Hong Kong and Taiwan, will adversely affect our investment environment and will slow down our economic recovery. It may even undermine the stability of the Asia-Pacific Region.

Since our successful reunification with the Motherland, we have been working hard to implement "one country, two systems" and practise "Hong Kong people ruling Hong Kong". We also earnestly hope that our nation will achieve unification at an early date. We very much hope that that can be achieved peacefully. That is the common wish of all Chinese people and that is in the best interests of Hong Kong.

Madam President, it is the common wish of our community that the question of Taiwan will be resolved and our nation be unified. The SAR Government supports the motion moved by Mr Jasper TSANG.

Thank you, Madam President.

PRESIDENT (in Cantonese): Mr Jasper TSANG, you may now reply and you nine minutes 18 seconds.

MR JASPER TSANG (in Cantonese): Madam President, I am very grateful to 26 Honourable colleagues for expressing their views on the motion. To be fair, I believe anyone who has listened carefully to the speeches made by the 26 Members will not say they spoke because they were forced to state their position. Actually, I am surprised by Mr LEUNG Yiu-chung who doubted the need to debate this motion and said that my motion would only force Members to state their position for there was no room for discussion. Madam President, the debate we have had in the past two hours precisely demonstrated that there was much room for extensive discussion. Even Members who support this motion on the common premise of opposing Taiwan being independent would find much room for extensive discussion. When the 20-plus Members spoke earlier, a number of issues, including those on national unification, the future of Taiwan, law, culture and history, and the role played by Hong Kong, the ways in which people look at the Taiwan policies adopted by the Central Government, and so on struck me. There was indeed much room for extensive discussion.

Members will also agree that even those Honourable colleagues who found it impossible to support the motion were given ample opportunities to state their reasons. Therefore, how can some people complain that Members suffered from hardship for they were forced to state their position? I think Mr LEUNG Yiu-chung has, to a certain extent, made an overstatement. For instance, he

said the passage of the motion would cow the people of Taiwan into submission while the casting of votes in favour of the motion would be the same as forcing him to join the ranks in suppressing the people of Taiwan. This is what I have recorded down when he spoke; I hope I have made a mistake. As Members are all aware, the voting results of motion debates in this Council are not legally binding, even on the Hong Kong Government itself, not to mention the Taiwan authorities and the people of Taiwan. If the passage of this motion will give people the feeling that we are cowering the people of Taiwan into submission, then we must ask the following questions: First, do we need to first believe that all people of Taiwan ask for independence? Second, will the people of Taiwan really have their wishes shattered and come under our suppression as a result of the passage of this motion? Is it the real picture? In what ways would we be suppressing the people of Taiwan?

Mr LEUNG Yiu-chung also put forward the argument that the issue of Taiwan independence simply did not exist and it was fabricated by Beijing. I really heard him say that the issue was made up by Beijing. I would like to ask Mr LEUNG to look at the platform of the Democratic Progressive Party, to which CHEN Shui-bian and Annette LU Hsiu-lien, and seriously went over the remarks made by Annette LU with respect to the relationship between Taiwan and China. Of course, we do not believe that all the people of Taiwan are taking part in activities striving for independence. However, this does not mean that the threat posed by Taiwan independence or the issue pertaining to such does not exist. I believe no one will doubt that people all over the world love peace and hate war. However, it will be ridiculous for us to, on this premise, believe that the world will not be subject to any threat from war for people all over the world love peace. This explains why we cannot, based on this logic, say that the people of Taiwan will not take part in activities striving for independence and thus come to the conclusion that the issue of Taiwan independence does not exist.

When Miss Emily LAU, Miss Cyd HO and Mr LEUNG Yiu-chung spoke, I noted that the difference between the arguments they held and those held by other Members is that they were reluctant to address the issue as to whether Taiwan is part of China. When a number of Members spoke earlier, they also mentioned the point that Taiwan is an inalienable part of China. However, this point was not mentioned by these several Members and here lies the difference between them and other Members. If we consider Taiwan part of China, we will not say the issue of Taiwan independence shall be decided by the people of Taiwan themselves. Neither will we say it will be wrong for the Chinese

Government to take effective measures to prevent its territory from breaking up, including the possible use of force. What is more, we will definitely not confuse sovereignty with democracy. These are the areas they must face squarely.

I want to make a particular reference to peace and military force for many Honourable colleagues mentioned this point when they spoke earlier. Every Member from the Democratic Party has also stressed that national unification must be realized through a peaceful and democratic means. I fully share this point. It will be totally wrong for anyone to accuse the Democratic Alliance for the Betterment of Hong Kong (DAB) of calling on China to achieve unification with Taiwan by military force. Nevertheless, I believe some people have confused two issues in the course of discussion and, that is, the intention to resolve the unification issue by a peaceful means is not tantamount to a commitment of not to use military force permanently; the commitment of not to use force power is not the same as (I quote what Mr LEUNG Yiu-chung to this effect): "an attempt to liberate Taiwan by force".

A commitment made by a government is a commitment. How can we see a commitment as a verbal trick? If a commitment to give up the use of force is tantamount to a promise not to use force under any circumstances, what does such a commitment really mean? The fact that the Chinese Government refuses to make such a commitment does not mean that China is going to resolve the Taiwan issue by means of force for a swift achievement of unification, as Mr Martin LEE said. Actually, the Chinese Government has changed its Taiwan policy from trying to liberate Taiwan to achieving a peaceful unification and "one country, two systems". This demonstrates the fundamental change in policy adopted by the Chinese Government towards Taiwan.

Actually, China should have been able to achieve unification with Taiwan by force a long time ago. If some people say that China has not done so for fear of interference from the United States, does it mean that there will be no such fear in future? In reiterating the fundamental policy adopted by China on this issue recently, China's leader has repeatedly stressed the need to, first of all, achieve peaceful unification. And in order to do that, China cannot at this stage undertake to give up the use of force under whatever circumstances. This is the same as, in order to safeguard world peace, governments and countries trying to achieve this goal will not promise not to use force under whatever circumstances.

With these remarks, Madam President, I hope Members can support the motion. I would like to claim a division so that Members who vote against the motion can be given an opportunity to express their views.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Jasper TSANG, as set out on the Agenda, be passed.

As it is stipulated in the Rules of Procedure that the relevant procedure should be followed where a division has been ordered, the division bell will ring for three minutes for Mr Jasper TSANG has already claimed a division earlier.

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

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

Functional Constituencies:

Mr Kenneth TING, Mr James TIEN, Mr Michael HO, Dr Raymond HO, Mr LEE Kai-ming, Dr LUI Ming-wah, Mrs Selina CHOW, Mr CHEUNG Man-kwong, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mr CHAN Wing-chan, Dr LEONG Che-hung, Mrs Sophie LEUNG, Mr SIN Chung-kai, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr LAW Chi-kwong, Mr FUNG Chi-kin and Dr TANG Siu-tong voted for the motion.

Miss Margaret NG abstained.

Geographical Constituencies and Election Committee:

Mr Albert HO, Mr LEE Wing-tat, Mr Fred LI, Mr James TO, Miss Christine LOH, Miss CHAN Yuen-han, Mr Gary CHENG, Mr Jasper TSANG, Dr YEUNG Sum, Mr LAU Kong-wah, Mr Andrew CHENG, Mr SZETO Wah, Mr TAM Yiu-chung, Mr David CHU, Mr HO Sai-chu, Mr NG Leung-sing, Prof NG Ching-fai, Mr MA Fung-kwok, Mr CHAN Kam-lam, Mr Ambrose LAU and Miss CHOY So-yuk voted for the motion.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 23 were present, 22 were in favour of the motion and one abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 22 were present and 21 were in favour of the motion. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was carried.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 17 May 2000.

Adjourned accordingly at eleven minutes to Nine o'clock.

WRITTEN ANSWER**Written answer by the Secretary for Health and Welfare to Mr LEE Cheuk-yan's supplementary question to Question 2**

Mutual help child care centres must observe the requirements of the Child Care Services Ordinance and are under regular inspection by the Social Welfare Department (SWD). The SWD-run centres have their operating costs covered with the SWD's departmental expenditure while non-governmental agencies (NGOs) operating these centres are eligible for financial assistance to cover their initial fitting-out costs, purchase of furniture and equipment and rent and rates.

In 2000-01, eight additional mutual help child care centres are planned by NGOs. \$5.48 million has been earmarked to meet the initial fitting-out cost and purchase of furniture and equipment, if assistance is required. NGOs can also apply for an additional amount to cover rent and rates.

As present, there are 24 mutual help child care centres operating in Hong Kong. In 1999-2000, 5 948 children used the service. In 1999-2000, only one NGO-run centre required financial assistance; the others operated on a self-financing basis. The one centre was allocated \$100,000 for its setting up costs and \$29,000 per annum for rent and rates.

Annex II

WRITTEN ANSWER

Written answer by the Secretary for Education and Manpower to Mr LAW Chi-kwong's supplementary question to Question 2

The statistics that the Member referred to are under the category "accidental death (children left unattended)" in the Coroner's Annual Report. This category covers children left unattended both at home and elsewhere.

The relevant statistics are set out below:

Accidental death (children left unattended) in Coroner's Reports

<i>Year</i>	<i>Aged 0-9</i>	<i>Aged 10-19</i>	<i>Total</i>
1992	14	0	14
1993	14	0	14
1994	14	0	14
1995	9	0	9
1996	1	1	2
1997	5	1	6
1998	14	2	16
1999	4	1	5

There was a sudden increase in 1998, but the figure dropped significantly in 1999. We have attempted an analysis and notice that in 1998, there was an exceptionally high number in certain types of accidents, namely six "drowning" cases, three "burn" cases and two "others" cases. This exceptional phenomenon did not recur in 1999. We therefore believe that the figures in 1998 may be an isolated phenomenon and do not represent a general trend.

Meanwhile, we continue to place emphasis on combating the problem of leaving children unattended. Territory wide publicity campaigns will be launched again in 2000-01. Publicity will be conducted through TV programmes, radio programmes, newspapers, leaflets, posters, booklets and the website on Family Life Education. These are supplemented by publicity and public education programmes at the district level to keep parents and carers aware of the dangers and to inform them of the child care arrangements available. For this purpose, \$2.6 million will be spent in 2000-01.

Annex III**WRITTEN ANSWER****Written answer by the Secretary for Planning and Lands to Dr LUI Ming-wah's supplementary question to Question 4**

A table showing a breakdown of the areas zoned "Residential (Group E)" is attached for Members' reference.

Areas Zoned "Residential (Group E)" as at 10 May 2000

<i>Location</i>	<i>Area (hectares)</i>
North Point	0.43
Aberdeen and Ap Lei Chau	3.48
Mong Kok	0.18
Cheung Sha Wan	0.65
Ma Tau Kok	3.20
Cha Kwo Ling, Yau Tong, Lei Yue Mun	5.86
Total	13.80

Annex IV**WRITTEN ANSWER****Written answer by the Secretary for the Environment and Food to Mr NG Leung-sing's supplementary question to Question 6**

I would like to inform Members that the Hong Kong Tourist Association has no information on where the international conference mentioned in that oral question was conducted after its cancellation in Hong Kong.

WRITTEN ANSWER**Written answer by the Secretary for the Environment and Food to Miss Emily LAU's supplementary question to Question 6**

I would like to inform Members that up to the end of May, the Environmental Protection Department has received a total of 5 826 complaints about air pollution in this year.