

# **OFFICIAL RECORD OF PROCEEDINGS**

**Wednesday, 20 October 1999**

**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 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 AMBROSE CHEUNG WING-SUM, J.P.

THE HONOURABLE HUI CHEUNG-CHING

THE HONOURABLE CHRISTINE LOH

THE HONOURABLE CHAN KWOK-KEUNG

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE BERNARD CHAN

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 YEUNG YIU-CHUNG

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 CHOY SO-YUK

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE SZETO WAH

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

THE HONOURABLE LAW CHI-KWONG, J.P.

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

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

**MEMBERS ABSENT:**

THE HONOURABLE LEE CHEUK-YAN

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

THE HONOURABLE FUNG CHI-KIN

**PUBLIC OFFICERS ATTENDING:**

THE HONOURABLE MRS ANSON CHAN, G.B.M., J.P.

THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE ELSIE LEUNG OI-SIE, J.P.

THE SECRETARY FOR JUSTICE

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

SECRETARY FOR CONSTITUTIONAL AFFAIRS

MR DOMINIC WONG SHING-WAH, J.P.

SECRETARY FOR HOUSING

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

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

MR KWONG KI-CHI, G.B.S., J.P.  
SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING

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

MR LAM WOON-KWONG, J.P.  
SECRETARY FOR THE CIVIL SERVICE

MR STEPHEN IP SHU-KWAN, J.P.  
SECRETARY FOR ECONOMIC SERVICES

MR DAVID LAN HONG-TSUNG, J.P.  
SECRETARY FOR HOME AFFAIRS

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

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

MR LEE SHING-SEE, J.P.  
SECRETARY FOR WORKS

MR KEVIN HO CHI-MING, J.P.  
SECRETARY FOR TRANSPORT

MR PATRICK LAU LAI-CHIU, J.P.  
SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

DR EDGAR CHENG WAI-KIN, J.P.  
HEAD, CENTRAL POLICY UNIT

**CLERKS IN ATTENDANCE:**

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

MS PAULINE NG MAN-WAH, ASSISTANT 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	<i>L.N. No.</i>
Customs and Excise Service (Welfare Fund) Regulation ...	250/99
Fire Services Department (Welfare Fund) Regulation .....	251/99
Immigration Service (Welfare Fund) Regulation.....	252/99
Police Force (Welfare Fund) Regulation .....	253/99
Prison (Amendment) Rules 1999 .....	254/99
Public Health and Municipal Services Ordinance (Public Pleasure Grounds) (Amendment of Fourth Schedule) (No. 6) Order 1999 .....	255/99
Labour Tribunal (Amendment) Ordinance 1999 (25 of 1999) (Commencement) Notice 1999 .....	256/99
Small Claims Tribunal (Amendment) Ordinance 1999 (28 of 1999) (Commencement) Notice 1999 .....	257/99
Telecommunication (Amendment) (No. 2) Regulation 1999 (L.N. 180 of 1999) (Commencement) Notice 1999.....	258/99

**Other Papers**

- No. 12 — Hong Kong Council on Smoking and Health  
Annual Report 1998-1999

- No. 13 — Companies Registry  
Annual Report 1998-99
- No. 14 — Electrical and Mechanical Services Trading Fund  
Annual Report 1998/1999
- No. 15 — Office of the Privacy Commissioner for Personal Data,  
Hong Kong  
Annual Report 1998-99
- No. 16 — Hongkong Post  
Annual Report 1998/1999
- No. 17 — Statement of Accounts and Auditor's Report for the Fish  
Marketing Organization for the year ended 31 March 1999
- No. 18 — Statement of Accounts and Auditor's Report for the  
Vegetable Marketing Organization for the year ended  
31 March 1999
- No. 19 — Marine Fish Scholarship Fund Report for the period from  
1 April 1998 to 31 March 1999
- No. 20 — Agricultural Products Scholarship Fund Report for the  
period from 1 April 1998 to 31 March 1999

## WRITTEN ANSWERS TO QUESTIONS

### Protection of Eyesight when Using Computers

1. **MR LAU WONG-FAT** (in Chinese): *Madam President, the eyesight of Hong Kong children is getting worse, and students are required to spend a considerable period of time looking at the computer screen since computers are used as a teaching medium and more importance is attached to the computer science subject. In this connection, will the Government inform this Council whether:*

- (a) *it has issued any guidelines to schools requiring teachers to advise their students to protect their eyesight when using computers; and*
- (b) *it knows if schools have provided parents with knowledge to protect eyesight so that they will urge their children to protect their eyesight when using computers at home?*

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

(a) and (b)

The Education Department (ED) issued a circular on eyecare to all primary and secondary schools on 24 September 1997, reminding heads of schools to make every effort to ensure that students are not subject to any undue eyestrain and suggesting ways to protect eyesight and prevent eye accidents. In addition, heads of schools are encouraged to take whatever action is open to them to impress upon parents the importance of protecting their children's eyesight. The circular also sets out matters students should pay attention to when using computers to avoid eyestrain or eyesight damage. The relevant circular has been uploaded to the ED's homepage for teachers, students and parents' reference. The ED will constantly update the circular to remind schools and parents of issues which they should be aware of.

Separately, the Department of Health (DH) disseminates eyecare information, including matters to be attended to when using computers, to students and parents through its Student Health Service. At its Student Health Service Centres, the DH distributes brochures and leaflets, arranges health talks and provides counselling services to Primary One to Secondary Seven students joining the service as well as their parents.

The ED does not require schools to report on how they provide parents with eyecare information and thus does not have information in this regard.

## **Provision of Support Services to Hong Kong Businessmen in the Mainland**

2. **MR KENNETH TING** (in Chinese): *Madam President, in view of the increasingly frequent business and investment activities between Hong Kong and the Mainland, will the Government inform this Council whether the Office of the Government of the Hong Kong Special Administrative Region in Beijing (the Beijing Office) has provided support services to Hong Kong people doing business or operating factories in the Mainland; if so, of the support services provided and the channels through which Hong Kong businessmen in the Mainland can obtain such services; if not, whether the Beijing Office will consider providing such services?*

**SECRETARY FOR TRADE AND INDUSTRY** (in Chinese): Madam President, one of the functions of the Beijing Office is to report recent developments in the Mainland to the relevant bureaux and departments of the Government of the Hong Kong Special Administrative Region (SAR). These include the Mainland's macro economic and trade developments as well as the formulation and revision of its trade policies and measures which may affect Hong Kong businessmen. The Trade Department will collate and disseminate such information through trade circulars so as to enable Hong Kong businessmen to gain a better understanding of the economic situation and trade policies in the Mainland. Under the principle of "one country, two systems", if Hong Kong people are involved in any commercial disputes or taxation and legal problems while doing business in the Mainland, they should resolve the problem in accordance with the Mainland's legal and related proceedings. It is not appropriate for the SAR Government to be involved in such individual cases. By the same token, the functions of the Beijing Office do not include the handling of individual trade disputes. However, where necessary, the SAR Government can, upon the request of those involved, refer the case to the relevant department in the Mainland for action.

Pursuant to this principle, the SAR Government provides support services to Hong Kong businessmen mainly through the dissemination of information and general liaison. At present, the Beijing Office, the Trade Department and the Trade Development Council are already providing suitable services in this regard. We will continue to keep a close watch on developments in the Mainland in the economic and trade fronts, and review and improve our existing services where necessary.

It is also worth mentioning that in order to enable the authorities in the Mainland and the SAR dealing with commercial and trade matters to have regular communication and exchanges of views on issues of mutual concern, the Trade and Industry Bureau and the Ministry of Foreign Trade and Economic Co-operation have recently set up the Mainland/SAR Joint Commission on Commerce and Trade (Joint Commission). We believe that such a standing liaison mechanism will help promote good business and trade relations between the two sides. The Joint Commission will also provide a channel for reflecting the views of Hong Kong businessmen on the business environment in the Mainland. The Joint Commission's terms of reference and *modus operandi* have been set out in the Legislative Council Brief issued on 6 October 1999.

### **Enhancing Transparency of the Operation of Statutory Organizations and Advisory Bodies**

3. **MR LEUNG YIU-CHUNG** (in Chinese): *Madam President, will the Government inform this Council of:*

(a) *the respective numbers of members of political bodies as defined in the Electoral Affairs Commission Ordinance (Cap. 541) who are currently serving as members of the following organizations:*

(i) *Board of the Kowloon-Canton Railway Corporation;*

(ii) *Appeal Board on Public Meetings and Processions;*

(iii) *Public Service Commission;*

(iv) *Judicial Officers Recommendation Commission;*

(v) *Board of the Mass Transit Railway Corporation;*

(vi) *Administrative Appeals Board;*

(vii) *Town Planning Board;*

(viii) *Hong Kong Housing Authority;*

- (ix) *Broadcasting Authority;*
  - (x) *Airport Authority;*
  - (xi) *Hospital Authority;*
  - (xii) *Standing Commission on Civil Service Salaries and Conditions of Service;*
  - (xiii) *Area Committees*
  - (xiv) *Independent Police Complaints Council;*
  - (xv) *Social Welfare Advisory Committee;*
  - (xvi) *Commission on Youth;*
  - (xvii) *Education Commission;*
  - (xviii) *Commission on Strategic Development;*
  - (xix) *Hong Kong Housing Society; and*
  - (xx) *Exchange Fund Investment Limited; and*
- (b) *the means to enhance the transparency of the operation of statutory organizations and advisory bodies and their members' accountability to the public?*

**SECRETARY FOR HOME AFFAIRS** (in Chinese): Madam President,

- (a) The Government's policy is to ensure that the best available persons capable of meeting the needs of advisory and statutory bodies are appointed to these bodies. Appointments and re-appointments to these bodies are generally made on an individual basis taking into account relevant factors such as prospective appointees' or serving members' abilities, expertise, experience, integrity and commitment

to community service. Membership of political bodies of prospective appointees or serving members is not a relevant factor for appointment and re-appointment. Against such background, the Government does not keep statistics on membership of political bodies of members of advisory and statutory bodies (including organizations (i) to (xviii) specified in part (a) of the question).

As regards the Exchange Fund Investment Limited (organization (xx) in part (a) of the question), it is a private limited company incorporated under the Companies Ordinance (Cap. 32). The Directors of the Board of the Exchange Fund Investment Limited have been appointed on an individual basis. As regards the Hong Kong Housing Society (organization (xix) in part (a) of the question), its members join the Hong Kong Housing Society on an individual basis (except the four *ex officio* members as stipulated in the Constitution of the Hong Kong Housing Society).

For both the Exchange Fund Investment Limited and the Hong Kong Housing Society, for reasons similar to those for advisory and statutory bodies, no statistics are kept on membership of political bodies of the Directors of the Board of the Exchange Fund Investment Limited and of members of the Hong Kong Housing Society.

- (b) The Government attaches great importance to enhancing the transparency of advisory and statutory bodies and their members' accountability to the public. We maintain a policy of encouraging these bodies to adopt appropriate measures to enhance their transparency and accountability to the public as far as practicable. To meet this objective, these bodies have adopted various measures, taking into account the operation of the bodies concerned, the nature of the matters involved and the public interest in these matters. These measures include holding press briefings, issuing press releases, producing regular reports on their work, making relevant documents and papers of the meetings available for public inspection, uploading onto the Internet the relevant information, giving briefings to the Legislative Council, the two Provisional Municipal Councils and Provisional District Boards and opening up

meetings to the public. We will consider adopting further transparency and accountability measures where appropriate.

### **Overcharging by Taxi and Public Light Bus Drivers**

4. **DR RAYMOND HO** (in Chinese): *Madam President, it has been reported that during the onslaught of typhoons, many taxi drivers and public light bus drivers demanded excessive fares from passengers. In this connection, will the Government inform this Council:*

- (a) of the total number of complaints received in this regard over the past three years;*
- (b) of the measures adopted to curb such overcharging; and*
- (c) in view of the higher risks borne by the taxi trade when operating during typhoons, whether it will consider amending the relevant legislation to permit the levy of a typhoon surcharge and set the relevant surcharge rate?*

**SECRETARY FOR TRANSPORT** (in Chinese): Madam President, since 1996, 27 complaints were received about overcharging by taxis during the typhoon seasons and one similar complaint was received in respect of public light bus.

It is an offence under the Road Traffic (Public Service Vehicles) Regulations (Cap. 374, sub. leg.), to charge taxi fares exceeding the scale of taxi fares stipulated in the Regulations. In addition to enforcement action, the taxi trade is reminded at regular conferences with the Transport Department that excessive fares during typhoons are not allowed.

Public light buses comprise green minibuses and red minibuses. For green minibuses, fares are stipulated by the Commissioner for Transport as a condition in the passenger service licence granted under the Road Traffic (Public Services Vehicles) Regulations (Cap. 374, sub. leg.). In case of overcharging, the green minibus operator will be warned and the passenger service licence may be cancelled. Fares on red minibuses are not controlled.

On the levy of a typhoon surcharge, we have received different views from the taxi trade. While some favour the introduction of such surcharge, others consider that the implications should be considered more carefully given the concerns about safety for drivers and passengers, damage to vehicles, as well as operators' liability and insurance coverage for taxi operation during typhoons. The Government will continue to discuss with the taxi trade on the suitability of a typhoon surcharge taking into account the acceptability of this surcharge to the trade as a whole and to passengers.

### **Force Establishment of the Hong Kong Auxiliary Police**

5. **MR LAU KONG-WAH** (in Chinese): *Madam President, since April this year, the establishment of the Hong Kong Auxiliary Police Force (HKAPF) has been reduced through natural wastage, and regular police officers have been deployed to perform the beat duties previously performed by auxiliary police officers. In this connection, will the Government inform this Council:*

- (a) *how the existing establishment of the HKAPF compares to that as at 1 April 1999;*
- (b) *of the total number of beat duty hours performed by auxiliary police officers per month in the past five months, and how these figures compare to the corresponding figures for the five months preceding the last five months; and*
- (c) *how the situation of law and order and the number of reported crimes in Hong Kong in the past five months compare to those in the 12 months preceding that period; if there are differences, whether it has assessed if there is any correlation between such differences and the reduction of beat duties performed by auxiliary police officers; if such assessment has been made, the results of that?*

**SECRETARY FOR SECURITY** (in Chinese): Madam President,

- (a) The strength of the HKAPF has decreased by 82, or by 1.5%, from 5 389 as at 1 April 1999 to 5 307 as at 1 October 1999.

- (b) Since the implementation of some of the recommendations arising from the review of the HKAPF on 1 April 1999, the Special Duty Quota<sup>1</sup> that is distributed among different police formations mainly for beat duties has been abolished. Excluding the Quota, the total number of man-hours of operational duties, including crowd management and beat duties performed by auxiliary police members, in the period of April to August 1998 as compared with the same period in 1999 are as follows:

	<i>1998 (man-hours)</i>	<i>1999 (man-hours)</i>
April	56 080	25 023
May	69 662	54 668
June	57 797	60 912
July	58 217	61 246
August	61 172	60 830
Total	302 928	262 679

As the demand for such duties, in particular crowd management, varies throughout the year, we believe it would be more appropriate to compare the number of man-hours involved in the period of April to August 1999 with the same period in 1998 instead of the five months preceding the period. Except for April 1999, that is, the first month for the implementation of the recommendations, the average monthly man-hours of operational duties performed by auxiliary police officers in the period of April to August 1999 is 60 000, which is similar to that for the same period in 1998.

- (c) The overall crime rate, that is the number of reported crimes per 100 000 population, in the period of April to September 1999 was 566 while that for the 12 months preceding that period was 1 080. The crime rate in the period of April to September 1999 has increased by 5.4% when compared with the crime rate of 537 in the same period in 1998. However, we should bear in mind that the

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<sup>1</sup> The Special Duty Quota was introduced in early 1970s to govern the deployment of auxiliary police officers of different ranks for operational duties. Before 1 April 1999, the daily quota of 538 auxiliary police officers is distributed among different police formations with most officers deployed on beat duties.

crime rate in the first nine months of 1999 has increased by 6% when compared to the same period in 1998. The crime rate of the latter was the second lowest in the past 25 years in Hong Kong.

Crime rate is affected by a number of complex factors including the economic situation, the vigilance of the community and public willingness to report crimes. In the current economic climate, there has been an increase in quick cash crimes such as pick-pocketing and snatching.

The regular Police Force is now up to establishment and has sufficient manpower to perform front-line operational duties. Over 1 600 additional police officers have been deployed for front-line operational duties since 1995-96. In fact, neither the overall operation of the Police Force nor the effectiveness of specific police operations has been adversely affected since the abolition of the Special Duty Quota and the implementation of other recommendations of the Review on the Hong Kong Auxiliary Police Force on 1 April 1999. We believe that there is no correlation between the increase in the overall crime rate and the reduction of beat duties performed by auxiliary police officers.

### **Electronic Road Pricing System**

6. **MISS CHRISTINE LOH:** *Madam President, the Administration is conducting a feasibility study on introducing an electronic road pricing (ERP) system to Hong Kong. In this connection, will the Administration inform this Council:*

- (a) of the projected number of registered vehicles, in particular that of private cars, by the end of 2011; and how these figures compare with those at the end of 1996;*
- (b) whether the Administration has set down any annual maximum allowable growth rate in traffic for internal reference; if so, of the details;*

- (c) *of the scheduled date for submitting the report of the ERP Study to this Council;*
- (d) *whether the public will be consulted on the recommendations of the ERP Study; if so, of the estimated time of the consultation;*
- (e) *whether the Administration has decided to use ERP as a means to control traffic growth; and*
- (f) *of the other measures that the Administration will adopt to control traffic growth, together with an assessment of the effectiveness of such measures?*

**SECRETARY FOR TRANSPORT:** Madam President, in general, the major users of road space in terms of distance travelled are private vehicles (including cars and motorcycles) and goods vehicles. The growth in private vehicles is dependent on a number of factors, including population and economic growth. In assessing the future transport development of Hong Kong, the Third Comprehensive Transport Study (CTS-3) has adopted an envelope of assumptions in major planning parameters in assessing future travel demands for possible low, medium and high growth scenarios. The ERP Study also adopts similar compatible assumptions. The fleet sizes for private cars and goods vehicles assumed for 2011, compared with 1997, which is the base year for the CTS-3, are as follows:

<i>Scenario</i>	<i>1997</i>	<i>2011</i>		
		<i>Low Growth</i>	<i>Medium Growth</i>	<i>High Growth</i>
Private Vehicles	327 000	417 000	560 000	746 000
Goods Vehicles	117 000	134 000	167 000	212 000

According to the CTS-3, with timely and co-ordinated provision of appropriate transport infrastructure, public transport services and traffic management measures, the mobility level of vehicles in 1997 can be maintained despite some localized congestion. In the short term, there will be no need to introduce drastic measures to contain vehicle growth or use on transport ground. The Administration has not set down any annual maximum allowance growth rate in traffic.

Turning to ERP, the Feasibility Study will be completed at the end of the year. Upon receipt of the Study report, the Administration will consider whether and when to introduce ERP in Hong Kong. At this stage, it is premature to speculate what the results will be. Should a need for ERP be identified, the community will be fully consulted.

Besides ERP, there are numerous possible means to manage traffic growth. However, CTS-3 has shown that there is no need to introduce any drastic measures to contain vehicle growth or use in the short term. The Administration will continue to monitor the growth in vehicle fleet and the resultant increase in road traffic and take appropriate action if problems start to manifest.

### **Landing Ground for Commercial Helicopters**

7. **MR HOWARD YOUNG:** *Madam President, I was told that the Government had decided not to extend the land lease, which will expire next year, for the landing ground for commercial helicopters in Wan Chai. In this connection, will the Government inform this Council whether it plans to provide an alternative site in the vicinity so that such a service can continue?*

**SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS:** Madam President, the existing commercial helipad near Fenwick Pier will be affected by the Central Reclamation Phase III (CRIII). According to the current programme of the project, the Government will need to take back the site in the third quarter of 2002.

During public consultation over CRIII, a clear consensus had emerged that the new Central waterfront should be dedicated primarily for leisure and recreational uses and that it should be designed and developed to a world-class standard to create a new look for the Victoria Harbour. The reprovisioning of a helipad in that vicinity will likely deprive pedestrian access to the waterfront and thus has been found to be incompatible with our overall plans for CRIII. Such a proposal has also received virtually no support in the course of our public consultation.

The land on which the commercial helipad is located was leased to a private company on 3 October 1996 under a three-year Short-term Tenancy (STT) renewable quarterly. The STT can be terminated by either party by giving three months' prior notice. While we do not have plans to reprovision the commercial helipad in that vicinity, we have discussed with the helicopter operator concerned alternative sites outside Wan Chai for either temporary or permanent use. Furthermore, the Government and the Airport Authority have commenced a study in February 1999 to explore the feasibility of providing helipad facilities at Chek Lap Kok. The study would be completed in 2000.

### **Advanced Collection of Tuition Fees by Educational Institutions**

8. **MR CHEUNG MAN-KWONG** (in Chinese): *Madam President, with regard to local educational institutions (except those funded by the University Grants Committee) which collect tuition fees in advance from students enrolling in matriculation classes, certificate or diploma courses at or above Form Five level before the new school year commences, will the Government inform this Council:*

(a) *whether it knows:*

- (i) *the arrangements made by these educational institutions in collecting tuition fees in advance, including the determination of the percentages of the tuition fees to be paid in advance;*
- (ii) *if these educational institutions will effect full or partial refund on the tuition fees paid by students who have applied for withdrawal before the commencement of the school year;*  
*and*

- (iii) *the respective average percentages of students who had applied for withdrawal before the school year commenced in the past and current academic years; the respective total amounts of tuition fees that were not refunded; and*
- (b) *whether it will urge these educational institutions to refund the tuition fees paid by students who have applied for withdrawal before the commencement of the school year; if not, of the reasons for that?*

**SECRETARY FOR EDUCATION AND MANPOWER** (in Chinese): Madam President, apart from the tertiary institutions funded by the University Grants Committee, schools registered under the Education Ordinance, government schools, the Hong Kong Academy for Performing Arts, the Open University of Hong Kong, the Hong Kong Shue Yan College, the Vocational Training Council, the Clothing Industry Training Authority and the Construction Industry Training Authority also offer matriculation classes and/or certificate or diploma courses at or above Form Five level. Details regarding the arrangements made by these educational institutions for collecting/refunding prepaid tuition fees, the average percentage of students applying for withdrawal before commencement of a school year, as well as the total amount of prepaid tuition fees which have not been refunded are in the Appendix.

As set out in the Appendix, many educational institutions require new students to pay the tuition fees either in part or in full before the commencement of a school year. This is to enable students to show their commitment in pursuing the courses, and to discourage them from enrolling with several educational institutions at the same time. In determining the amount of prepaid tuition fees, educational institutions would take into account whether this objective can be achieved. It is not the Government's intention to require or urge these educational institutions to refund prepaid tuition fees to students who apply for withdrawal before the commencement of a school year. We hope that students will consider carefully before enrolling with an educational institution, since they will be taking up places which may otherwise be offered to other students.











**Consumer Rights in Electronic Commerce**

9. **MR SIN CHUNG-KAI:** *Madam President, according to the study entitled "Consumers @shopping: An international comparative study of electronic commerce", conducted by Consumers International, a worldwide federation of consumer organizations, consumer protections in electronic commerce should be offered in the consumer's country of residence. In this connection, will the Government inform this Council:*

- (a) whether it is aware of the study; if so, of its assessment of the findings of the study;*
- (b) whether it knows the number of complaints regarding consumer rights in electronic commerce that the Consumer Council has received in the past 12 months; if so, please provide a breakdown of the complaints by nature; and*
- (c) of the action, other than enacting the Electronic Transactions Ordinance, it will take to further protect consumer rights in electronic commerce?*

**SECRETARY FOR TRADE AND INDUSTRY:** Madam President,

- (a) The Government has examined the study conducted by Consumers International concerning consumer protection in electronic commerce. The key issues identified by the study include availability of full information to consumers, the reliability of service, consumer redress mechanisms as well as associated issues of privacy and security.

In general, we share the view of the study that consumer confidence is vital to the growth of transactions in electronic commerce. We agree that the level of protection provided to consumers engaging in electronic commerce should be on a par with that afforded to consumers making transactions through other means. As electronic commerce is a rapidly developing field worldwide, we look forward to actively participating in deliberations at the international level to tackle consumer protection issues that need to be addressed in the electronic commerce environment.

- (b) The Consumer Council received a total of 25 complaints regarding shopping through the Internet in the past 12 months (October 1998 to September 1999). A detailed breakdown is as follows:

<i>Nature</i>	<i>Number of Complaints</i>
Late/non-delivery/loss	17
Price dispute	3
Wrong model	3
Quality of service	2
Total	25

- (c) We are committed to safeguarding the legitimate interests of consumers in both real and virtual marketplaces. To enhance our protection of consumer rights in electronic commerce, we will adopt the following measures:
- (i) consumer education: we will work in collaboration with the Consumer Council to strengthen consumer education so that consumers are well aware of their rights and obligations when conducting transactions via electronic commerce;
  - (ii) self-regulation: the Consumer Council will issue a benchmark code of practice for operators of cybershops and encourage self-regulation by the industry;
  - (iii) review of legislation: at present, we have in place legislation to ensure that goods and services available are safe, of reasonable quality and offered on fair terms. Aggrieved consumers have access to appropriate legal remedies. We will keep our legislation under review to ensure that it keeps pace with technological developments. An example is the Electronics Transactions Bill which seeks to provide a clear legal framework to enhance certainty in electronic transactions; and

- (iv) establishment of local public key infrastructure: we will establish a local public key infrastructure with the support of certification authorities to provide a secure environment for the conduct of electronic transactions. With the use of digital certificates issued by certification authorities and public/private key technology, consumers may authenticate the identity of the parties they deal with in electronic transactions, be assured about the integrity and confidentiality of the messages exchanged and the non-repudiation of electronic transactions.

### **Damage Caused by Refuse on Seabed**

10. **MRS SOPHIE LEUNG** (in Chinese): *Madam President, refuse accumulated on the seabed may cause serious damage to marine ecology. In this regard, will the Government inform this Council:*

- (a) *whether it has plans to conduct a comprehensive study of the refuse on the seabed and its impact on the water quality and marine ecology in the vicinity; if so, of the time to conduct the study; if not, of the reasons for that;*
- (b) *of the methods adopted at present to clear the refuse accumulated on the seabed; of the effectiveness of the methods; and*
- (c) *whether it will consider legislative amendments to substantially increase the fine for littering on the sea in order to enhance the deterrent effect?*

**SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS** (in Chinese): Madam President, refuse commonly found in Hong Kong's seabed are inert objects most of which do not cause serious impact to water quality. While certain small objects may pose a threat to marine organisms, large objects could in fact serve as artificial habitats for them. To reply to the three specific questions:

- (a) As the impact of seabed refuse on Hong Kong's water quality and marine ecology is not significant, we do not have any plans to carry out a comprehensive study of seabed refuse.
- (b) Our aim is to prevent land-based refuse from entering into the sea. Gratings are erected at outlets of open sewer or stormwater drains to prevent refuse from entering the sea. Separately, publicity has been launched with a view to educating the public not to throw refuse or unwanted objects into the sea.

The Summary Offences Ordinance (SOO) and the Dumping at Sea Ordinance (DASO) provide the legislative back-up to prohibit littering and dumping into the waters of Hong Kong. Where refuse do find their way into the sea, we would aim to collect them while they are still floating. For this purpose, the Marine Department (MD) has a fleet of 61 vessels to clean up floating refuse within Hong Kong waters every day and to provide domestic water collection services to overseas as well as local vessels. Between January and September 1999, 7 924 tonnes of refuse which would otherwise have ended up on the seabed were collected by the MD from vessels and the sea. Where goods or articles fall into the sea as a result of a marine accident, the MD would take action to salvage the goods and articles. In view of the vast area involved, we do not have any plans to clean up the seabed regularly and we understand no cities in the world does so either.

- (c) The DASO prohibits the dumping of substances and articles into the sea without a permit. Any person who violates this is liable to a fine of \$200,000 and to imprisonment for six months on first conviction, and on subsequent conviction, to a fine of \$500,000 and imprisonment for two years as well as a further fine of \$10,000 for each day as long as the dumping activities continue.

The SOO prohibits the throwing of litter into the waters of Hong Kong. Any person who violates this is liable to a fine of \$10,000 and to imprisonment for six months. If the offence is committed from a vessel or premises, the owner/master of the vessel or the proprietor/occupier of the premises commits the offence and is liable to a fine of \$50,000 and to imprisonment for one year.

We believe that the existing legislation already provides for sufficient deterrent effect and do not have any plans to increase the maximum level of penalty. The key lies in enforcement and this will be pursued by the departments concerned.

### **Collection of Recyclable Wastes**

11. **MR CHAN KWOK-KEUNG** (in Chinese): *Madam President, at present, waste recovery bins are available in many public housing estates to collect several types of recyclable wastes. In this connection, will the Government inform this Council of:*

- (a) the types of wastes and the average amount of each type collected by such waste recovery bins each month;*
- (b) the government department or body responsible for handling the recovered wastes and the manpower involved; and*
- (c) the treatment process of the recovered wastes?*

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

- (a) since July 1999, recycling bins to collect waste paper, aluminium cans and plastic materials have been installed in all the 157 public rental housing (PRH) estates managed by the Hong Kong Housing Authority.

The amounts of materials recovered each month is summarized below:

Date	Estates with Full set of Recycle Bins	Recyclable Waste Collected In PRH Estate with Recycle Bins (in tonne)			Recyclable Waste Collected in All PRH Estates (in tonne)		
		Paper	Aluminium Can	Plastic Bottle	Paper	Aluminium Can	Plastic Bottle
6/98	83	603.50	25.89	57.21	1126.01	52.41	113.37
7/98	83	515.38	36.629	31.42	1228.99	139.39	80.33
8/98	83	530.32	53.44	35.35	1251.55	154.15	86.26
9/98	83	568.04	69.77	36.78	1281.96	159.53	84.64
10/98	83	716.65	63.25	17.20	1469.53	244.16	75.36
11/98	83	752.87	55.29	18.52	1545.71	231.80	74.37
12/98	83	852.79	66.43	19.25	1665.53	232.78	84.40
1/99	83	799.90	22.64	5.71	1612.64	113.27	41.35
2/99	83	888.66	29.61	7.01	1751.04	123.24	45.25
3/99	83	882.34	29.17	6.01	1698.44	117.35	31.80
4/99	83	760.43	37.36	16.86	1595.86	145.66	50.38
5/99	83	795.92	24.55	15.69	1652.79	134.58	47.61
6/99	83	790.58	31.79	18.78	1662.39	143.44	55.11
7/99	157	1780.53	41.63	11.78	-	-	-
8/99	157	1710.85	38.81	27.50	-	-	-

After July 1999 there has been an apparent reduction in the amount of aluminium cans and plastic bottles collected. It appears that this reflects the activity of scavengers who are retrieving the materials before the waste contractors can empty the bins. Whilst this may not result in reduction of materials sent for recycling (since the scavengers sell the recovered materials to collectors or recyclers), it may affect the waste contractors and is an issue that will be considered further in the coming year.

- (b) Government departments are not directly involved in handling recovered waste in public housing estates. At present, all cleansing contracts for public housing estates let by the Housing Department include requirements for recovering materials for recycling. Waste materials for recycling are collected by these private cleansing contractors.

- (c) According to the practice of the trade, waste paper recovered will be sorted according to their type (for example, newspaper, corrugated cardboard or photocopying paper) and then baled. About 60% of the waste paper is exported and 40% delivered to local recycling plant for reprocessing. Aluminium cans are baled and exported for recycling. As regards plastic materials, some are sorted, washed and shredded before export for recycling. Others may simply be baled and exported.

12. **DR LUI MING-WAH** (in Chinese): *Madam President, it is learnt that goods vehicles often have to queue up for several hours at the border for customs clearance, causing economic losses to the industrial and transport sectors in Hong Kong and the Mainland. In this connection, will the Government inform this Council:*

- (a) *of the reasons for cross-border goods vehicles having to queue up for a long time at the border; and*
- (b) *whether it has assessed if the above situation is related to the operational mode and efficiency of the border control points in Hong Kong and the Mainland;*
- (i) *if it is attributable to the border control points in Hong Kong, of the improvement measures it will adopt; and*
- (ii) *if it is attributable to the border control points in the Mainland, whether the Government of the Hong Kong Special Administrative Region (SAR) will discuss improvement measures with the relevant authorities on the Mainland side, with a view to shortening customs clearance time for goods vehicles?*

**SECRETARY FOR SECURITY** (in Chinese): Madam President, at present, there are three land crossings through which goods vehicles ply between the SAR and the Mainland. Due to geographical constraints and physical limitations, these crossings can no longer cope with the substantial growth of cross-boundary traffic over the years. This is the main reason resulting in goods vehicles having to queue up for a long time to cross the boundary. During the first eight

months of 1999, the cross-boundary congestion problem had deteriorated, mainly due to the following factors:

- (i) Rapid growth of cross-boundary vehicles;
- (ii) Insufficient immigration and customs kiosks and kiosks not fully utilized;
- (iii) Computer breakdown;
- (iv) Large number of empty container trucks crossing the boundary; and
- (v) Queue jumping by some drivers, causing blockage to other traffic lanes.

Cross-boundary traffic involves both the SAR side and the Mainland side. Both sides would need to work closely together to resolve the problems. We have liaised with the relevant mainland authorities at different levels to discuss the problems and reflect to them the concerns and views of the SAR Government and the industry. Experts from both sides also met end of last month to study the issue. We are given to understand from the Guangdong Provincial and Shenzhen authorities that they attach great importance to the problem and have reinforced co-ordination of the operations at the crossings. The mainland side has also positively implemented a number of improvement measures, including increased and flexible deployment of manpower resources and enhanced co-operation; use of more kiosks, readjustment of the locations of control offices, installation of new computer system; introduction of electronic label system for automatic clearance of unladen vehicles; rationalization and simplification of clearance procedures; reinforcement of traffic regulation and management of Huanggang Control Point and establishment of a dedicated unit at Huanggang control point to deal with traffic emergencies.

On the SAR side, we have maintained close liaison with the industry and introduced a series of improvement measures in response to its views;

- (i) Reinforcement of the management and resources of the land crossings, more flexible staff deployment and increased transparency and accountability in respect of the immigration and customs clearance control.

- (ii) Installation of additional kiosks and flexible deployment of kiosks. Ten new pairs of immigration and customs kiosks, five for each direction, have been included in the Lok Ma Chau (LMC) Expansion Project and are scheduled for completion in December 1999. These kiosks, when opened, will increase the capacity of the LMC crossing from 19 000 to 32 000 vehicles per day. In addition, with the support and co-operation of the industry, we have, since mid-August, introduced a trial scheme of special lanes for processing unladen trucks. The trial scheme has been effective in easing the traffic congestion problem.
- (iii) Reinforcement of traffic management and monitoring in the vicinity of the land crossings to deter and prevent blockage of traffic lanes caused by queue jumping.
- (iv) Establishment of an emergency response and contingency mechanism, dealing with the situations at three levels according to the severity of the congestion. With co-ordination from the Government Secretariat, respective departments and agencies will monitor, report, ascertain causes for congestion, assess impact, share information, deploy manpower and speed up kiosk operation, adopt special traffic and management measures, make public announcements, liaise with the industry, as well as liaise and co-ordinate with the mainland side, and so on.

With the concerted efforts of the Mainland and the SAR, as well as the support and co-operation from the industry, we have noted that the traffic congestion situation has clearly improved since late August, particularly after the introduction of designated lanes for unladen trucks. Feedback from the industry suggests that the average queuing time from Palm Springs to the LMC Control Point has been reduced from three hours previously to one and a half hours. The improvement measures have proved to be effective. We look forward to further improvements in the cross-boundary traffic with the opening of the 10 new pairs of kiosks in LMC by end of the year. In the longer term, the Government is actively studying how the demand for cross-boundary traffic could be met through infrastructure development and simplification of the clearance procedures.

**Dioxin Emissions from Chemical Waste Treatment Centre**

13. **MISS EMILY LAU** (in Chinese): *Madam President, it was reported that the Environmental Protection Department (EPD) had found in December last year and February this year that dioxin emissions from the Chemical Waste Treatment Centre (CWTC) on Tsing Yi Island had exceeded the standard level. In this connection, will the executive authorities inform this Council whether they know:*

- (a) the respective quantities and types of chemical waste treated by the CWTC each year since its inception;*
- (b) the industries and companies which are currently the main sources of the chemical waste treated by the CWTC;*
- (c) the amount of dioxin emitted by the CWTC into the ambient air, as well as the average concentration of dioxin detected in the ashes of the chemical substances incinerated, in each year since 1993; and*
- (d) the handling procedure adopted by the CWTC for the collection, packing, storage, transportation and disposal of the ashes, and the measures taken in respect of each procedure to ensure the safety of workers?*

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

- (a) The CWTC was commissioned in 1993 to handle different types of chemical waste using various physical and chemical processes including incineration. Between February 1993 and August 1999, the tonnage and types of chemical waste treated were as follows:

<i>Types of Chemicals</i>	<i>Year<sup>(1)</sup> (in tonnes)</i>						
	<i>1993</i>	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997</i>	<i>1998</i>	<i>1999<sup>(2)</sup></i>
Etchants	3 900	7 500	7 200	8 400	8 400	9 100	7 300
Acids	1 700	5 300	5 000	4 800	3 400	2 500	1 500
Metallic solutions	2 700	2 700	2 500	2 400	2 200	1 300	1 100
Alkali	1 000	24 600	13 400	5 200	4 100	2 900	1 500
Solvent	2 400	4 200	3 600	3 800	3 800	3 600	2 500
Waste oil	2 100	3 600	3 300	2 500	5 700	7 300	5 100
Others	300	1 300	1 200	900	700	800	500
MARPOL waste <sup>(3)</sup>	8 000	31 900	53 200	36 500	40 600	47 300	21 900
Total <sup>(4)</sup>	22 200	81 000	89 300	64 400	68 900	74 700	41 400

- (b) The types of industries and the number of companies currently using the CWTC are:

<i>Industries</i>	<i>No. of companies</i>
Printed circuit board	46
Chemicals and recycling products	79
Electroplating	201
Oil terminals, petroleum dealer and distributor	37
Printing	291
Transport	65
Machinery, equipment and parts	30
Photo studio and finishing, motion picture film processing	261
Garage	240
Public utilities	8
Mining and construction	34
Textile (exclude bleaching and dyeing)	25
Laboratory	32
Bleaching and dyeing	5
Education services	258
Government	68
Others	457
Total	2 137

<sup>(1)</sup> Figures are rounded to the nearest hundred tonnes.

<sup>(2)</sup> Statistics in 1999 are up to the month of August.

<sup>(3)</sup> "MARPOL" waste is oily waste generated from ocean-going vessels.

<sup>(4)</sup> Figures may not add up to the total due to rounding.

- (c) Stringent measures are adopted by the CWTC operator to prevent the formation of dioxins in the incineration process through the control of combustion temperatures. However, a small amount of dioxin will still be formed. Most of the dioxins will be filtered out of the gaseous emissions and collected in the bottom ashes. The dioxins concentration in ambient air and stack emissions are closely monitored so that any irregularity can be identified and rectified at the earliest possible opportunity.

The operating licence issued by the EPD requires that dioxins concentrations in stack emissions from the CWTC should not exceed 0.1 nanogrammes per cu m<sup>(5)</sup>. During the past three years, the average concentration of dioxins in the stack emission has been around 0.03 nanogramme per cu m. This compares favourably with the standard of 0.5 nanogramme per cu m in Japan, 0.16 nanogramme per cu m in the United States and 0.1 nanogramme per cu m in some European countries.

On the two occasions in November 1998 and February 1999, the stack emission exceeded the above requirement, but the concentration in the ambient air during that period was still well below the standards in areas like California and Japan.

The total amount of dioxins in stack emission from the CWTC each year since its commissioning are summarized below:

<i>Year</i>	<i>Amount of dioxins emitted from the CWTC (in milligramme)<sup>(6)</sup></i>
1993	2.4
1994	2.5
1995	1.3
1996	3.7
1997	4.4
1998	4.2
1999	4.3

<sup>(5)</sup> One nanogramme is a billionth part of a gramme.

<sup>(6)</sup> A milli-gramme is a thousandth part of a gramme.

The total quantities of dioxins in bottom ashes are summarized below:

<i>Year</i>	<i>Amount of dioxins in ashes at CWTC (in gramme)</i>
1993	Less than 1.1
1994	Less than 7.8
1995	Less than 6.9
1996	Less than 8.0
1997	Less than 6.1
1998	Less than 5.0
1999 (January — July)	Less than 2.57

The average concentration of dioxins in the ashes has been consistently below 1 part per billion.

- (d) Bottom ashes from the rotary kiln and secondary combustion chamber are collected in a tote box. The ashes will then be stabilized using cement and pulverized fuel ash. The stabilized ashes will be sampled and analysed. If the samples comply with all requirements, the ashes will be delivered to landfills for disposal. All staff handling bottom ashes receive safety training and are required to wear safety gears including face mask, gloves, protective clothing to ensure occupational safety.

### **Median Rent-to-income Ratio of Households in Public Rental Housing Estates**

14. **MR LEUNG YIU-CHUNG** (in Chinese): *Madam President, it is learnt that in respect of households affected by redevelopment programmes in the past five years, the median rent-to-income ratio (MRIR) was 13.1% upon their moving to newly completed public rental housing (PRH) estates, whereas for the singletons and two-person households among them, the combined MRIR was 17.9%. In this connection, will the Government inform this Council:*

- (a) *given that it is stipulated in the Housing Ordinance (Cap. 283) that the Hong Kong Housing Authority (HA) should, in determining rent adjustments, see to it that the overall MRIR of all households living in PRH estates does not exceed 10%, whether it has assessed if the setting of the rents for the above households at such levels has breached the spirit of the stipulation;*
- (b) *how the MRIR of households living in PRH estates is calculated at present;*
- (c) *of the average annual earnings and the MRIR of each category of households classified by their size, in each of the past three years; and*
- (d) *of the MRIR in respect of the households which were involved in the latest rent adjustment exercise for PRH?*

**SECRETARY FOR HOUSING** (in Chinese): Madam President, the main consideration for setting rent levels of public housing is tenants' ability to pay, while other factors such as inflation, management costs and the relative value of the estate are also taken into account. For new estates, the HA has been adopting the following MRIS ceilings:

- (i) 15% in respect of the minimum space allocation standard of 5.5 sq m internal floor area per person; and
- (ii) 18.5% in respect of the higher space allocation standard of 7 sq m of more per person.

Rent levels for households affected by redevelopment programmes in the past five years have not violated section 16 (1A)(b) of the Housing Ordinance (Cap. 283), which stipulates an overall MRIR not exceeding 10% for public housing tenants in Hong Kong as a whole. The overall MRIR of households in all public housing estates has remained at below 10% ever since 13 March 1998 when this provision became effective.

The HA determines the MRIR in accordance with section 16(1D) of the Housing Ordinance (Cap. 283). The calculation of MRIR of public rental households is based on the General Household Survey (GHS) conducted by the

Census and Statistics Department. The GHS is a quarterly sample survey covering about 24 000 households, 8 000 of which live in public rental estates. The rent-to-income ratios (RIR) of individual households are first calculated. The MRIR is the figure that divides the RIRs into two equal portions, such that one portion will be higher than the median figure while the other will be lower.

The median household income and the MRIR of individual categories of public rental households over the past three years are shown at Annexes A and B. The average annual earnings of these households are not available.

The last rent adjustment exercise was done in April 1999. The MRIR of households living in estates affected by the rent adjustment was 10.9%

Annex A

Table 1

Median Monthly Household Income of  
Housing Authority Rental Households by Household Size

<i>Year</i>	<i>Qtr</i>	<i>Household Size</i>						<i>Overall</i>
		<i>1P</i>	<i>2P</i>	<i>3P</i>	<i>4P</i>	<i>5P</i>	<i>6P+</i>	
1996	1	2,600	7,000	11,600	14,000	16,000	22,800	12,000
	2	2,700	7,000	12,000	14,200	16,100	22,300	12,500
	3	2,600	7,100	12,100	14,500	17,000	23,600	12,600
	4	2,600	7,800	12,600	15,100	17,000	24,500	13,000
1997	1	2,800	7,300	12,700	15,200	18,000	23,500	13,000
	2	2,800	7,600	12,700	15,000	18,000	23,500	13,000
	3	2,800	8,000	12,700	15,000	18,700	24,700	13,000
	4	3,000	8,000	13,100	15,900	19,000	24,700	13,500
1998	1	3,600	8,700	13,500	16,100	18,900	23,000	14,000
	2	3,600	8,500	13,100	16,000	18,500	24,100	13,500
	3	3,600	8,100	13,000	15,500	17,600	23,000	13,000
	4	3,500	8,000	13,000	15,000	17,900	22,800	13,000
1999	1	3,400	8,100	12,600	15,000	18,300	23,500	13,000

Source: General Household Survey conducted by Census and Statistics Department

Table 2

Median Rent-to-Income Ratio of  
Housing Authority Rental Households by Household Size

Year	Qtr	Household Size						(%)
		1P	2P	3P	4P	5P	6P+	Overall
1996	1	18.2	11.4	8.8	8.1	7.5	6.1	8.6
	2	17.1	11.8	8.5	8.1	7.8	6.3	8.6
	3	18.0	12.2	8.8	8.0	7.8	6.3	8.7
	4	18.3	12.1	8.9	8.0	7.9	6.4	8.9
1997	1	19.2	12.9	8.9	8.1	7.7	6.7	9.0
	2	19.3	12.8	9.1	8.4	7.8	6.7	9.1
	3	19.5	12.8	9.1	8.2	7.6	6.5	9.1
	4	19.2	12.9	8.8	8.0	7.3	6.4	8.9
1998	1	16.1	12.2	8.8	8.1	7.4	6.8	8.8
	2	16.3	12.7	8.9	8.0	7.6	6.6	8.9
	3	16.8	12.5	9.1	8.4	8.0	6.8	9.3
	4	15.3	11.6	8.5	7.9	7.1	6.4	8.6
1999	1	15.8	12.6	9.4	8.4	7.5	7.0	9.4

Source: General Household Survey conducted by Census and Statistics Department

### **Risk of Oil Tanks in the Vicinity of Proposed Route 9**

15. **DR RAYMOND HO** (in Chinese): *Madam President, it was reported that the Environmental Protection Department had completed the environment impact assessment report for the proposed Route 9. The Report pointed out that there are four oil tanks in the vicinity of some sections of the proposed alignment, which will pose potential risks. In this connection, will the Government inform this Council:*

- (a) *of the risks associated with constructing a highway adjacent to oil tanks, and its plans to handle expeditiously traffic accidents that may occur in those sections; and*
- (b) *whether it will adopt special designs, devices or facilities for the road sections in question to avoid traffic accidents on the highway and explosion of the nearby oil tanks affecting each other?*

**SECRETARY FOR TRANSPORT** (in Chinese): Madam President,

- (a) For the construction of highways close to oil and fuel depots, we need to consider, *inter alia*, the following possible risk factors:
  - (i) the probability of leakage of oil or a high concentration of inflammable gas from oil tanks which may cause fire along the highway; and
  - (ii) the probability of explosion of oil tanks and the impact such explosion would have on the highway.

As far as the proposed Route 9 (Tsing Yi to Cheung Sha Wan) is concerned, a risk assessment has been conducted taking into account the risk factors above. Given that the proposed Route 9 will be located at quite a distance from the oil and fuel depots on Tsing Yi Island (about 280 m from the nearest point) and there is an average level difference of about 50 m between the road and the depots, findings of the risk assessment are that the risk level to which Route 9 is exposed is within the acceptable standard stipulated in the risk guidelines of the Government.

In order that any traffic accidents occurring on Route 9 can be handled expeditiously, there will be emergency accesses for the use of rescue and recovery vehicles from the local network on Tsing Yi Island to Route 9. Turn around facilities will also be provided at different locations on Route 9 to allow vehicles to leave the scene of the accident in an orderly and speedy manner. Appropriate traffic management measures for emergency situations will also be formulated to facilitate rescue actions.

- (b) Although the probability of a traffic accident on Route 9 having an impact on the oil and fuel depots on Tsing Yi Island is very low, those sections of Route 9 nearest to the oil and fuel depots will be designed in a way to minimize factors likely to contribute to traffic accidents such as sudden speed reduction or queuing. In the unfortunate event of an explosion of the nearby oil tanks, vehicles on Route 9 can be evacuated by using the turn around facilities at different locations of the Route.

### **Difficulties Encountered by SAR Passport Holders on Entering Peru**

16. **MR HOWARD YOUNG:** *Madam President, I have received a complaint from a Hong Kong Special Administrative Region (SAR) passport holder who, on entering Peru this summer, had his passport kept in custody by the Peruvian immigration officials. The reason given to him was that they needed to clarify whether an entry visa was required for a SAR passport holder. In this connection, will the Government inform this Council whether:*

- (a) *it has received complaints about the difficulties encountered by SAR passport holders on arriving in Peru; if so, of the details of such complaints; and*
- (b) *it will liaise with the Consulate General of Peru in Hong Kong with a view to preventing the recurrence of such incidents?*

**SECRETARY FOR SECURITY:** Madam President,

- (a) Since the Government of Peru granted visa-free access to SAR passport holders in October 1998, we have not received any complaint from Hong Kong travellers about difficulties encountered with immigration clearance on arrival in Peru.
- (b) In the light of the information on the complaint mentioned in this question, we have conveyed our concern to the Peruvian Consulate General in Hong Kong together with our request that the matter be brought to the attention of the relevant authorities in Peru, so as to ensure that SAR passport holders will continue to enjoy unimpeded visa-free access to Peru.

**Proposal to Control Advertisement Signboards**

17. **MRS SOPHIE LEUNG** (in Chinese): *Madam President, in April this year, the Administration submitted a preliminary proposal to control advertisement signboards to the Legislative Council Panel on Planning, Lands and Works and indicated its plan to consult the Provisional District Boards and relevant bodies on the proposal. In this connection, will the Government inform this Council:*

- (a) *of the views of the Provisional District Boards and relevant bodies on the following issues:*
  - (i) *the registration requirement for the erection of advertisement signboards;*
  - (ii) *the positions where advertisement signboards are permitted to be erected;*
  - (iii) *the permissible number of advertisement signboards on the external wall of buildings;*
  - (iv) *the number of advertisement signboards that each shop is allowed to erect; and*
  - (v) *the persons who should be held responsible for the maintenance and removal of advertisement signboards; and*
- (b) *when it plans to submit the relevant legislative proposal to this Council?*

**SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS** (in Chinese): *Madam President, during the period from June to September 1999, we consulted the Land and Building Advisory Committee, all 18 Provisional District Boards, concerned professional bodies and relevant business associations on our proposed control scheme for advertisement signboards.*

The main feedback from the Provisional District Boards, professional bodies and business associations on the proposed scheme is as follows:

- (a) There is considerable public support for the introduction of a statutory registration scheme to regulate signboards attached to or erected on buildings.
- (b) There is a consensus that the proposed scheme should aim to:
  - (i) minimize safety risks to the public arising from dilapidated, defective or abandoned signboards; and
  - (ii) ensure that owners maintain and repair their signboards.
- (c) Some respondents have proposed that the control scheme should also aim to:
  - (i) minimize any nuisance caused by signboards to nearby residents; and
  - (ii) eliminate any danger caused by signboards to nearby residents or pedestrians.
- (d) Some Provisional District Board members have suggested that only businesses located in a building should be allowed to put up signboards on the external walls of that building.
- (e) There is a considerable body of opinion that a deposit should be paid by the signboard owner, in addition to the registration fee, to cover the removal cost of the signboard should it become dangerous or abandoned.
- (f) The proposal to exempt signboards which pose minimal risk to public safety (such as small shop-front signboards of simple construction) is generally supported, although some Provisional District Board members have suggested that no exemptions should be given.

- (g) There are divergent views on who should be defined as the "owner" of a signboard. Some Provisional District Board members have suggested that building owners who have not given their consent to the erection of a signboard on their building should not be defined as "owners".
- (h) There is general support for the proposal that the prior approval of the Building Authority must be sought before a large signboard is installed.
- (i) There is general support for the proposal to make it mandatory for owners of signboards to take out insurance policies to cover damages for personal injuries resulting from accidents associated with the display of signboards.

The issue of the maximum number of signboards permissible on an external wall and the number of signboards each shop is allowed to erect were not discussed in detail during the consultation process.

The consultation exercise conducted earlier this year was stage one of a two-stage consultation process. We have analysed the public views collected and are in the process of formulating a detailed control scheme. We intend to consult the Legislative Council Panel on Planning, Lands and Works and the public on our legislative proposal in 2000 before introducing the necessary legislation into the Legislative Council.

### **Emergency Response Management**

18. **MISS CHRISTINE LOH:** *Madam President, with regard to the Government's emergency response management in natural disasters and serious accidents, such as typhoons, earthquakes, air crashes, and widespread computer breakdowns arising from this millennium bug problem, will the Government inform this Council:*

- (a) *of the government official ultimately responsible for drawing up and implementing the Government's contingency plans for such events;*

- (b) *whether the Administration, in drawing up these plans, has made reference to similar plans in other countries;*
- (c) *of the tideover plans that the Administration has in respect of food and water reserves, emergency shelters, utility reserves and so on; and whether such plans are open to inspection by the public;*
- (d) *whether the Administration's contingency and tideover plans involve non-governmental organizations and community leaders; if not, of the reasons for that; and*
- (e) *whether these plans have been tested for effectiveness; if so, how they were tested?*

**SECRETARY FOR SECURITY:** Madam President,

- (a) The Government is committed to providing an effective and efficient response to crisis situations which may threaten the life and property of members of the public. Directors of bureaux and heads of departments are required to establish their own contingency plans within their areas of responsibility to deal with crisis situations. With regard to procedures in handling natural disasters, including those arising from severe weather conditions, the Contingency Plan for Natural Disasters is issued by the Secretary for Security.

Detailed instructions vary between contingency plans as they deal with different crisis situations. Established arrangements under the Contingency Plan for Natural Disasters are explained below to serve as an indication of the general working of a contingency plan.

- (b) There has been an on-going effort to draw on overseas experience in the preparation and regular updating of the Contingency Plan for Natural Disasters. For example, regular exchanges have been arranged with the Australia Emergency Management Institute which also provides advanced disaster management courses for the departments involved in the Contingency Plan. Where appropriate, the Internet also provides a useful channel and facilitates direct

access to contingency plans and emergency management experience in other countries.

- (c) During the recovery phase, local relief services are delivered through different agencies including the Social Welfare Department and the Housing Department, and co-ordinated by the Home Affairs Department. The departments will put in a concerted effort to ensure availability of temporary shelters, provision of food and other daily necessities, allocation of emergency relief funds, and response to public inquiries or request for information from the disaster victims or their families. The Home Affairs Department and other departments have drawn up their own operational plans. The Contingency Plan for Natural Disasters and the operational plans are open to inspection under the Code of Access to Information.
- (d) Assistance from non-governmental organizations is also enlisted under the Contingency Plan for Natural Disasters. Depending on circumstances and the need, the possibility of involving individual community leaders during the recovery phase would not be ruled out.
- (e) The Contingency Plan for Natural Disasters is subject to regular tests which are overseen by the Emergency Support Unit of the Security Bureau. Such tests may take the form of desktop or communications drills, or inter-departmental exercises at various levels to test their operational procedures and deployment of resources.

### **Supply of Potable Water to Hong Kong**

19. **MISS EMILY LAU** (in Chinese): *Madam President, regarding the supply of potable water to Hong Kong, will the executive authorities inform this Council:*

- (a) *whether they know the progress of the construction of a closed aqueduct running from the upper reaches of Dongjiang to Shenzhen;*

- (b) *whether they know if the mainland authorities have assessed whether the pollution along the middle and lower reaches of Dongjiang will worsen after the closed aqueduct is commissioned; if so, of the predicted scenario and the remedial measures to be taken;*
- (c) *whether they have discussed with the mainland authorities other measures to improve the quality of Dongjiang water;*
- (d) *whether they have considered exploring with the mainland authorities the possibility of using alternative sources of water supply; and*
- (e) *of the progress of their negotiations with the Guangdong Provincial People's Government on the quantities and prices of water supply to Hong Kong during the period from 2001 to 2008?*

**SECRETARY FOR WORKS** (in Chinese): Madam President,

- (a) Site investigation for the closed aqueduct project has basically been completed while the design work, land acquisition and preliminary preparation works have already come to the final stage. In general, the project has commenced as scheduled and is expected to be completed by late 2002.
- (b) According to our understanding, the Guangdong authorities, in designing the closed aqueduct, have already considered and assessed the environmental impact of the works. In fact, on the commissioning of the closed aqueduct, the amount of water drawn from Dongjiang will be the same as present. As there is no change in the water flow on the middle and lower reaches, the closed aqueduct project will not lead to any increase in the level of pollutants in the river or the concentration of pollutants on the riverbed. Besides, there are also tapping points along the closed aqueduct supplying clean water to the towns nearby for domestic and irrigation purposes.

- (c) Regarding the quality of Dongjiang water, close liaison has been maintained between the Guangdong and the Hong Kong sides. Both sides have been working together for discussion, study and verification on various aspects. The communication channels include Annual Business Meetings on water supply to Hong Kong, the Operation and Management Technical Sub-Group Meetings, and Hong Kong/Guangdong Environmental Protection Liaison Group Meetings. In response to the needs, the Guangdong authorities have also implemented various improvement measures, which include improvement works such as the bionitrification plant at Shenzhen Reservoir and carrying out desilting works at Shenzhen Reservoir, as well as the sewage interception, regulation and treatment in the river basin. In addition, the Guangdong authorities would step up the monitoring and the proper enforcement of law to protect the quality of Dongjiang water.
- (d) At present, the maximum designed capacity of the Dongshen water supply system to Hong Kong is 1 100 million cubic metres (mcm) per year, which should be able to meet both the medium- and long-term water demand of the territory. However, the Water Supplies Department continues to explore alternative water supply sources to satisfy the long-term demand in various ways as it takes time to secure alternative water resources.
- (e) Negotiation on water prices is now underway between the Hong Kong and the Guangdong sides. It is hoped that a mutually acceptable agreement can be reached before end 1999. As regards water supply quantities, the Guangdong side, in addressing the slowed-down demand growth in Hong Kong, agreed that the anticipated year, that is, 2008 for achieving the maximum annual quantity of 1 100 mcm could be duly deferred and the annual increase in water supply quantity would be reduced by 20 mcm from 1998 to end 2004. The annual supply quantities beyond 2004 would be determined through discussion at a later date.

### **Use of Biodiesel as Fuel for Vehicles**

20. **MR LAU KONG-WAH** (in Chinese): *Madam President, it has been reported that using "biodiesel" converted from canola seed oil to replace conventional diesel as fuel for vehicles can result in less emissions from vehicles. In this connection, will the Government inform this Council if it knows:*

- (a) whether any pilot scheme involving the use of biodiesel as fuel for vehicles is underway in Hong Kong; if so, of the types and numbers of vehicles involved as well as the progress and preliminary results of the schemes concerned;*
- (b) how this type of biodiesel compares to conventional diesel, in terms of energy efficiency and the amount of pollutants generated upon combustion; and*
- (c) the countries that are currently using biodiesel as fuel for vehicles, and the types of environmentally acceptable fuels for vehicles that are widely used?*

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

- (a) A local franchised bus company tested the performance of an imported vegetable-based biodiesel at its laboratory at the end of 1998. The test result showed a 10% loss in engine power and almost no improvement in smoke emissions. In June 1999, this bus company also tested at its laboratory the performance of another animal fat-based biodiesel which was produced in Hong Kong. The research is still ongoing and the results are not yet available. We are also aware that a biodiesel supplier is conducting local trials with some members of the transport trade on the use of biodiesel. We are attempting to obtain further details of the trials from the supplier concerned.

- (b) Experience overseas showed that biodiesel is similar to petroleum diesel in terms of energy efficiency.

Biodiesel is produced from renewable sources such as vegetable oils, animal fats and recycled cooking oils. Its major environmental benefit therefore derives from it being a renewable form of energy. In addition, the production of biodiesel forms part of the carbon cycle and hence the use of this fuel will not add to the global greenhouse gas emissions.

If pure biodiesel is used by a vehicle, some overseas reports show that it can typically reduce particulates emissions by about 10% to 20% but the emissions of nitrogen oxides can be increased by up to 14%. If biodiesel is blended with diesel when used by a vehicle (as is the practice in a number of overseas countries), emissions of nitrogen oxides could be reduced but the benefits of having less particulates emission will also reduce accordingly. If a vehicle uses conventional diesel blended with a low percentage of biodiesel, for example 10%, then there will be negligible changes in terms of its nitrogen oxides and particulates emissions, as compared with those from a vehicle using pure conventional diesel.

- (c) Commercial use of biodiesel as an automobile fuel is at a development stage in overseas countries such as the United States, France, Germany and Austria. Biodiesel is mixed with diesel by 5% and 2% in France and Austria respectively as a measure to encourage renewable energy and also to support their agriculture sectors. The United States also encourages the use of diesel mixed with biodiesel up to 20% though the use of this mixed fuel in United States is still very limited (below 1% in the diesel market).

Other alternative fuels for vehicles used in overseas countries include propane, liquefied petroleum gas, compressed natural gas, liquefied natural gas, methanol, ethanol and electricity. The use of dimethyl ether and hydrogen are also under development as alternative fuels for vehicles.

## MEMBERS' MOTION

**PRESIDENT** (in Cantonese): Motion of Thanks. In accordance with the Rules of Procedure, Members will each have up to 15 minutes to speak on the motion.

## MOTION OF THANKS

**DR LEONG CHE-HUNG:** Madam President, I rise to move the motion under my name as stated on the Agenda. In moving this motion, I am not moving in my own name but rather in the name of this House. The Motion of Thanks is a traditional gesture for most parliaments and definitely a convention for this legislature. It provides a forum for Members to comment on the "state of the region" address, praise it, criticize it, tear it down into pieces if you like, and for Members to forward their own input as representatives of Hong Kong people on how they feel Hong Kong should best be run. It is thus a non-directional motion.

In the past few years, Honourable Members have introduced amendments to this motion. Whilst it is within their remit, such I would not condone as any amendment would impose a direction on a non-directional motion. There have been suggestions that the words of the motion should be changed from a "Motion of Thanks" to a "Motion to Take Note". Regrettably, Madam President, that will not deter determined Members to amend it either.

Madam President, whilst Hong Kong is still suffering from the wounds inflicted by the economic nosedive, many would expect that the policy address would provide a further guiding light to alleviate their doom and gloom and improve the problem of unemployment. But to be fair, there is no magic wand that can be waved. There are only that many rabbits that the Government could pull out of the hat. Worse, many proposed "hat tricks" are not within the Government's control. The Disney Theme Park is an obvious example.

In his address, the Chief Executive said: "I am confident that the most trying times are behind us and that our economy will continue to pick up." Madam President, whilst we share the Chief Executive's enthusiasm, it is even more important that Hong Kong people should not be given an overtly optimistic hope that may not be fulfilled.

Madam President, in his wisdom, the Chief Executive therefore produces a policy address which gently sidesteps the economy of Hong Kong, problem of unemployment and shift the focus to improvement of environmental protection and education. The title of the address, "Quality People, Quality Home", is thus appropriate. Some may even say that this is visionary as these are not only issues that Hong Kong is in dire need, but also essential issues for "Positioning Hong Kong for the 21st Century". To most, these are essential elements that we would all like to have if our stomachs are filled and we have jobs to earn a living to support our families.

Regrettably, even in these areas, the policy address has somewhat failed to show the Government's full commitment, nor has the Government worked out the machinery to implement its expected policy directions.

Madam President, for the rest of the deliberation, I would like to concentrate on three areas:

- (1) Constitutional development for Hong Kong,
- (2) Environmental protection policy, and
- (3) Policy on health care.

Regrettably, most of the government officials are still not here.

In the policy address, the Chief Executive has taken note that by next year, it will be the 10th anniversary of the promulgation of the Basic Law and that the Government of the Special Administrative Region (SAR) will organize a series of activities to promote a better understanding of the Basic Law and to encourage relevant research. Few would dispute the importance.

The Basic Law has not only been promulgated for 10 years, but has been functioned for over two years. During this period, there are areas in this mini-constitution that need to be clarified, areas that need perhaps amendments to make them even better. Such shortcomings are obviously not only to Honourable Members of this Council, but also to government officials alike. Regrettably, there is still no machinery to instigate any amendments to the Basic Law. It has to be remembered that any laws are "living elements" that should

be changed with societal needs. Furthermore, the Basic Law can be amended after it has been put into use. I would urge the Administration to take this quickly on board.

In the same address, the Chief Executive has made reference to the diversities of views on the speed of further democratization. Yes, the Basic Law has already provided a framework and a rough timetable. But do not forget, the Basic Law was drafted in the '80s when political maturity of both people in Hong Kong and in the Mainland was quite different from what it is now. Is that timetable too quick for Hong Kong? Is it too slow for Hong Kong? If the views of Hong Kong people are anything to go by, it would be imperative that the Administration should conduct a referendum among the people of Hong Kong on how to take the pace of further development of democratization forward.

Madam President, last week, we had a motion on the need for a referendum on the future of the two Municipal Councils. Members felt it unnecessary. Yet, constitutional development for Hong Kong is a much more important issue, with much wider effect on the people of Hong Kong. The need for a referendum must be taken in a different light.

Madam President, in the policy address, the Chief Executive makes reference to and acknowledges the need for better communication between his Executive Administration and this Council. This is welcoming news, something that this Council has yearned for. It is an important issue for proper governance of Hong Kong.

Regrettably, no concrete steps have been mentioned to instigate this better relationship. Is this pure lip service or will there be genuine actions?

Madam President, at a recent address to the British Chamber of Commerce, the Chief Secretary remarked, "Life is not always easy for an executive-led government which does not have a single vote in the legislature to which it is accountable." Few would not agree with this sentence and I personally extend my sympathy. Worse, the present constitution is such that whilst legislators are elected and therefore carry people's mandate, they do not run the Government and therefore have no direct responsibility in governance. On the other hand, Policy Secretaries have direct responsibility and are accountable; yet they are appointees and, therefore, do not carry any mandate.

Can this be improved? The Basic Law has made provision for Honourable Members of this Council to be appointed to the Executive Council, which the Chief Executive should consult before making important policy decisions or introducing bills to this legislature. There is no reason why these Members of the Executive Council could not be given political appointments as "ministers". The beauty of this arrangement is that a better rapport between the executive authorities and the legislature will be achieved. Politicians, elected with the people's mandate, will be given a responsible role to be more accountable and civil servants can remain completely apolitical to the letter.

Such a suggestion of ministerial system is not new. I have personally called for it in the old colonial administration days, the past convenor of the Executive Council had made open support of it, and recently, political parties have come out to review such call. The Administration should seriously consider the issue.

I would now like to turn to the environment. The long coverage on environmental protection indicates the Chief Executive's determination to improve our environment. The setting up of a high level Council for Sustainable Development as well as the requirement for all bureaux to carry out sustainability impact assessment on all major new policy proposals are moves in the right direction. There are over three other areas that must be addressed.

Firstly, there is no justification for the slow pace of implementation of the procedures to improve our air quality. The diesel to liquefied petroleum gas (LPG) for taxis and public light buses process is unacceptably slow. No directions are set to control the unnecessary pollution of exhaust from awaiting vehicles with idling engines. The proposals' bullock-cart pace to tackle air pollution belies the obvious damage to public health.

Secondly, there needs to be a wider and deeper education on environmental protection and sustainable development. To many, absence of litter on the street is already that be all and end all of pollution, and worst, sustainable development to many is only an academic or governmental jargon.

Finally, a better co-ordination of all relevant government bureaux is the key word. For some 19 years, the Environmental Protection Department (EPD) has been promoting environmental protection with no breakthrough success, all

due to a lack of overall environmental policy and culture, coupled with every department running on its own steam. To wit, the EPD and the Transport Department each uses different standards in combating smoky vehicles. Indoor air pollution from secondhand smoking is the prerogative of the Health and Welfare Bureau for which the police rarely take an active role.

I would like to say a few words on the issue relating to health care in the policy address, or the lack of it. There is, Madam President, only one sentence in the address relating to this topic. I sympathize with the Chief Executive for while the relevant bureau is still analysing the responses to the Harvard Report, any new policy direction for the future would be premature.

Yet, there are many daunting areas that the Government should address or propose implementation well before a final analysis of the Harvard Report, if the Government is keen to instigate a proper health care reform for the future.

For some nine years, the Government has pledged to improve primary health care, and to promote a better private and public interface to make our health care system work even better. Yet, all we have seen so far are piecemeal improvements. So are those mentioned in the Policy Objectives from the Health and Welfare Bureau this year — a component of the policy address.

For example, it stresses that the Hospital Authority (HA) will provide some 90 training posts for Family Physicians in these two years to further develop primary health care. Yet, how far can this bring benefit when government-owned general out-patient clinics — the cradle for primary health care — are not promulgating training programmes?

In the last two policy addresses, the Chief Executive has been actively promoting Chinese medicine. Yet, now that the law on regulating and registration of Chinese medicine practitioners has been passed, the Government is still hesitant to come forward to express its views on the role Chinese medicine should play in the whole spectrum of health care and whether publicly funded Chinese medicine service will be provided.

Madam President, we all understand that Hong Kong is facing an economic downturn, and everyone, including health care professionals, have to tighten their belts. As the Chief Secretary for Administration stated in her

address to the British Chamber of Commerce, "at the same time, tightening belts must not be allowed to mean loosening or lowering of standards". And I agree with this.

Let me assure the community that the medical profession would never assume that we can insulate ourselves from the realities of the market place. We will uphold our reputation by showing that we will not allow our standard to slip. On this basis, Madam President, I can assure the public and the Administration that I speak for all the professions and their representatives in this Council.

Yet, the Government must play its part too and act fair. In the case of the HA, before even having agreed on the new future funding formula, the Government has already forced onto it a 5% productivity gain, without taking into consideration that the HA has self-imposed productivity gain in the past years with savings achieved up to some 11%. Meanwhile, the patient attendance increases many folds from year to year. It takes more than a magician to make ends meet. The result is that both the staff and the patients suffer irrespective of the conscientiousness of the dedicated staff.

Madam President, today and tomorrow, Honourable Members will express their views on the governance of Hong Kong as representatives of the community, albeit that we are elected by different methods into this Council. I would appeal to the Administration to take heed of our proposals and suggestions. We are not here to find fault but to make suggestions. Yet, if criticize we must, it is never to apportion blame. For both the Administration and this Council must have one aim — the benefit of the people of Hong Kong.

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

**Dr LEONG Che-hung moved the following motion:**

"That this Council thanks the Chief Executive for his address."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That this Council thanks the Chief Executive for his address.

**PRESIDENT** (in Cantonese): Rule 13(3) of the Rules of Procedure provides that amendments to the Motion of Thanks may be moved without notice. The House Committee has, however, agreed that advance notice of five clear days should be given for amendments to this motion. The Honourable Martin LEE has given notice to move an amendment, and Members have been informed of the amendment on 13 October. The amendment has also been printed on the Agenda.

In accordance with the Rules of Procedure, the motion and the amendment will now be debated together in a joint debate. I will first call upon Mr Martin LEE to speak and to move his amendment. Members may then debate the motion and the amendment.

**MR MARTIN LEE** (in Cantonese): Madam President, I move that Dr the Honourable LEONG Che-hung's motion be amended as set out on the Agenda.

Madam President, on 6 October, the Chief Executive announced in this Chamber his third policy address during his term of office. To this policy address, the Democratic Party can only show polite reservations as it goes to great lengths discussing environmental protection, without responding to the plight of the people at present. It says very little on upholding the rule of law and freedom in Hong Kong, while clearly negating the promotion of Hong Kong's democratization. For these reasons, the Democratic Party is very much disappointed with the policy address.

Yesterday, the Government made a sudden announcement on the transfer of Miss CHEUNG Man-yee, Director of Broadcasting, to Tokyo, sending her into exile. But there was no announcement of a formal successor. How unusual a move it was! From the relevant news clips, we could see in March 1998 XU Simin, a Hong Kong delegate to the Chinese People's Political Consultative Committee, expressed dissatisfaction about some Radio Television Hong Kong (RTHK) programmes. His criticism was that being a government broadcaster, RTHK should not be satirical towards the Chief Executive. He even suggested to the Chief Executive that he should exercise proper control of RTHK, making it an obedient mouthpiece for the Government that provides positive propaganda for government policies. At that time, the Chief Executive's response was that he would do that "slowly" and at the right time.

"Slowly" has the time come now!

The honeymoon period of the reunification is over. Now is the time when the Central Government reinforces its control over Hong Kong.

Earlier, the Government lost the legal battle over the right of abode for mainland children born to Hong Kong parents. The Chief Executive then requested the Standing Committee of the National People's Congress (NPCSC) to re-interpret the Basic Law, thereby overruling the interpretation of the Court of Final Appeal (CFA). Obviously, the Government was sending a clear message to the judges: if they do not toe the line they will have their rulings overturned by Beijing. The Government's message is meant to compel judges into compliance. When there are sensitive cases, they should rule as the Government wants them to.

I still have faith in our judges. I worry that the Chief Executive and the Secretary for Justice are not upholding the rule of law and judicial independence. They are instead acting against the rule of law. I am worried that should the Government repeatedly ask the NPCSC to overturn the interpretation of the CFA, individual judges might start to doubt whether it would be in the interest of the community to continue to uphold judicial independence. Thus they might relinquish the principle of judicial independence and act as the Government dictates so as to avoid a constitutional crisis.

Let me stress that I am not asserting that this will definitely happen, but I am just worried that it might. If it does happen, Hong Kong courts would tend to resemble those in the Mainland or Singapore, spelling the death of the rule of law in Hong Kong.

In fact, the wish of the Central Government controlling the Hong Kong Special Administrative Region (SAR) was evident even before the reunification. First, it found a yes-man to be the Chief Executive through whom it could exercise control over the executive authorities. Then it wanted a submissive legislature and so it used the Provisional Legislative Council to replace the elected Legislative Council. The Provisional Legislative Council then passed electoral laws that are neither fair nor democratic in order to entrench the Central Government's control over the Legislative Council.

Having secured control over the executive authorities and the legislature, the next step is naturally to control the courts and the news media. So, we can see that when the CFA did not toe the line, the Government sought a re-interpretation from the NPCSC; and when RTHK did not act as the Central Government wishes, but gave an opportunity to the Taiwan envoy in Hong Kong, CHENG An-kuo, to explain the two-state theory, the Government sent Director of Broadcasting CHEUNG Man-yee into exile by transferring her to Tokyo. This has facilitated the Government's assumption of better control over RTHK and sent a similar message to the successor and the senior staff of RTHK and to all senior officials in the Civil Service: one will be punished if one does not act as the Central Government wishes.

While disobedient people were punished, obedient ones are rightly rewarded. We all know that in the *Hong Kong Standard* circulation fraud case the group's chairman Sally AW Sian, a long-time friend of the Chief Executive, was not charged whereas three former senior employees were charged and convicted of conspiracy to defraud. Being good friends and the son of a good friend of the Chief Executive may also be given benefits. They may be rewarded with privileges in estate development in the Cyberport project, subject to no open tender.

It has been my conviction that if Hong Kong fails to export the spirit of the rule of law to the Mainland, sinister elements such as corruption, nepotism and cronyism will erode Hong Kong gradually. The examples cited by me are unfortunate ones which I happen to have tipped rightly.

Another mainland culture has precipitated into Hong Kong: Government officials do not base their statements on facts any more. They only say what fits the immediate interest of the Government, presenting wrong as right, bad as good. After the re-interpretation by the NPCSC, the Chief Executive, the Secretary for Justice and other senior officials have been repeatedly asserting that the SAR will continue to uphold the rule of law. Only yesterday, following the announcement on the exile of CHEUNG Man-yee to Tokyo, senior officials came out to state with no low voices that the decision had nothing to do with politics. I do not think they believed in what they were saying.

Madam President, the blueprint of the Chief Executive in governing Hong Kong is to control Hong Kong on behalf of the Central Government. A democratic political system does not fit his blueprint, and so he has resigned it to negation. But I must point out that he would be paying a high price for taking

the anti-democratic path and Hong Kong would lose its previous lustre as the Pearl of the Orient. On the economic front, Hong Kong would be following a Suharto-style capitalist modal under which only several or just one conglomerate would be "looked after" and become an oligopoly. On the legal front, the judicial independence of Hong Kong has suffered an unprecedented blow because of the re-interpretation of the Basic Law. Regarding human rights and freedom, the freedom of the press is confronted by new threats and the freedoms of assembly and procession are subject to many restrictions. The Government's philosophy in governance he also changed, changing into ruling by a "small government" formed by one or more trusted followers in the business circle as opposed to the positive non-intervention policy in the past.

So, the Democratic Party stresses that what Hong Kong needs is a democratic political system. In the parliamentary set-up, there should be a Legislative Council and district organizations returned by universal suffrage, including a municipal council with executive powers and district councils of a consultative nature. In the Government, the Chief Executive should be returned by direct elections. In this way, Hong Kong will have a government elected by Hong Kong people, being accountable to the voters constitutionally. Then it would not and dare not detach itself from the people. With all parliamentary representatives elected by the people, the Government of Hong Kong will be under supervision. At the district level, there would be another group of representatives taking part in the management of district affairs. These are the prerequisites of a world-class modern cosmopolitan city.

In the policy address, the Chief Executive focuses his attention on positioning Hong Kong in the long term, with a view to building Hong Kong into a world-class city like New York and London. I believe several thousand mayors in the world would like their cities to become cosmopolitan cities comparable to New York and London. But both cities have their own historical factors and background. Their state of achievement today cannot be the result purely of the subjective wish of their respective mayors 10 or 20 years ago.

In addition, Premier ZHU Rongji said he would want Shanghai to develop into the New York of the Motherland and Hong Kong, Toronto. With such subjective factors, how should Hong Kong position itself? The Chief Executive needs to think this over again.

Madam President, I wish to point out that New York is where the cream of the world banking industry converge, whereas London is the capital of England. Historical factors have made them cosmopolitan cities. Hong Kong's old incarnation as a British colony has made it immune to the influence of political movements on the Mainland such as the movement against the three evils and the movement against the five evils and the Cultural Revolution. It is also an important window of our motherland in foreign trade.

But after the return of sovereignty to China, Hong Kong has lost these special conditions. For these special conditions to reappear, it is imperative that the Motherland is determined not to interfere with Hong Kong affairs, not to allow the mainland political climate to affect Hong Kong, including the rule of man, and the mainland measures of suppressing the rights and freedom of the people.

Some may say Hong Kong is still vibrant and full of vigour despite the fact that it has not completed the democraticization after more than a hundred years of British colonial rule. Despite the incomplete democratic process, Hong Kong has been vibrant. True, Hong Kong never has a tree of democracy but it has been enjoying the fruits of democracy, including freedom, the rule of law, and principles of fair competition. That was because the British parliament and government was formed by "one-person, one-vote" elections and they therefore needed to foster a democratic political system that conforms to the world trend, particularly during the last few years of colonial rule.

If there were a tree of democracy in the Mainland, the fruits in Hong Kong can still continue to grow. Otherwise, like fruits taken from their trees and placed on the plate, they will rot after some time. At present, the Central Government of the Motherland is not democratically elected. The tree of democracy is not there. We need to plant our own tree of democracy in Hong Kong so that our fruits of democracy can continue to grow.

Madam President, we must hold fast to our position. We must strive to preserve the "high degree of autonomy". We must work hard to maintain what we already have: our common law system, freedom and accommodating political environment. We must not just act at the beck and call of the Central Government. If Hong Kong loses its "high degree of autonomy", it will also lose "one country, two systems". It will lose its own vitality. Hong Kong must preserve what it had: freedom, including freedom of speech, economic freedom, fair rules of competition, further democraticization and an independent

common law system. All these are the fundamentals through which Hong Kong attracts talents and investments. With these fundamentals, we would not then be jeered at when we say we wish to be like New York and London.

In his blueprint of administration, the Chief Executive espoused an abolition of the two Municipal Council which is not provided for in the Basic Law. He has proposed to restore the appointment system for the district councils. What he does is against the rule of law. He requested the NPCSC to re-interpret the Basic Law to overrule the decision of the CFA, and he likes to recruit people close to him, paying no respect to democracy, freedom and the rule of law. When the people were worrying even about their daily meals, he said he would send them mooncakes past their expiry dates. He is disappointing.

At the moment, the Hong Kong economy has not picked up. Small and medium enterprises are facing a difficult time. Over 200 000 people are still unemployed and many are underemployed or nearly jobless. The SAR should not just sit back. The Chief Executive is duty-bound to respond to the position in his annual policy address. He should propose remedies. When what the people need are meals and warmth, he gets carried away with the brave new world for the next generations. This kind of policy focussing on the future can hardly help people with urgent needs. This is a manifestation of the problems of having a businessman to rule Hong Kong. More often than not, the predicament of the people is neglected and policy objectives fall short of what the people's need

Madam President, when I was a boy my teacher told me a story. Briefly, it was about a king in the feudal times. When his court advisers told him the people had no rice to eat, the king asked why they did not eat congee with minced pork. The story meant to tell us the king living in his palace would never understand the hardships of the people, very much like our Chief Executive today.

Hence, on behalf of the Democratic Party, I move the amendment under my name, to express our very deep resentments and regrets for the policy address which takes no heed of the people's livelihood, lacks specific measures to stimulate the economy and solve the unemployment problem and does not have any proposals to promote democratization.

**Mr Martin LEE moved the following amendment: (Translation)**

"To add ", but since the policy address takes no heed of people's livelihood, lacks specific measures to stimulate the economy and solve the unemployment problem, and does not have any proposals to promote democratization, this Council is very resentful and expresses deep regret" after "That this Council thanks the Chief Executive for his address"."

**PRESIDENT** (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Mr Martin LEE to Dr LEONG Che-hung's motion, be passed.

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

**MR JASPER TSANG** (in Cantonese): Madam President, during the past year, the SAR Government has employed some special measures to relieve the hardships of the people and stimulate the economy. These measures include a tax rebate, lowering of rates, a moratorium on various government charges, and so on. They serve as an immediate relief. But there is no quick cure for the economy. Some policies or measures may be effective but it takes some time for their effect to show.

When the Chief Executive issued his third policy address, the negative economic growth had ceased, but the economy is picking up only slowly. The unemployment rate is still high. The difficulty faced by small and medium enterprises (SMEs) is not yet over. The people do not know when their livelihood will be improved. So, they all expect the policy address to bring some good news. But it falls short of living up to the expectations of the public regarding the economy and their livelihood. This is rather disappointing.

Certainly, we cannot expect the Government to come up with new measures year after year to stimulate the economy. In particular, when we have a large deficit, there is obviously little room for manipulation. But the policy address should offer an account on the effectiveness and deficiencies of

various policies and measures implemented. In the last policy address, there was a series of directional policies, such as enhancing support for technological development, promoting the economy through innovation and technology, promoting the broadcasting and telecommunications industry, the film industry, Chinese medicine, tourism and the manufacturing industry. Have these ambitious plans been smoothly proceeded with? When can we expect to see some results? The Government should conduct a review when the time is ripe.

This year's policy address has little discussion about the economy. In addition, it gives people the feeling it has insufficient concern for those living in difficult conditions. While no one would think the Government can provide an immediate solution to unemployment, what causes people the greatest concern remains improvements to their livelihood. Naturally, the policy address becomes disappointing when its focus is on the future, not the present. This arouses discontents across the community and affects people's interests in, and hence the support for, the long-term plans outlined by the Government.

The policy address went to great lengths to discuss environmental protection and education. These are two important issues relating to the long-term development of the community. A government with foresight should give due attention to them. While public views on the effectiveness and adequacy of the measures may differ, we think the Government is correct in focusing on the two issues.

Madam President, Hong Kong has been lagging far behind others in environmental protection. As the Government finally gets to grips with the problem, we find ourselves overwhelmed by the amount of work that needs to be done. In launching environmental protection projects, we should prioritize in the light of the resources available. We should learn from the most advanced concepts, technology and experience from other parts of the world. In this connection, we do not think the policy address is good enough because it has not mentioned, for example, any measures to assist the environmental protection industries or the recycling trade.

The policy address suggests spending over \$10 billion in the next 10 years on building advanced incinerators to reduce the size of waste disposed and extend the life of landfills. But it has not mentioned the recycling business which is also a waste-reducing arm. With minimal government support, the recycling industry has developed from scratch. It helps reduce the amount of waste disposed at landfills and provides a source of income for the underprivileged. With the economic downturn in recent years, the recycling industry has not been spared in the fallout. Without any support from the Government, it is on the verge of extinction. Is it wise for the Government to spend \$10 billion to build incinerators but refrain from giving assistance to the recycling industry?

When we talk about "quality home", we must not lose sight of the numerous old, run-down areas. Hong Kong has thousands of dilapidated buildings in want of maintenance and renovation. Massive urban renewal is the only solution in improving the environment of the urban areas. The policy address talks at some length about policies and plans on urban renewal and puts forward some specific ideas, showing that the Government has finally come to realize the importance of urban renewal. This positive attitude merits our recognition.

The Democratic Alliance for the Betterment of Hong Kong (DAB) has always maintained that the Government is duty-bound to carry out urban renewal and improve the urban environment. It cannot just say that the matter must be dealt with on commercial principles. In fact, since the inception of the Land Development Corporation, almost all profitable renewal projects have been completed. As the property market has seen its best days, it would be difficult for the Urban Renewal Authority (URA), to be established, to break-even or even operate at a profit. The DAB has suggested at an early stage that the Government must see to it that there is sufficient fund for the operation of the URA, and it should undertake to inject fund into the URA. Regrettably, in the policy address, the Government only says it will waive land premia and provide loans where necessary for renewal projects. We are worried that once the URA runs out of funds, some urgent but not profit-making projects will have to be shelved indefinitely, thereby hampering the improvement effort. The DAB reiterates that urban renewal should be regarded as a public service. It should not be proceeded with on purely commercial principles.

As regards tenants affected by renewal, the DAB proposes that the Hong Kong Housing Authority (HA) should assist in providing units for local rehousing as far as possible. To avoid lengthening the waiting time for households on the waiting list, the Government should provide extra land to the HA as compensation. A careful review should be conducted on land resumption procedures and compensation made to property owners so that resistance is minimized, the interest of owners is protected and the purpose of improvement to the environment is achieved.

In the policy address, the Chief Executive indicates that to cope with a knowledge-based economy, education reform is a must. The Education Commission is carrying out a comprehensive review on the education system and indicates it will push ahead some fundamental reforms. Perhaps because public consultation is ongoing, the policy address has not intimated on the specifics and not many encouraging messages can be found. Instead we can see how far behind the times our education is.

I think both "software" and "hardware" are required in education reform. If school management and teacher qualities are the "software", then physical equipment at schools is the "hardware". The development of educational hardware, like its software counterpart, lags far behind the times. A common secondary or primary school is not much different from what it looked like 30 years ago, except that it now has a dozen or so computers. When the Government conducts a comprehensive review on the software, it should also take complementary actions to improve the hardware. As a start, we suggest that the Government work on improving the school environment for both teachers and students. For example, it can provide air-conditioning for classrooms, as a gift for the millennium.

Madam President, this year's policy address contains more than expected. It contains responses to some criticisms and questions directed against the SAR Government in the last two years. Questions as these have been answered: First, is the Government attempting too much, too quickly with the reforms? Secondly, has the Government changed its tradition of fiscal prudence and principle of positive non-intervention in the economy? Thirdly, what is the stance of the Chief Executive himself towards democracy and the rule of law in Hong Kong?

Regarding the scope and speed of reforms, the SAR Government listed a series of guidelines. Phrases used are: "give careful consideration to the issues in question, prioritize the reforms, and carry out extensive public consultation" and "step by step". We think these are correct guidelines. The question is: Are all reforms carried out since the inception of the SAR Government consistent with these guidelines?

If some reforms give people the feeling they have deviated from the guidelines, for instance, if people think there is insufficient consultation, or the impact is beyond the limits, that may mean a wrong judgment of the sentiments of the community on the reformer's part. Or at least there is a communication problem between the Government and the people. The Government should then conduct a careful review.

As regards the role that should be played by the Government in the economy, the Chief Executive in his policy address stressed that the Government has carried on with the tradition of fiscal prudence and small government. The SAR Government indicated it has not changed its conviction in a system of free economy that is market-oriented and guided by fair competition and it has not nullified the various systems that have proved effective. We need to point out that the Government must show that that is the case with its performance. It should not just allow these words to become empty slogans.

On the other hand, being confronted with an ever-changing and highly competitive environment which requires prompt responses, the Government must not let principles of fiscal prudence and small government become dogmas that hinder our progress and reforms. We will find governments of other countries and regions in Asia, including our major competitors, play different roles in their economy. For example, in Taiwan and Singapore, their governments played a very important role in the development of high-technology enterprises. What does the SAR Government think of such directional participation? Questions that arouse concern these days, such as the Cyberport, Disney theme park and the privatization of the Mass Transit Railway Corporation, cannot be dealt with using a simple formula. As the Government copes with the changes and works hard to improve, it becomes particularly important and difficult for it to stick to the principles.

Mr TUNG Chee-hwa never hides his stance towards political development. This time around, Mr TUNG stated clearly the relevant development will take place at the pace stipulated in the Basic Law. He said he hopes that "by 2007, a mature view will have emerged in the community on the development of the political structure which will help us to decide on the strategy and the steps needed for its further development."

Madam President, "a mature view" does not come out of the blue. Even if we stick to the pace prescribed by the Basic Law, we cannot wait till 2007 to discuss future developments. It has been nearly 10 years since the Basic Law was promulgated. Over these 10 years, we have had a lot of experience in participation in politics in Hong Kong. From practice we have found answers to many important questions during the drafting stage. We should be prepared now to have an in-depth review of our political system and to arrive at a consensus in the community on our way forward. Next year marks the 10th anniversary of the promulgation of the Basic Law. I believe a retrospection and a review would be a meaningful activity to mark the occasion.

Madam President, Mr Martin LEE from the Democratic Party has moved an amendment to add a phrase to the motion, expressing regret because "the policy address takes no heed of people's livelihood, lacks specific measures to stimulate the economy and solve the unemployment problem and does not have any proposals to promote democratization." Let us just focus on these two issues. Does it mean that the Democratic Party is not satisfied with the policy address on just these two points? I found it strange that Mr Martin LEE made many harsh criticisms against the Chief Executive and officials of the SAR Government in his speech but he has not included them in his amendment. Why? Then I also hear Members from the Democratic Party frequently say they are not there to oppose whatever Mr TUNG proposes, but will endorse what is right and criticize what is wrong. Why then is there nothing in the amendment endorsing what is right? Do they think the policy address has nothing worthy of endorsement? How about the part on environmental protection and education?

Certainly, we reckon that Members from the Democratic Party will have many comments to make on the SAR Government and the policy address in these two afternoons of debate. Surely they will state their points clearly. This is exactly why we have this motion debate, which gives everyone a chance to tell the Chief Executive and government officials their opinions on the policy address.

If the original motion is passed, it does not mean this Council accepts whatever is said in the policy address; if it is not, it does not mean the entire policy address is voted down either. Hence, we think the amendment is superfluous.

Madam President, the DAB supports the Motion of Thanks and opposes Mr LEE's amendment.

**MR JAMES TIEN:** Madam President, the Liberal Party has the vision of "building Hong Kong into a leading international city, a just and open society, pluralistic, harmonious, prosperous, full of opportunities with people enjoying an ever improving quality of life." That is basically what the Chief Executive is also striving for as laid out in his latest policy address.

While the Chief Executive and we agree in substance on most issues, we differ from him in detail and degree, as I am about to demonstrate. Hong Kong has over the past couple of years dealt with two sets of momentous developments: end of the colonial rule and effects of the Asian financial crisis.

On the first issue — the return of Hong Kong to China — everything has gone smoothly. Our freedom to protest, strike, and express different opinions have been preserved. The rule of law is also intact, even though there are controversies over the handling of the right of abode issue.

On the second issue, the Government was correct to intervene in the stock market promptly and also give tax breaks in the last Budget. But, beyond those measures, it has not always prescribed the right medicine. We continue to have an overstaffed, sometimes overpaid and quite often wasteful, Civil Service. Hong Kong workers' wages in US dollar terms still remain high. We are still too dependent on stock market and property speculation.

The Chief Executive understates in saying that our interest rate is high at 8.5%. After we have factored in deflation of 6%, our real interest rate is actually over 14%. This is way too high to stimulate investment, home purchases and general consumer spending. If we were serious about reviving the economy, we would have to lower the prime rate considerably, which is not about to happen.

The Administration, nonetheless, deserves credit for continuing to help small and medium enterprises. The joint government-and-bank \$2.5 billion Special Finance Scheme has helped 5 000 companies. I support the Government in doubling the money guaranteed for the Scheme to \$5 billion and trying to persuade banks to make loans based on prospects rather than real assets.

However, we are not too impressed with the other prong of government economic strategy, that is, human resources development. We have been told to show faith and patience with various training programmes. So far, the Employees Retraining Board has been successful in quantity rather than quality. The Board has retrained 70 000 people in the last year. Yet nearly all the retrained are only qualified for menial or marginal occupations such as, as quoted in the policy address, security guards, technology assistants, domestic helpers and so on. This scenario is not what we have in mind because retraining is not a means only for filling vacancies in a few sectors, but also a way for elevating the skills of our unemployed.

The answer to unemployment lies in part in a knowledge-based economy. The key is education. The Government spends more than \$50 billion a year on education alone but the results are unsatisfactory. Today, our education system is discredited, producing graduates up to the university level who are not prepared for jobs in the knowledge-based economy. The time has come to overhaul the system and we support the Education Commission's recommendations in that endeavour.

The Government has done a lot more these days on promoting innovation and technology after years of neglect. The seed money — \$5 billion for the Innovation and Technology Fund and \$2 billion for the Applied Science and Technology Research Centre — is welcomed, and so is the Cyberport Project.

Madam President, the Liberal Party shares the view of the Chief Executive that in the present and future, we face three most serious challenges. They are the globalization of the world economy, rapid development on the Mainland and economic restructuring in Hong Kong. Should we prevail, we could become the London and New York of Asia.

The Chief Executive rightly assesses the strengths of London and New York on their depths of talent, culture, technology and education. But the Chief Executive has overlooked one advantage that London and New York have which

we do not have, that is, an extensive home market free from tariffs and other restrictions.

London not only has Britain but also the European Union as its free market. New York has not only the United States, but also Canada and Mexico through the North American Free Trade Agreement. Under "one country, two systems", Hong Kong supposedly has China as its home market but this is not so, despite our wishful thinking.

Today, the Mainland continues to regard Hong Kong as foreign in regard to trade and investment. Our investors and manufacturers are subject to the same duties and restrictions on exports levied on those from any other country. Those of us investing on the Mainland must pay a premium over mainland companies. Even if China were to accede to the World Trade Organization, things will not change for us. The reality is that the Mainland remains as a foreign market to Hong Kong.

Our Government should stop being fooled by its own rhetoric of Hong Kong benefiting from our hinterland, the Chinese market. I urge the Government to negotiate with the Central Government to foster the "one country" aspect of "one country, two systems". The policy address proclaims that under "one country, two systems", Hong Kong and China should be able to "explore ways to allow the free flow and pooling of manpower, goods, capital and other resources in response to economic forces". We agree and want it to happen as soon as possible. I also urge the Government not to use the excuse that Hong Kong is "an independent customs territory" and do nothing. Canada, the United States and Mexico are all independent territories and yet, they have a free market among them.

Madam President, now I will talk about language education. Ever since the Government adopted the mother-tongue curriculum, it has also tried to arrest the decline of English. We now have at least one English native speaker as teacher at every secondary school. What the Chief Executive has not spelt out is that more than ever, we must use English consistently and fluently. In the past under colonial rule, we faced no question about our cosmopolitan credential. These days, we are constantly being questioned about this. In using English more, we can dispel this doubt and we can also communicate better with our multinational clients.

Hong Kong has in the past been a tolerant and diverse society because we are confident about our own abilities. By nurturing local talent and embracing foreign experts, we have created a lively community. But sadly, in recent years, we seem to be losing our sense of hospitality because we are losing our sense of confidence.

This is reflected in the hostility of some political parties towards the admission of people from outside and also the Mainland. They say foreigners and our mainland compatriots compete against us for jobs. The Liberal Party believes that by welcoming talent and investment, whatever the source, we would further the cultural mix in Hong Kong, create jobs and enrich the experiences of our people. For us to be London and New York of Asia, we have to be more cosmopolitan than ever. I have confidence that our people can compete against others and also improve themselves from the competition.

Madam President, few issues concern us more than the environment. All responsible businessmen believe that pollution is not only unhealthy but it also reduces our competitiveness. Beyond the businesses that we do, we are also parents and citizens.

For 10 years now, the Government has had a green policy. Much has been achieved to protect the environment. But more is still left undone. The time for doing it is slipping away. We are glad that the Chief Executive shares our conviction. But I am concerned that he does not share our sense of urgency.

Our Government has set a target for reducing emission by 60% at the end of 2003 and 80% at 2005. The projected rate of progress is not to make our air totally clean as much as it is to make us no worse off than London and New York. We should aim higher and go faster on environmental protection.

Public transport is to face the brunt of the most stringent air pollution control measures. But the strategy is not ambitious enough. Our Government wants to ban all diesel taxis by 2006 and offer grants to encourage conversion to the use of liquefied petroleum gas (LPG). We would like to see diesel taxis being banned by 2004. I support increasing the grant from the projected \$1.5 billion to whatever is necessary to make it happen. The amount invested

in conversion is small change compared with the \$32 billion that our Government is to spend on public health care in the current budget. We stand to save more than we could ever put into conversion by the reduction in health care costs and through increased productivity through fewer sick leaves given to employees.

We should also cut the double standard. We cannot be tough on 18 000 taxis and easy on 6 000 minibuses just because their operators are more militant. I disagree with the clumsy six-month conversion pilot scheme and interim measures to make minibuses conform to air pollution standards. We should offer the minibus owners interest free loans, tax deductions and other incentives to help them convert to LPG just like taxis.

We are also against the Government exempting the 70 000 diesel light vehicles from prompt LPG conversion. Most of these diesel vans belong to businesses. However, most of their primary businesses will not be seriously affected by the small added costs of conversion. The Hong Kong General Chamber of Commerce that I represent in this Council shares this view.

The Liberal Party is for the carrot-and-stick approach to pollution control. Carrot in the form of incentives and stick in the form of reasonable fines. We back up the Government in seeking to levy a \$1,000 fixed penalty on smoky vehicles. We also urge it to check for violations more effectively and comprehensively than it does today.

Now, on water pollution. The Chief Executive has reassured us that the water from Dongjiang is safe. He says that there are plans to take the water from higher upstream to avoid downstream contamination. This is good news from that end, but no consolation to consumers. We still get dirty water from the taps. The reason is that Hong Kong has too many rusty ducts. The Government, last week, said that it had plans to replace the ducts over the next 20 years. We would like the programme to be speeded up since 20 years are too long a time for exposing our citizens to pollution.

The Chief Executive dwells on the problem of convincing people to accept the "polluter pays" principle. We think that it is right for the Government to pay for infrastructure to protect the environment. In the long haul, people must reconcile themselves to the "polluter pays" principle. We cannot continue letting the Government or the citizens pick up the full tab for polluters. The

Liberal Party recommends that the Government pays 30% and the users, 70%. This would ensure that the Government scrutinizes the cleanup expenses more carefully, unlike in the past when it spent somewhat wastefully. We also urge the Government to privatize as many of the environmental programmes as possible through fair bidding to control expense and provide a more efficient service.

Madam President, we want the Government to act decisively on the environment and the economy. The Chief Executive says rightly, "we have to translate our words into action immediately". The old habit of bureaucratic procrastination is a drag on these fast-changing times.

Madam President, the Liberal Party will also vote against the amendment. As we said last year in this Council, protocol requires that we move this motion just as it is worded. Colleagues who object to or wish to criticize the policy address may do so by speaking their minds and voting against the motion. With these remarks, the Liberal Party endorses the Motion of Thanks for the policy address, whose aspirations we share.

**DR DAVID LI:** Madam President, with one exception, which I will leave until last, I was heartened by the comments of our Chief Executive in this Council two weeks ago.

I was heartened to hear him spell out the fact that the Hong Kong economy must undergo continued adjustment. And I was heartened to hear him stress that the Government will restrict its economic endeavours to the development of infrastructure.

I note that he did not say that the Government could engineer economic recovery. He did not say that the Government would miraculously create jobs. And he did not suggest that the Government should encourage particular types of business. I take this as a reaffirmation of the *laissez-faire* principle, and the Finance Functional Constituency and I strongly welcome it. As the dust settles from the Asian crisis, it is an appropriate time to make this principle crystal clear.

Of course, the private sector needs the Government to maintain an environment in which it can create wealth. And I strongly welcome the three particular aims: reduce pollution, reform education and clear our slums. However, my response has to be: not fast enough, not fast enough, and definitely, not fast enough. I congratulate our Chief Executive for emphasizing these areas. But I do question the Government's sense of urgency.

Members of the Finance Functional Constituency have made it especially clear that they want much faster action on air pollution. Tackling air pollution is not about making Hong Kong look nice. It is not about making the air smell sweet. It is a health issue.

When we were threatened by the chicken flu, the Government did not consult the chickens about the best way forward. It did not announce a six-year timescale. It tackled the problem decisively. In doing so, it encountered additional challenges. But the Government tackled those as well.

Why can we not have the same determination this time? What can be more important than the well-being of all the people of Hong Kong? The Government must put health ahead of the short-term interests of particular groups. Perhaps it would help if this whole issue was put into the hands of a Commissioner, with the power to set more ambitious timescales.

A second area of concern for us in the Finance Functional Constituency is the education system. The banking industry is becoming more competitive, more technology-driven and more marketing-driven. We need up-to-date skills and new aptitudes in our workforce. And I believe that this applies to the whole of our economy.

The Government deserves the recognition for its efforts to improve education. We are getting more professional management practices in our schools. We are getting better quality classrooms and facilities. We are getting better trained teachers.

I would like us to take a closer look at how the Netherlands, Switzerland and, especially, Singapore, develop superior language skills. And I would like to see us pursue bolder, more radical and experimental ideas. For example, can we not give parents more say over the running of some schools? Can we not experiment with school vouchers or other schemes to use market forces to

improve choice and quality? Can we not encourage a greater degree of specialization, to help children whose strengths may lie in the art or sport? Can we not develop systems to pay more to teachers and principals who tackle the toughest jobs in the most challenging schools?

I am particularly concerned about the children who are not gifted academic achievers. I believe that our system often fails them. There would be little to lose by trying more radical approaches.

Exactly the same can be said about a third area in which I believe that we can and should move much faster — urban redevelopment.

To speed up site acquisition, the Government is proposing to waive the land premium in certain older areas. The reason for this is simple. The land premium system holds up redevelopment. It, therefore, prevents Hong Kong from using its scarcest resource — land — efficiently. Would it not make more sense for the Government to be more flexible about the land premium in more areas?

If there is one feature of New York and London that we can live without, it is rundown inner-city areas. There are many locations in our urban areas that could usefully be redeveloped. And there is no reason to wait several decades before dealing with them.

Of course, waiving land premiums will reduce government revenue. So much the better. It would not be a bad thing for the Government to find more diverse sources of income. Perhaps, it could learn to make do with less.

To sum up, Madam President, my response to this policy address is: "good — but let us speed it up". We are going in the right direction — but at this speed, we will never get there. Obviously, faster action means greater challenges for our Administration. I have total confidence in our Government and in the Civil Service under the very able leadership of our Chief Secretary for Administration. They are second to none, and I know that they can rise to the occasion.

Before I finish, Madam President, I must take issue with a particular remark in the policy address concerning the banking industry.

Our Chief Executive claimed that small and medium-sized companies could be helped if banks moved away from collateral-based lending and lend on the basis of companies' prospects. This is debatable, to put it mildly. And it has produced a strong reaction among a great many members of the Finance Functional Constituency.

Firstly, if the Administration is asking banks to take greater risks, I must say that we cannot, and we will not. We have just seen a two-year financial crisis because some bankers in Asia did not concentrate on risk management and prudence.

Secondly, lending on the basis of companies' prospects requires high quality information from those companies — good balance sheets, cash flow projections and business plans. Unfortunately, in recent years, banks in Hong Kong have suffered because of inadequate standards of the borrowers' accounting, auditing and corporate governance. If these were improved, bankers would be better able to make decisions on non-collateral-based lending.

Thirdly, lending on the basis of companies' prospects is most appropriate for high-margin, high value-added businesses. These are still not typical in the Hong Kong economy. For companies in lower value-added activities, asset-based lending is probably a more affordable method of funding.

Banks do want to lend to creditworthy small and medium-sized companies. They are the heart of our commercial customer base — and the heart of the Hong Kong economy. I understand that the Hong Kong Monetary Authority is considering the idea of a central credit information bureau for this sector. The banking industry would fully support this idea, which I believe would greatly assist the small and medium enterprises.

With that one reservation, and strong reservation, Madam President, I am most pleased to endorse the content of our Chief Executive's policy address. The Administration has the right priorities. All it needs to do is to tighten up the timescales substantially.

I am delighted to support the motion.

**MR TIMOTHY FOK** (in Cantonese): Madam President, in his third policy address after taking office, that is, the policy address that straddles the new millennium, the Chief Executive has offered a clear positioning of Hong Kong in the 21st century and outlined the blueprint for Hong Kong in entering the new millennium. He pointed out clearly that with the unique advantage of our ties with the Mainland and the trend of globalization of the world economy, we should develop Hong Kong into not only a major Chinese city, but also the premier cosmopolitan city in Asia. This is far-sighted and visionary indeed.

Some comments have accused the latest policy address of neglecting the development of democracy and dwelling on far away issues to paint a rosy picture of the future, that is, the lengthy discussions on environmental protection and education, without providing any solutions to the immediate problems. Such comments are in fact extremely short-sighted and one-sized.

Actually, after the pounding by the Asian financial turmoil, Hong Kong's vitality was greatly sapped. The first signs of recovery did not appear until the middle of this year. Since then, the situation has taken a turn for the better and stabilized. One might say that Hong Kong is now like a patient recovering from a serious illness. What it needs now is to slowly regain its strength rather than a rushed treatment with tonics. More haste, less speed is a truth that applies to everything. Therefore, it is proper and commendable that the Chief Executive has made plans for the future long-term development of Hong Kong with a view to positioning it for the 21st century.

Indeed, "enhancing people's quality of life" has always been the goal of my work. It is consistent with the concept of "quality people, quality home" advanced by the Chief Executive. Thus, I wholly support the concept of the Chief Executive's policy address.

Nevertheless, in terms of the content, there are undoubtedly areas that are open to discussion. In delivering his policy address, the Chief Executive spent 35 minutes on the environmental protection front, but only 35 seconds on the development of sports. It is unequal indeed. I hope that the difference in the time spent is not an index of importance attached by the Government to individual issues.

I have to point out clearly that sports, culture and the arts are not just recreational activities and pastimes for the people. More importantly, they help to achieve social cohesion, enhance the spiritual life of the people, improve their quality of life as well as enrich community life. That is why people have always laid so much emphasis on sports, culture and the arts, which have become an important index for measuring the civilization of a society. One can say that sports, culture and the arts are not only the cornerstones of the prosperity of a society, but also a part of the growing up process of the individual and of social life. They are as important as education and environmental protection and their influence is far-reaching.

As Hong Kong is to be developed into a cosmopolitan city in the Chief Executive's vision, sports, culture and the arts are all the more indispensable. All the great metropolises of the world are centres of politics, economic activities, sports, culture and the arts in one. Therefore, in realizing the blueprint for the development of Hong Kong in the new millennium, this gap must be quickly filled.

As for the policy measures, building new multi-purpose venues, organizing international sporting, cultural and arts events, formulating a comprehensive sports and culture policy, allocating the resources properly as well as providing training are all pressing tasks. However, none of this is mentioned in this policy address. I hope that the Administration will work harder in these areas.

Of course, the simplest way is to bid for the right to host the Asian Games. If no targets are set, all aspirations will remain idle dreams of little real meaning. For the sports sector and society, the standards of courts and facilities and economic gains are merely side issues for the bid. The key lies in whether or not we have the confidence and determination. Where there is a will, there is a way. Failing the determination, all efforts will come to no avail in ten years. I hope that the Government will be equally far-sighted in considering this matter. It should venture the first step and not be held back by some immediate issues. If one is afraid to take the first step, there will never be a real start.

With these remarks, I support the original motion.

**MR LEE KAI-MING** (in Cantonese): Madam President, "Quality People, Quality Home" is the theme of Mr TUNG Chee-hwa's third policy address delivered during his term of office. After going through the overall measures, it seems to me that "the quality people are to be imported, while the quality home is beyond our grasp". The Hong Kong economy has yet to turn the corner. The unemployment rate remains high. Employees are earning less and suffering hardships. However, the policy address has not proposed any measures to inject additional resources to stimulate economic recovery and create employment. It has said little about how to improve the employees' livelihood and there are no measures to relieve the hardship of the people. This is disappointing indeed.

The policy address is confident about the prospects of the Hong Kong economy, saying that "the most trying times are behind us and that our economy will continue to pick up." However, the policy address has not come up with any viable solutions to deal with the highest unemployment rate in 20 years, the continuing retrenchments, the wave of wage cuts and the increasing hardship of the grass roots. Instead, it declares that they should rely on the safety net of social security assistance and enrol in training and retraining courses. It prides itself on the creation of 46 000 jobs through the large scale infrastructural projects over the next 15 months and on launching the Youth Pre-employment Training Programme. The Chief Executive may have overlooked the grim reality. Due to the ageing population and the serious unemployment problem, there is now great controversy about the social welfare policy. The continuing increase in expenditure and the drastic rise in the expenditure on Comprehensive Social Security Assistance (CSSA) have created a heavy burden for the community. The training and retraining institutes are short of resources, resulting in long waiting time for retraining courses. If we do not emphasize the importance of social welfare and training institutes and put in more resources according to society's needs, the policy address' talk of a knowledge-based society, promoting employment and providing a last safety net for the people in will just be idle talk. The new jobs created by the infrastructural projects are nothing but a drop in the bucket for the over 200 000 unemployed, while the Youth Pre-employment Training Programme will merely put off the youth unemployment problem for six months.

If the Government recognizes that Hong Kong is entering a phase of major economic restructuring and facing three momentous changes in the new era, it should adjust its policy and allocate resources to deal with the new economic restructuring. Measures should be adopted to promote continuing education, especially in financing the retraining of working employees and the annual new arrivals. Conditions should be created for life-long learning so as to enhance their competitiveness in order to adapt to the new changes. As Hong Kong lacks natural resources, we can only stand our ground in the face of fierce competition as a result of globalization by upgrading our talents and by relying on enterprising and innovative talents.

Madam President, with regard to the question of Hong Kong's positioning, the policy address has set the target for Hong Kong to become the most cosmopolitan city in Asia and a world-class city comparable to London and New York. To achieve this, Hong Kong will form an integrated regional economy with Guangdong Province, including the 50 000 sq km region encompassing the Pearl River Delta, Shenzhen, Zhuhai and Macau. Regrettably, the address is short of a detailed and concrete plan. As we all know, this region is rapidly developing its economic activities and competing with Hong Kong in the areas of high technology, trade and new industries such as Chinese medicine. While two different systems running under the concept of "one country, two systems", forming a regional economy through integration and division of labour is easier said than done. The charging of a land departure tax and cross-boundary traffic also create obstacles and are far from being compatible with the concept of an integrated economy. Without close co-operation and co-ordination, the "free flow and pooling of ..... resources in response to economic forces" will be hard to achieved. In the absence of a regional economy in the hinterland, how can we become a world-class city?

The policy address paints a rosy picture for Hong Kong. With the waterfront promenades to be built, people can stay away from the hubbub of city life, stroll along the promenades and enjoy the beautiful scenery and refreshing sea breezes. The series of environmental protection measures has been well received by the people and won their praise. In the name of environmental protection, enforcement action will be stepped up against smoky vehicles and a bill will be introduced later this month to increase the penalty to \$1,000. However, the measures for converting diesel vehicles to LPG vehicles, providing subsidies for the installation of particulate traps and the fitting of

catalytic converters mentioned in the policy address will only be implemented by 2001 at the earliest. In that case, why increase the penalty later this month and cause trouble to the vehicle owners and professional drivers who are unable to reduce emissions in the short term?

Madam President, with regard to the civil service reform, after one year of consultation and discussion, the Government has adhered to the principle of "introducing reforms while maintaining stability", endeavouring to "make reasonable arrangements for serving staff" and "avoid staff redundancies as far as possible". It will "concentrate on the scheme for private sector involvement in the estate management work of the Housing Department" and "ensure that the legitimate rights of serving civil servants are protected". This is gratifying. However, the front-line workers at the lower level still have many worries. We do encounter cases where "policies made at the higher level are off set by counter-measures devised at the lower level". Although the officials concerned have repeatedly said that front-line workers will not be victimized by the Enhanced Productivity Programme (EPP), reduction of allowances and benefits and retrenchments have again and again been made at the basic ranks. I hope that officials at all levels will really honour the promise made in the policy address in future. While trying to achieve the reform targets of improving service and enhancing efficiency, they must not abuse their power to oppress the basic rank staff, which will lead to the loss of morale in the Civil Service.

As we approach the 21st century, I hope that the Chief Executive and government officials will make fewer mistakes, pay more attention to people's livelihood and heed public opinion, so that we will enter the new millennium with one heart and one mind.

I so submit. Thank you, Madam President.

**MISS CHRISTINE LOH:** Madam President, I note the result of a survey by the Hong Kong Policy Research Institute carried out immediately after the Chief Executive's policy address that the public had no reaction to it. Even though the address had many good initiatives, somehow, they were unable to carry the address as a whole. As such, the exercise was not a political success. Perhaps the Chief Executive and those who helped him draft the text can review where they went wrong. I would like to offer a few observations.

The Chief Executive's big vision is for Hong Kong to be "a world-class city". Yet, he failed to hang his address on this main theme, and to make it inspirational and exciting to our intellect. He merely reminded us of what he said a year ago that Hong Kong should become the most cosmopolitan city in Asia comparable to New York and London. He praised New York and London for their "great depth of talents in culture, technology and education," and their vibrancy and strength as "economies".

The Chief Executive's emphasis is mainly, therefore, economic. He did not highlight that New York and London are also centres of national and international debate about everything from finance to human rights to art that may shock. They are centres for both the established elite and for dissent. Politics is lively and combative. While asserting that Hong Kong is "a highly liberal and open society", he had no measures to expand those characteristics.

If anything, he urged us to respect "traditional values" and avoid "confrontation". He told us to "fulfill our social responsibilities and obligations." When the Chief Executive asserted that we all want "a society of greater harmony", I got the feeling that those are all code phrases for a set of Asian values that abhors open disagreement, vigorous opposition and disrespect for authority. The Chief Executive needs to understand that a large part of the attraction of New York and London is their rowdiness and their ability to create controversy in all fields of human endeavour.

Another area where the Chief Executive chose to limit his vision for Hong Kong is in the area of culture. He only described Hong Kong as "a melting pot of Chinese and Western cultures" and did not acknowledge the multicultural aspect of our society. For example, where does he put the influence of all the other Asian and South Asian communities who are very much a part of Hong Kong?

If he truly wants to "develop Hong Kong into an international centre for cultural exchange", just what cultures are we going to take an interest in? Are we going to, say, explore the cultures of migrant worker communities? And, why, when we set up a scheme to attract talented people to Hong Kong, do we favour more positively Chinese nationals? Why can we not open up the field to anyone, irrespective of nationality and ethnic descent? I think this is the point that I agree entirely with the Honourable James TIEN. And why do we not

legislate to prohibit race discrimination instead of making lame excuses that things are not so bad as to warrant legal protection? Is the Administration ready for the kind of cultural diversity that makes New York and London so dynamic? I would suggest to the Chief Executive that he should explore this idea of the "world-class city" a lot further and with much more intellectual vigour.

Madam President, there are two areas which the Chief Executive has given us some real initiatives. These are education and the environment. In view of the lack of time, allow me to say more on the latter.

The Chief Executive spent a total of 65 minutes on the environment, urban planning and the preservation of the Victoria Harbour as a significant public asset. I applaud that effort. I do not have time to address every issue relating to the environment today. I will just say that where there are insufficient details, such as on energy efficiency, fuel policy and conservation, the Administration has now in fact promised to develop policies. That is a step in the right direction. I await to see just how good they will be, but I want to be positive today.

In the area of air quality, the specific measures proposed are in the right direction, although the Government is still shy on controlling traffic growth. The Transport Bureau's "A Transport Strategy for the Future" had nothing significant to say. When read together with the Third Comprehensive Transport Study (CTS-3), the message is sorrowfully clear. There is no guarantee that Hong Kong will ever meet our own air quality objectives, even with all the initiatives.

In his address, he talked about reducing particulates by 60% by the end of 2003, and 80% by the end of 2005. By then, nitrogen oxide emissions should also be reduced by 30%. Now, what does that really mean? Does it mean that by 2005, Hong Kong will meet all our air quality objectives all the time, or some of the time, and exactly how often? I want a clarification next week from the Administration. And in any case, both Mr James TIEN and Dr the Honourable David LI have already asked whether the timetable is fast enough. It is not. Let us remind ourselves that all of us in this room and outside this room have to breathe 25 times per minute. In any case, CTS-3 tells us that by 2016, any gains from current efforts will have been lost due to traffic growth.

What about that, Madam President? I will spare you the details, but I will state for the record that my own respiratory health has deteriorated over the last few years. That is why I have little patience with some members of the transport trade who continue to resist even the mild reforms that are being proposed. I find the Chief Executive's proposal to increase smoky vehicle fine to \$1,000 inadequate. After all, I am paying for their negligence with my own health. I shall propose an amendment to \$5,000 again. And in any case, why is there no timetable announced for this amendment? Is the Administration feeling the heat from the transport trade? Again, I would like the Administration to give a firm timetable next week when they reply.

I am pleased that Hong Kong and Guangdong have agreed to formulate long-term preventive measures when the joint study on regional air quality is completed, and to study the feasibility of adopting common standards for diesel. I do not underestimate the difficulties involved, but I appreciate the focus at the top on both sides.

As for water pollution, I applaud the Chief Executive's courage to revisit the Strategic Sewage Disposal Scheme. We are having so many problems with Stage I, possibly because site investigation was not sufficiently done at the early stages. We might need to adapt the engineering work to complete it. As for the later stages, another look would help to allay the controversy on their suitability.

I am encouraged that Hong Kong and Guangdong have agreed to cooperate to improve water quality of the Dongjiang River, and to formulate a management plan to improve water quality for the Pearl River estuary. Again, I do not underestimate the difficulties involved, but I want to help in every way possible. Indeed, I have been lobbying for joint effort to protect the Pearl River basin for some time. Only that will ensure our long-term water quality. The Citizens Party will be publishing a detail paper later this month on how this could be done, and financed, to stimulate further discussion.

The Chief Executive proposed to build new waste management facilities, including waste-to-energy incinerators, at a total cost of \$10 billion. While I am not in principle against incinerators, I want to know whether the Administration will first do proper cost-benefit analysis of possible savings if some of this vast sum was spent on public education and recycling. If we are successful, we might not need to build some of these facilities at all.

And, what about the Administration putting its money where its mouth is? As a substantial consumer of all kinds of products, why not see how it can encourage producer responsibility in waste reduction?

I applaud the effort to put forward a landfill charging scheme. The Administration has waited too long on this. Indeed, it has been difficult to push any of the "polluter pays" schemes. While one of the reasons was that the vast majority of Members of this Council were against them, another had to do with the Administration's relatively poor presentation and advocacy skills.

If I can offer any suggestion, it is that the Administration should first concentrate on working on the intellectual integrity of their proposals, and then to sell them to opinion markers in the community, as well as to the public at large. Do not believe that you only need to persuade 59 people in this Council, excluding you, Madam President, because you are above all these. Vested interests are entrenched by our functional constituency system. If there is a lesson to be learned from the "Save the Harbour Campaign", it is that the effort started with the public, not with legislators. It was only when the public voice was loud and clear that this Council responded. If I only lobbied 59 people here, without the clear preference of the community, we would not have turned things round.

Madam President, the last point on the environment that I wish to make is that, if the Administration is serious about promoting "user pays" and "polluter pays" principles, it has to be approached from the standpoint of fiscal reform as well. So far, the Financial Secretary seems to be still asleep on that. The Citizens Party had made some initial proposals in our shadow budget in February. We will take them forward in greater detail in our text alternative budget.

I hope it is clear that I am encouraged by much of what was in the policy address. One of the key planks of the Honourable Martin LEE's amendment is that the Chief Executive had few specific measures to stimulate the economy. I am not sure that is a fair criticism, and Mr Martin LEE did not offer any ideas of his own in his speech.

Promoting education and the environment are two of the best economic policies. They are also good social policies. Guarantee for loans under the Special Finance Scheme has also been doubled. Furthermore, the proposal to develop Hong Kong into an air cargo hub is good, and is a precursor to Hong Kong changing its air policy altogether to embrace fifth freedom rights. The

various booklets accompanying the policy address contain other ideas that I have no time to go into.

Another part of the amendment is on ways to solve unemployment. Well, economic data shows that Hong Kong may just be beginning to climb out of the trough. For the first time in 18 months, the number of vacancies registered with the Labour Department exceeded the number of job seekers. Furthermore, the latest private sector survey showed that over 40% of employers surveyed had plans to add staff over the next three months, while only 11% would reduce staff. I believe that some 12 000 new jobs will be created by a number of major infrastructural and public works projects which will take place over the next six months, such as the West Rail and the Cyber Port development.

Let me touch upon the Chief Executive's repeated call for Hong Kong to become innovative, and be information technology and knowledge-based. That is all fine and good, but he has not been able to spell out what he really means. Perhaps it is another sign of an intellectual deficit within the Administration, but the good news is that it can be topped up. So, allow me to offer two very simple suggestions.

The first is that Hong Kong needs to become more information and knowledge conscious. That means we need to base decisions on hard facts and analysis. The Administration can vastly improve its power to analyse and disseminate data and information. Too many consultation papers are poorly written. Many of them would not pass the private sector at departmental level, never mind at boardroom level. The Administration could do with the policy on how it collects, collates, analyses and gives out information. Clear thinking in this area will enhance Hong Kong as a knowledge society. And of course, my very own hobbyhorse, the Code of Access to information should be turned into law.

My second suggestion is for the Administration to really make electronic commerce happen. The banks here are still not supporting simple things like allowing credit cards from overseas to be accepted on local web sites. Even our biggest bank cannot offer local customers on-line banking. This is outrageous. What is anyone doing about that? Perhaps after Dr David LI's defence of the banking sector, he could champion this cause, and I would be happy to help him.

My final point is to share Mr Martin LEE 's disappointment that the Chief Executive is not yet ready to fulfill his constitutional duty to help Hong Kong realize the ultimate aim of universal suffrage as mandated by the Basic Law. The Chief Executive becomes an apologist when he said that there are two views on the pace of democracy — quicker or slower, and so we need time for "further study". Does he really take us as simpletons? I very much regret this. I still think that the way forward is to hold a constitutional convention. In view of the Honourable Jasper TSANG's speech, I hope that he will agree with me.

Madam President, I will vote for the motion but not the amendment.

**MISS CHAN YUEN-HAN** (in Cantonese): Madam President, the Hong Kong Federation of Trade Unions (FTU) supports the proposals on education and environmental protection in the policy address with the theme "Quality People, Quality Home". However, we also have many views regarding the details of the address. Before giving these views, I wish to share a story with Members.

One day, a diviner asks us to look at Hong Kong's future development in a crystal ball.

In the crystal ball, we see how wonderful the future environmental protection work in Hong Kong is. There are clean air and flowers and plants flourish. It seems a good home.

The run-down districts scattering throughout the urban areas have been torn down with the establishment of the Government's Urban Renewal Authority. The urban areas take on a new look.

In the crystal ball, we see that Hong Kong has become not only a major Chinese city, but also the most cosmopolitan city in Asia. It has become the New York or London of Asia.

The sights in the crystal ball are so beautiful. However, some people in Hong Kong cannot see these beautiful sights, or they say that they will not live to see them. No matter how the diviner explains, they fail to understand his point. Finally, the diviner can only tell them to have some moon cakes.

It sounds like a story, but it is true.

Madam President, the most important element of a society is its people and their value. However, in the policy address, the Chief Executive ignores the people and the value of their labour. In view of this, the FTU's comment on this policy address is that "it fails to solve the crisis of economic restructuring, despite the great vision for the millennium".

Over the past 20 years or so, Hong Kong's manufacturing industry has been moving continually away from Hong Kong. There are fewer than 300 000 workers in the manufacturing industry now. Hundreds of thousands of workers have been displaced. They have worked for many years without any chance of further education. Now, they can only take up mundane jobs of long hours and low pay, such as watchman and cleaning, or they are still unable to find a job after years of unemployment. This state of affairs is the result of the short-sightedness of the former government. With the excuse of following a policy of "non-intervention", it let the manufacturing industry decline, without considering how this trend would deprive Hong Kong workers of their job opportunities.

Without work, a person will doubt the value of his existence. Almost every day, we hear news of some unemployed people killing themselves. According to the latest issue of the Coroner's Report, there were 444 cases of suicide by unemployed persons in 1998. We should note that among the past suicide cases of unemployed persons, the majority were people over 60 years old. However, in 1998, the number of suicides for the three age groups between 20 - 49 more than doubled from last year. The number of suicides for the age group 20 - 29 was the highest among the different age groups. This shows that unemployment can seriously impair a person's intellect, especially that of young people. It is hard to bear the pressure that comes from society, from one's family and friends.

The Chief Executive stresses in his third policy address that the Government has done a lot for the unemployed already. Job vacancy processing has been enhanced, helping many people to secure jobs every day. In addition, more funds are allocated to the Employees Retraining Board to provide several new courses. I would like to remind the Chief Executive that although money has been spent, there are still 240 000 people who are at present

unemployed, without counting the figures of underemployment and disguised unemployment. If these people are counted, the figure will be even higher.

I hope that the Chief Executive will understand that a few weeks or a few months of training might be useful for people who have had some basic training. However, they are not enough or are useless for many adults. Imagine asking a middle-aged person to learn computer skills, English and Mandarin from scratch. I would like to cite a simple example. During the past three years, each time the Chief Executive delivered his policy address, he gave us the impression that he was struggling with it. Very often, he failed to master the Cantonese pronunciation. Although the Chief Executive has lived in Hong Kong for decades, he still has difficulty pronouncing some of the words in delivering the policy address in Cantonese. Is it not more difficult for a female worker who has been a sewing machine operator for years to learn Mandarin, English and computer skills?

Hong Kong is still suffering from the disastrous effects of the economic restructuring in the '80s and '90s. Today, Hong Kong is facing a third economic restructuring, but not in the context of the decline of some trades. Instead, every profession and trade is becoming knowledge-intensive. However, 1.6 million people of the workforce in Hong Kong, that is, one half of it, have an education level below Form Three. How can they survive in the present or future knowledge-intensive society? What kind of work can they do?

The Chief Executive and the officials fondly believe that a one percentage point economic growth will create 30 000 jobs. But is what the Government and the Chief Executive say true? The FTU and the professors in economics of the Baptist University have jointly analysed the relationship between economic growth, growth in employment and the unemployment rate between 1986 and 1998. It was found that between 1986 and 1992, there was rapid Gross Domestic Product (GDP) growth in real terms at 6.32% every year on average, compared to an employment growth rate of only 0.63%. In contrast, between 1992 and 1998, while the economic growth rate sank to 3.2%, the employment rate saw a 2.63% increase. I am not going to explain the detailed theories here. To put it simply, Hong Kong will mainly develop high-technology, high-profit industries in future. Their main characteristic is that they are knowledge- rather than labour-intensive. They will not be able to absorb the present workforce.

Moreover, Hong Kong is different from big cities such as New York and London. Its population has lower mobility. In New York and London, people with lower education level can go to other cities, countries and places to work for a living, instead of being bogged down in their hometown. Hong Kong's wage level is higher than that of the Mainland and its living conditions are better. In future, more and more people will come to Hong Kong for family reunion. Thus our population will keep increasing. According to past statistics, the newcomers are mostly low-skilled and have low education level. They can hardly join the present or future knowledge-intensive industries.

Madam President, the Chief Executive is right in saying that Hong Kong people do not like receiving Comprehensive Social Security Assistance (CSSA). The workers in Hong Kong want employment opportunities. However, the employment opportunities in the market cannot meet their needs. It is very difficult to find a job. The Government should create more job opportunities for workers. Over the past few years, the FTU has done many studies due to the scarcity of jobs. For instance, we found that 230 000 households are willing to employ local home helpers. There is also an obvious lack of personnel in the districts for care for the elderly and nursery services. Has the Government considered increasing resources in these areas for creating jobs and training personnel? Two of my colleagues, the Honourable CHAN Wing-chan and the Honourable CHAN Kwok-keung, will talk about this point later on.

In promoting environmental protection, the Government should give priority consideration to the employment policy and link environmental protection with employment. This way, many jobs could be created. A city in the United States has created 500 000 jobs in an effort to create employment opportunities. Actually, environmental protection requires sorting by hand. Very often, three kinds of rubbish bins are placed in the housing estates, one for waste paper, one for plastic bottles and one for aluminium cans. However, we find that in Hong Kong all this refuse is collected by the refuse collection vehicle and transported to the landfills. This is because we do not have a junk buying trade, like the "junk buyers" that we had when we were young. We could use a can to exchange for barley candy or biscuits and a clog plate to exchange for other kinds of food. This trade is extinct now. Why do we not take this into account in discussing environmental protection? Recently, I mentioned this during the residents' meetings in some districts and it was very well-received. There is no contract-out work like this in Hong Kong now. Why does the

Government not consider this? We still have many opportunities to do so. Why has the policy address not linked environmental protection with employment? Mr CHAN Kwok-keung will go into this in detail. So I will not talk about it any further.

I would like to talk about the scheme to import talents from the Mainland. Last Saturday, the Secretary for Security told us that the scheme had no restrictions on quota and the kind of profession, nor a minimum wage requirement. We are worried that this will affect the opportunities of local university graduates. The Secretary cannot allay Hong Kong people's fears by his assertion that it will not. Moreover, the selection committee consists only of representatives from the Government and the commercial sector. It will see no participation by the labour sector. This is extremely unfair to the labour sector. I asked the Secretary why the labour sector was not allowed to participate in the selection committee. But she did not answer. The import of talents will affect the labour sector. Without the participation of the labour sector, how can we ensure that the committee will give priority to local professionals? It was different in the past because there was no such a selection committee for the importation of professionals. Now, since a selection committee is to be set up, the FTU is of the view that the labour sector must be represented.

The FTU has never objected to the importation of professionals needed by Hong Kong. If we are short of certain professionals, they must of course be imported. Progress can be made only if there is exchange of knowledge and culture. It has been like this over the past decades. The question is the scheme must not be abused. Past experience tells us that whenever professionals and labour are imported, abuse will take place.

Abuses under the labour importation scheme, for example, were common. The former Legislative Council even conducted a special hearing on this issue to discuss the abuse of the labour importation scheme. The FTU has also frequently received complaints from trade unions and workers. With regard to the importation of professionals in the past, I also found problems with its management. For instance, according to the original intent, only the professionals should be allowed to come to work in Hong Kong and serve Hong Kong with their expertise. However, when their countries' economy is doing badly, their dependents might also work in Hong Kong. Although the law does not allow this, such cases do occur. What should be done? We do not wish to

see the scheme for the admission of talented Mainlanders abused in the same manner. That is why we think that the relevant committee should have representatives from the labour sector to monitor the situation.

Last, I would like to remind the Government that cultivating local talents is equally pressing. In the past, Hong Kong did not place any emphasis on the development of high technology. As a result, not enough has been done in training professionals. Even the third policy address of the SAR Government only focuses on the reform of primary and secondary education, while neglecting the investment in and the training of professionals. Hong Kong cannot develop into a high technology centre by relying solely on the importation of professionals. There are so many hi-tech professionals in the Silicon Valley of the United States because of the famous tertiary institutions located nearby, which train the talents to support it. Apart from importing talents, the Government must also plan how to cultivate local professional talents and consider the question of technology transfer. The FTU has expressed these views repeatedly in the various panels in the past.

Madam President, I so submit.

**MR AMBROSE LAU** (in Cantonese): Madam President, the Hong Kong Progressive Alliance (HKPA) rates the third policy address as pragmatic, forward-looking and moderate.

To assess the administration of the Government over the past two years pragmatically, one must first take into account the two momentous changes experienced by Hong Kong during the past two years: first, the reunification, with "Hong Kong people ruling Hong Kong" replacing "British people running Hong Kong"; second, the crisis in the region and the major readjustment of the Hong Kong economy triggered off by the Asian financial turmoil. Faced with these two momentous changes, the ability of the SAR Government to deal with a complicated situation, manage crises and solve tricky issues has been put to the test. The result shows that "Hong Kong people ruling Hong Kong" can work. Over the past two years, the freedoms and rights of Hong Kong people and the rule of law have been safeguarded and strengthened, while the pace of democratization has also been consistent with the provisions of the Basic Law. In August last year, the Government took decisive action and intervened in the

market, repulsing the speculators. Although it met with some criticisms at the time, events have proved that government intervention is necessary when the market mechanism has failed, especially when it is manipulated by speculators. The Government was not intervening in the market but in the activities manipulating the market. Having repulsed the speculators, the Government adopted a series of measures to reinforce the currency board arrangement and enhance our ability to withstand financial risks. To tackle the economic downturn and rising unemployment and relieve the hardship suffered by the people, the Government adopted a series of measures to ease the burden on the community and stimulate economic growth. These measures have steadily produced results. The most trying times are behind us and the Hong Kong economy is showing signs of turning the corner. The policy address has reviewed and assessed the achievements and experience of the Government over the past two years pragmatically.

In terms of the measures adopted, the policy address takes a positive and moderate approach. Since the Hong Kong economy is now turning the corner, the Government can no longer over-regulate the free market economy and use additional public funds to stimulate economic growth as in the past two years. Hong Kong has to uphold the free market principle and maintain fiscal prudence and the small government policy. This does not imply that after the worst times are over, the Government needs to do nothing for the economy and people's livelihood. In fact, in respect of helping the unemployed, supporting small and medium enterprises (SMEs), promoting innovation and technology, as well as improving the policies on the elderly, new immigrants and young people, the third policy address has carried out an active review and proposed a series of effective measures. Although these measures are unable to meet all the needs, we must recognize that after returning to the free market principle and small government following a period of crisis, the SAR Government has adopted measures which are both moderate and positively aggressive.

The policy address is forward-looking in formulating a long-term strategy for the development of Hong Kong and in positioning Hong Kong. This does not mean that it ignores the problems close at home. In the short term or at the present moment, Hong Kong is faced with three momentous changes: the globalization of the world economy, the changes in the economic relationship between Hong Kong and the Mainland and another round of restructuring of the Hong Kong economy. Taking into account these three momentous changes, the

third policy address positions Hong Kong as the New York or London of Asia. On this basis, a development strategy is formulated for Hong Kong for the new century based on strengthening education to cultivate talents and building an ideal home by adhering to the principle of sustainable development. Such a positioning and such a long-term strategy are a right approach.

I wish to stress that the realization of the right administration approach and objectives depends on a lot of factors. We must avoid making empty promises or saying one thing and doing another. I wish to talk about the integration of theory with practice in terms of the several concepts and policies of governance as proposed in the third policy address.

First, the belief that economic growth in Hong Kong cannot come from an excessive reliance on asset inflation is a bitter lesson learned from the bursting of the bubble economy in Hong Kong as a result of the financial turmoil. Excessive reliance on asset inflation means rising costs, a narrow economic base and lower competitiveness. In this respect, we hope that the Government will learn its lesson well and work on three areas. First, it should expand the economic base of Hong Kong and encourage the development of new areas of economic growth in the course of economic adjustment. For instance, it should encourage enterprises to apply information technology and innovation and technology, as well as add value to and diversify industries, so that economic growth will be founded on a solid base. Second, costs should be lowered. The private sector has already lowered costs through self-adjustment. However, the public sector and government departments are slow with their effort. The high costs of the Government are the main reason for the increase in various government fees and charges and tax increase. They also lead to asset inflation. Thus, the Government and the public sector should make an effort to reduce costs. Third, to counter the speculative climate created by the bubble economy, the Government should place importance on teaching young people to be practical, conscientious and hard working. In view of the challenge of a knowledge-based world economy, the Government should encourage young people to acquire knowledge and study culture, in order to meet the needs of the future society.

Second, as one of its foresights, the third policy address proposes the new concept of the joint development of the Pearl River Delta Region for the first time. However, in order that the 50 000 sq km region encompassing Hong

Kong, Guangzhou, Macau, Shenzhen and Zhuhai can become a more integrated regional economy in the next century, so as to allow the free flow and pooling of manpower, goods, capital and other resources in response to economic forces, Hong Kong must not keep its doors closed and build up moles with its neighbours. Since the reunification, many people have called for efforts to strengthen co-operation between Hong Kong and the Mainland so that they can complement and benefit each other. While the Government has been paying much lip service to this, it has been less eager in taking actions. The present official mechanisms for communication and co-operation between Hong Kong and Guangdong include the Hong Kong-Mainland Cross-Boundary Major Infrastructure Co-ordinating Committee (ICC) and the Hong Kong-Guangdong Co-operation Joint Conference. However, they have held only one or two meetings so far and have therefore made little achievement. I hope that with the joint committee to strengthen communication on economic and trade issues to be set up as mentioned in the policy address and the co-operation between Hong Kong and Guangdong in environmental protection, the mistakes of the ICC and the Joint Conference will not be repeated. Moreover, the Government's plan to charge a land departure tax is also inconsistent with the concept of promoting an integrated regional economy in the Pearl River Delta Region.

Third, with regard to the question of supporting SMEs, SMEs employ over 60% of Hong Kong's workforce and form the most dynamic sector of the Hong Kong economy. But since the financial turmoil, SMEs have been facing a credit squeeze. The Special Finance Scheme for SMEs launched by the Government has only \$2.5 billion at its disposal, which is nothing compared to the various home ownership schemes to prop up the property market. It is but a drop in the bucket for alleviating the difficulties of SMEs. SMEs are also an important pillar of the Hong Kong economy. We hope that the Government will allocate an amount equivalent to one tenth of the resources to stabilize the property market to help SMEs solve their cash flow problems. Since the Government has vowed to support SMEs, it should adopt corresponding measures.

Members in the HKPA will speak on other areas of the policy address. We support the original motion and oppose the amendment.

Madam President, I so submit.

**MR LAU CHIN-SHEK** (in Cantonese): Madam President, the Chief Executive's policy address this year stresses positioning Hong Kong for the future and outlines a blueprint for Hong Kong to become a cosmopolitan city in the world. To use the Chief Executive's own words, he stresses education and the environment "for the sake of our posterity".

I do not doubt that the Chief Executive has a strong wish to lead Hong Kong in the direction that he thinks is right. However, I believe we should ask whether the ordinary people's needs have been taken into account in the policy blueprint drawn up by the Chief Executive "behind closed doors". When the Chief Executive drew up his policy blueprint, was he thinking of the majority of Hong Kong people?

Recently, many people have heard about someone called Old Lee. I am sure that we will continue to hear his name today or tomorrow in the Legislative Council. The day after the delivery of the policy address, he talked to the Chief Executive through a live radio programme. This became the talk of the town, showing that Old Lee's situation is representative of the common people now and what he said does represent the sentiment of many people. Of course, when the Chief Executive offered "expired moon cakes" to people facing unemployment, it also dramatically revealed how out of touch the Chief Executive is with the aspirations of the common people.

As several opinion polls conducted before the delivery of the policy address clearly showed, the people's greatest expectation for the Chief Executive was to stimulate the economy and promote employment. From this angle, this year's policy address has drawn a blank. In terms of promoting the economy, the Chief Executive's solution is to leave it to the larger climate, saying that he has no miraculous cure. People will ask whether this is what a responsible head of government should say.

In answering a question on the unemployment rate, the Chief Executive merely said that the unemployment rate had stabilized. What does "stabilize" mean? Does it mean that the Chief Executive thinks that the unemployment rate in Hong Kong will be maintained at the high level of over 6% for a long time? The latest unemployment figures published yesterday show that the unemployment rate still stands at the high level of 6.1%. If this is what the Chief Executive meant by "stabilized", it is hypocrisy indeed.

This 6.1% implies that at least 200 000 employees are out of work. This is almost a historic high in Hong Kong. What is more, the living standard in Hong Kong today is much higher than 20 or 30 years ago. Unemployment means that many employees and their families have to suffer hardships for a long time, especially since Hong Kong is very much lacking in social security covering unemployment.

At present, many unemployed people not only have to deal with the pressures of living, they also feel despair because there is no future in sight, not knowing when they could find a suitable job. The Chief Executive wants to make Hong Kong the New York or London of Asia and a cosmopolitan city in the world. To achieve this, he will import talents, promote high technology and bend upon environmental protection to create a good environment for our posterity. However, there is one big problem and that is, while the Chief Executive wishes to promote these developments, he fails to tell Hong Kong people what their future employment prospects will be. There is also no plan to make education and manpower training tie in with these developments so that the majority of employees could find suitable employment in future. In fact, based on the development model advocated by the Chief Executive, many jobs to be created cannot be undertaken by local people. This is in turn used as an excuse by the Government to import professionals and talents, while there is no guarantee that local workers can find a job. Even if they undergo retraining, they do not know to what purpose.

During my recent visits to the districts, the proprietor of a pharmacy in Oi Man Estate in Kowloon City aired his grievances to me. He said he had three children who graduated from the university in recent years. Many kaifongs had congratulated him, thinking that his children had all made it and he could therefore retire. The proprietor said he alone knew his own troubles, since all his three children had failed to find a job after graduating from the university. Even if they were willing to take a job with less pay, no one wanted to hire them. Why? Because the employers thought they would not stay long if they were willing to accept such meagre pay. In that case, why would they hire them?

As the proprietor said, the present situation is that workers at the lower end with low educational level are often out of a job. At best, they can only find some extremely underpaid work with irregular hours. Even university graduates are without a job. Even if they want to study further, they do not know what to study, because the Government has not told the people what talents would be needed in Hong Kong in the next 10 years.

If high technology and environmental protection industries are the core of Hong Kong's future development, how do they link up with the employment prospects of the ordinary employees? The Chief Executive said nothing on this, nor did the senior government officials. The whole administration blueprint was drawn up without the participation of the people. One wonders whether the Chief Executive has made the common people's interest the objectives of his administration. The Chief Executive has not presented a clear picture to the people, nor do the people see any prospects. This is the sad truth in society today.

The people will question whether the lives and employment of ordinary people have been taken into account in the decision to develop high technology and environmental protection. In that case, how can the people believe that the Chief Executive's blueprint can really benefit our posterity?

Some people say that this year's policy address looks at the long term but not the short term. Be it long or short, I believe we have to take the first step today. However, if these development programmes ignore the people's immediate hardship, and if the people simply cannot afford them, we cannot possibly talk about the so-called "future prospects".

One good example to illustrate this is the policy address' proposal to introduce LPG taxis and light buses in a rush.

Recently, whenever I took a taxi, I would hear the driver complain that the Government's policy had not considered their affordability at all. One taxi owner cum driver complained to me that he had purchased a taxi for \$3 million several years ago. Now, it has become a negative asset. He has to pay a monthly instalment of \$29,000. However, together with the income from car hire, he has a monthly income of only \$31,000. That means he can pocket only \$2,000 monthly. The Government wants him to switch to an LPG vehicle without offering an enough subsidy. That is just like asking him to "go to hell".

Many professional drivers say that while the Chief Executive tries to promote LPG taxis and light buses, he completely ignores the fact that there is a serious lack of infrastructure. There are no detailed plans for filling stations and maintenance stations. How are they supposed to make a living? Some drivers have another worry. Taxis and light buses are not parked in their

garages as in other countries when they are not in service. In Hong Kong, most taxis and light buses are parked on the streets when not in service. If an accident occurs, the LPG vehicles might cause a huge explosion.

Professional drivers are very unhappy with the fact that many government measures in recent years have been directed against them. For instance, the penalty level for emissions is already very high. A further raise will only drive professional drivers to the wall. It is not that the drivers do not want to improve the environment, but the Government has failed to provide enough assistance and relies only on penalty. This is obviously unfair to them.

Madam President, as I said earlier, any administration blueprint must be generally accepted and supported by the people before it can be effectively implemented. The prerequisite is that the policy directions must be worked out between the Government and the people, instead of those in power condescending to the people, telling them where their long-term interest lies.

In the policy address, the Chief Executive pointed out that the world economy is heading towards globalization. However, he did not realize that the governments of most countries increasingly emphasize partnership with labour in issues of economic development, treating them as an important partner in the government's promotion of economic development. In Hong Kong, what we see is that when the Government plans economic development, there is no involvement of employees at all. Over the past two years, the Government continued to suppress trade unions' right to collective bargaining and turned a blind eye to the wage reductions and retrenchments faced by employees. The Chief Executive even took the lead by saying that wages are high in Hong Kong, thus clearing the way for wage reductions by employers.

Employees and trade unions are never seen as partners of the Government in the Chief Executive's philosophy of administration. Moreover, the Chief Executive has always been reluctant to enhance communication with groups from all walks of life and of different political persuasions in society. Lacking in openness, such a policy will naturally not be accepted by the whole community. I can only express regret again over the policy address.

Madam President, I so submit. Thank you.

**MR HOWARD YOUNG** (in Cantonese): Madam President, the Chief Executive delivered his policy address in this Council two weeks ago. Honourable colleagues in the Liberal Party and I found it very familiar for the main points of the policy address happened to coincide with the "3E" policy recently advocated by the Liberal Party for further developing Hong Kong into an international city that is second to none. The term "3E" refers to "Economics", "Education" and "Environment". The Chief Executive has also taken on board some proposals made by the Liberal Party for vigorously developing tourism, therefore, the Liberal Party basically supports this policy address. I cannot state our comments on the policy address clearly in a few words but I will try my best to do so.

**MR HOWARD YOUNG:**

*Tourism*

The past year has seen the Government having more proactive participation in developing tourism, including appointing a Commissioner for Tourism who has since formed a Tourism Strategic Planning Group, of which I am also a member. The Government has also been negotiating for a Disney theme park to be built in Hong Kong, something which the Liberal Party and the tourism industry has been championing for quite some years.

Although there was no announcement of an agreement reached on a Disney theme park in the policy address, I would rather be patient and wait until the end of this month for a well thought out, complete and mutually acceptable agreement, than rushing into an incomplete, made to meet-the-speech deal.

Even if a mutually acceptable deal is reached and construction commences right away, it will be another few years before it can come into operation and fruition, attract visitors to come to Hong Kong and for us to earn their foreign exchange. What can we do between now and then?

Madam President, there are in fact many short-term tourism projects readily available from the private sector. I myself have received not less than half a dozen in the past year or so: tethered balloon, drag racing, powered parachute, to name but a few. These projects are not brand new inventions. They have all been tested, proved reasonably safe and are popular tourist attractions in other countries.

So, what has been stopping Hong Kong from having more interesting attractions quickly? Until someone can give me any other explanation, I would say it is bureaucracy and the lack of clear responsibility and co-ordination.

We used to say Hong Kong is so small that finding space is difficult. Now, this excuse no longer stands, as there is plenty of space on Lantau and at Kai Tak. The airport has been relocated for over a year by now, so why keep wasting this large plot of land? It is large enough to accommodate a number of these projects at the same time! It is understandable if these projects may need to be tested again for the unique location of Hong Kong.

However, various related government departments have not been doing much apart from, directly or indirectly, telling the entrepreneurs who bring these wonderful proposals up to the Government that it is not their department's responsibility, or to wait for this or for that. And when it happens that there is a change of person in charge, time and energy is wasted on another round of presentation and persuasion. I share the disappointment felt by many of the proposers.

Let us have no empty promises. Just do it!

**MR HOWARD YOUNG** (in Cantonese): Madam President,

*Environment*

Some people have commented that the policy address has laid too much emphasis on the environment and neglected the poorer people. I find it equally important to ensure that everybody can live in a healthy environment. While people work hard for a living, they should not forget that the next generation has the right to live healthily in a clean environment. There is a cause and effect

relationship between what this generation plants and what the future generations harvest.

We cannot selfishly continue to deplete and pollute our environmental resources, forcing the future generations to migrate to other planets. I would prefer travel agents organizing tours to other planets as a new tourist attraction in the next century to making transport arrangements for migrants to other planets. Although "millennium" is a hot term nowadays, I would rather use "the next century" because if we do not make efforts to protect the environment, I am afraid people on earth may not have a chance to celebrate another millennium.

Madam President, it is proposed in the policy address that taxi fuel should be changed from diesel to LPG but I also hope that we will not overlook electricity. Actually, electrical energy is more environmentally friendly. Apart from developing railways and mass transit railways, we should also consider developing electric trolley buses. With technologies of today, we have electrically powered minibuses, and we have conducted successful experiments in Hong Kong. Therefore, we should continue to develop them.

### *Information technology*

The Liberal Party supports the Government in implementing various measures for information technology because I understand that there is quite a gap between us and our opponents. The Liberal Party has also suggested that the Government should not forget E-commerce as it is a new trend. However, some specialists chose to separate E-commerce from E-business. While the former refers to suppliers selling commodities to consumers, the latter refers to the trading transactions between business bodies involving even more enormous amounts and value.

### *Civil servants*

This year's policy address has not laid stress on the civil service reform. The Liberal Party hopes that the Government will not retreat or change its mind at the last moment just because some people have opposed it. No doubt, an efficient and honest Civil Service has benefitted Hong Kong over the years and the devoted support of civil servants has contributed much to the smooth transition of Hong Kong.

Yet, regardless of how much the Civil Service has contributed in the past, we have to keep abreast of the times. The Asian financial turmoil has taught us a lesson that we should be more efficient and competitive in order to survive.

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

**MR CHAN KAM-LAM** (in Cantonese): Madam President, this year's policy address has seriously responded to some issues which must be dealt with in a solemn manner in the course of economic development, that is, problems pertaining to the long-term positioning of our economy. Regrettably, regarding the target of becoming a world-class city and improvement to the livelihood of the people, the various measures put forward in the policy address are obviously inadequate. We are of the view that the SAR Government should conduct further studies in this area with a view to putting forward specific measures to boost our economic development in the new millennium.

Without a proper "positioning" for our economic development, various sectors of the community will be "thrown into a panic", like "blind files" not knowing where to go. I am pleased that the policy address has pointed to us an epoch-making direction with respect to our economic development. With the thriving Mainland behind us, Hong Kong will strive to become the New York and London of the Asia Pacific Region and a world-class city and will be able to pool technology and talents, nurture innovative, knowledge-based professions and erect new pillars for the local economy. For these reasons, we cannot fully agree to the criticisms that the policy address has completely failed to put forward effective measures for stimulating the economy.

Next, I would like to talk about tourism. Last year, the Government put forward a number of hardware proposals for reviving tourism. These proposals include building a Disney theme park, an Adventure Bay in the Ocean Park, a fishermen's wharf, a cruise terminal, an aquatic centre for Hong Kong, an international wetland park as well as improvements to scenic spots. All these will not only help create a number of job opportunities, but also generate direct and indirect revenues in hundreds of millions of dollars. The Government's ambitious plans for development of tourism indeed merit our support.

Nevertheless, it is also worthwhile for us to pay attention to the work related to software, that is, the public's politeness and attitude towards tourists, the quality of service provided by tourism employees and so on. According to the findings of a survey conducted by the Democratic Alliance for the Betterment of Hong Kong (DAB) earlier, the public's awareness of the importance of tourism to our economic development is far from adequate and they have failed to perform their role fully as "a good host". It is also revealed by the survey that 69% of the respondents consider Hong Kong people's attitude towards tourists only "generally acceptable" rather than "friendly". As for tourists trying to find their way on the streets, 63% of the respondents indicate that they "will not" give assistance or they will give assistance "depending on the circumstances". It is even more disappointing that 30% of the respondents consider Hong Kong people "unfriendly" to tourists from the Mainland and Taiwan. Less than 10% of the respondents think that Hong Kong people "treat all tourists in a friendly manner". These data do indeed warrant our attention.

To put it in simple terms, it is revealed from the survey that Hong Kong people have criticized themselves for having failed to treat tourists in a friendly manner and seldom take the initiative to help tourists, as well as having a low language ability. Madam President, I am not trying to accuse Hong Kong people of having treated tourists "impolitely". However, the survey has illustrated to a certain extent that Hong Kong people can do better. Of course, we must first of all overcome our "Big Hong Kong" mentality as well as our timid character. The DAB would like to take this opportunity to give Hong Kong people a piece of advice: if Hong Kong fails to be "a good host" in spite of having the reputation of being so, it might give people a "false, great and deceptive" impression: a "false" host, "great" disappointment to tourists and a "deceptive" reputation of being a tourist centre. It is also worthwhile for us to pay attention to the "individualistic" mentality harboured by Hong Kong people. For instance, factory workers and employees of the retailing industry will say that tourism has nothing to do with them. But actually, various trades and professions are related to one another in terms of healthy development.

We have put forward a number of improvement proposals such as strengthening the publicity for "being a good host", upgrading the quality of tourism employees, improving directional signs for tourist destinations and so on.

Today, the DAB would like to put forward another suggestion and let us call it a "Hospitality Scheme" for the time being. The purpose of the Scheme will be to nurture the public's spirit of "extending hospitality" and to familiarize the public with the "philosophy of extending hospitality", such as politeness, initiative and language ability, as well as providing the public with opportunities to receive tourists in order to rid them of their mentality of "being scared of talking to tourists". Participants of the Scheme should be awarded with such medals as a "Good Host Award" as a token of encouragement. Through this scheme, tourists can have a better understanding of Hong Kong. I believe with the spread of words, our tourist industry will be given a boost.

Madam President, the DAB has put forward several proposals for promoting tourism. These proposals include restoring the historic look of streets in Hong Kong, constructing traditional Chinese folk museums, providing leisure fishing zones and so on. Coincidentally, the policy address has also put forward such proposals as giving better protection to historic buildings, developing Lantau Island and Sai Kung District into centres of recreational and leisure activities, providing a number of open plazas, promenades, landscaped areas, marinas, shops and restaurants with distinct cultural flavours along the waterfront to attract visitors. The DAB welcomes the Government's acceptance of our proposals, particularly the one related to reshaping the "old Hong Kong flavours". In fact, according to the findings of a survey conducted by the Hong Kong Tourist Association earlier, roughly one out of every four tourists (that is, 25%) indicates that he enjoys admiring Hong Kong's heritage. Last Saturday (that is, 16 October), the first hiking tour from Japan visited Sai Kung to admire the scenery of our countryside. "Nostalgia" and catering to tourists' preferences should be our key areas of work in tourism in future.

To sum up, we will continue to urge the Government to implement the proposals put forward by us in relation to the development of tourism, particularly the proposal of setting up leisure fishing zones in Tai Po, Sai Kung and even Tai O to create job opportunities, provide fishermen with a way to make a living, and earn foreign exchange for the local tourist industry. My colleague, the Honourable WONG Yung-kan, will put forward our views on the proposed leisure fishing zones later.

As for industrial development, the DAB has, in relation to strengthening economic co-operation between Hong Kong and China, put forward the "Pearl River Delta development network" development proposal with a view to enhancing regional economic co-operation for the benefits of economy of scale. Internally, we should foster a close link among the enterprises and trades and, externally, we should work in co-operation with a due division of labour with a view to securing more business opportunities in overseas markets and meeting challenges from different economies in Europe and the United States. The DAB supports the policy address proposal of strengthening regional co-operation to assist in the development of the Pearl River Delta. Of course, the Government must put forward concrete proposals and put the proposal of creating a regional entity for economic co-operation into practice. In this respect, a number of people, both from the business and political sectors, who have been running around for the sake of fostering an economic tie between Hong Kong and China, have put forward a proposal of breaking boundary restrictions for the sake of fostering an economic relationship, such as simplifying transit procedures at boundary crossing points, developing more cargo distribution systems to link up Hong Kong and China, constructing road networks to link with expressways in the Mainland and so on. The DAB hopes that the SAR Government can provide essential infrastructural facilities for the purpose of promoting and entrenching the economic relationship between Hong Kong and China.

The part related to assisting the development of small and medium enterprises (SMEs) as outlined in the policy address is obviously a bit disappointing. On past occasions, the DAB has suggested the Government to publish a white paper on the development policies for SMEs, set up an ad hoc department and inject \$1.5 billion into the Special Finance Scheme. In the policy address, however, the Government has only proposed doubling the amount of guarantee for loans provided under the Scheme, without injecting any more money. It is indeed disappointing that the Secretary for Trade and Industry has even indicated that the Scheme is not going to run on a long-term basis.

We have learnt from some SMEs that although it is generally felt that the existing Special Finance Scheme for SMEs has a number of shortcomings, such as an excessively short loan term, unduly stringent vetting criteria, complicated application procedures and so on, most of them consider it necessary to retain the

Scheme and hope that it can be developed into a long-term loan scheme. Quite a number of SMEs even hope that the Government can set up a quasi-government corporation or a corporation specially responsible for providing loans to SMEs, such as SME banks. Is there a need for the Government to conduct further studies to find out the financing needs of SMEs? What kind of assistance does the Government wish to provide in order to tide SMEs over their difficulties or provide them with more channels to raise capitals for development? Madam President, the DAB will continue to urge the Government to implement more measures to assist the development of SMEs so as to enable the numerous SMEs in Hong Kong to eventually develop in the direction of having a sound management and financial system, diversified products, international competitiveness and the ability to help one another.

We have also suggested the Government to boost its investment in scientific research by setting it at 1% of the GDP with a view to putting Hong Kong on a par with our Asian competitors. The policy address is also committed to setting up an Innovation and Technology Fund with an injection of \$5 billion to help SMEs with scientific research and development, to establish an Applied Science and Technology Research Institute with an investment of \$2 billion, to set up a High Level Policy Group on Innovation and Technology to be headed by the Financial Secretary, and to streamline our unduly complicated industrial support framework. All these far-sighted measures will help produce a catalytic effect, attract hi-tech personnel from the Mainland and abroad to come and develop their careers in Hong Kong, encourage the business sector to boost its injection of capitals into scientific research, promote the development of venture capital markets with a view to nurturing a critical mass for technological and venture corporations. This will enable technological research and venture capital markets to grow speedily and help Hong Kong to move in the direction of high value-added economic development as well as pulling the development of various trades and professions.

The policy address has also set a direction for the promotion of trading links between Hong Kong and China, such as setting up the Mainland/HKSAR Joint Commission on Commerce and Trade with the Mainland's Ministry of Foreign Trade and Economic Co-operation to strengthen liaison between Hong Kong and China on economic and trade issues. This shows that the Government is committed to providing Hong Kong businessmen with better economic and trading support links between Hong Kong and China for a better

understanding of the economic and trade development trends of the two places. The policy address has also suggested Hong Kong to work with China in the development of her export-oriented industries and in the use of information technology for establishing new modes of business and industrial operations. These two proposals, as put forward in the policy address, will benefit our commerce and industry, insurance sector, financial sector, transportation industry, communications industry, freight industry, information technology sector and so on, as well as opening up unlimited business opportunities and creating job opportunities. In this context, how can we say that the policy address is "not beneficial" to our economy?

As for the protection of intellectual property rights, it can lay a sound foundation for our knowledge-based economic development in the long term. The Government is going to table a bill in this Legislative Session with a view to introducing immediate measures to protect intellectual property rights. The DAB is in full support of the direction taken by the Government in protecting intellectual property rights. Yet we will study the contents of the bill in detail to strike an appropriate balance between the protection of intellectual property rights and consumers' interests.

Lastly, for the purpose of facilitating the development of the agriculture and fisheries industries, the policy address has proposed to deploy more artificial reefs for the protection of fishery resources and restoration of seabeds. This is again commendable. The DAB has all along supported the protection of marine resources. Last year, we organized the "I love the ocean" campaign and successfully publicized among members of the community the important message of protecting marine resources. We will continue with our efforts and urge the Government to protect agricultural and fishery resources with a view to providing local markets with a steady supply of non-staple food.

Madam President, the economic policies put forward by the Chief Executive have shown that he has his "conviction", "direction" and "foresight". Therefore, we consider the policies worthy of our support. With these remarks, I support the motion.

**MR CHEUNG MAN-KWONG** (in Cantonese): Madam President, the TUNG Chee-hwa Government represents the interests of the commercial sector and consortia. Although this year's policy address has made education and environmental protection its themes, economically-oriented values are found everywhere and it has neglected humanism and the humane values underlying education and environmental protection.

The policy address is entitled "Quality People, Quality Home" but, in respect of education, "quality people" has narrowly regarded man as economic animals and human resources. Education is actually a tool for enhancing the competitiveness of Hong Kong and increasing social wealth. There is a certain distance between education as depicted in the policy address and the human-based total man education ideal. In respect of environmental protection, "quality home" has erroneously regarded "home" as a paradise for international investments, and sustainable economic development as the paramount objective of environmental protection. It has overlooked the nature-based environmental protection spirit and green living.

Madam President, to realize human-based total man education and nature-based green living, it requires a human-based democratic government. Under a "one-person, one vote" popular electoral system, people elect the government as the master of their fate. However, people cannot rely upon a SAR Government biased towards the commercial sector and tycoons.

Madam President, the section on education in this policy address has only emphasized the economic results of education but not the actual needs of people under the education system. Our education system has neglected the needs of five types of people at present. Firstly, kindergarten students. Last year, the farce of illegal intake by famous kindergartens exposed the most fatal abuse by private kindergartens. They spoiled things by excessive enthusiasm, put profits in command and overlooked the interests of infants. The policy address is short of proposals on the further subsidization of kindergarten education or the incorporation of kindergarten curricula into the scope of government supervision. This is the first deficiency of the section on education.

Second, the policy address has neglected primary and secondary students of poorer performance. This year, according to the results of the Hong Kong Certificate of Education Examination recently announced, 23 000 candidates failed in all subjects taken and they just scored zero. This result has exposed the examination-oriented nature of our education system. While those who came out winners are kings, those who failed are bandits and students who scored zero are regarded as good-for-nothing. No new resources and remedial measures are advanced in the policy address to assist these poor students in returning to the mainstream and regaining confidence so that they do not have to accompany studying princes forever. This is the second deficiency of the section on education.

Third, the policy address has neglected students with special needs. While Mr TUNG Chee-hwa praised physically handicapped CHAN Man-fong and YEUNG Yan-yan who got good results through that painstaking efforts, he has not promised to allocate additional funds to special education. More absurdly, the air conditioning facilities promised to be installed in special schools in last year's policy address can only be used one and a half years later, that is, in summer 2001. How can we expect a bureaucratic system that procrastinate for one and a half year in installing air conditioners in special schools to be more responsive to the needs of children in special schools? This is the third deficiency of the section on education.

Fourthly, the policy address has neglected university students. Universities in Hong Kong have become more and more commercial and university funds keep shrinking. Many teaching staff of universities are laid off and the fruits of researches have become the basis on which universities compete for resources. Universities are obviously lost along the academic and justice paths and they have become value for money commercial organizations. Recently, the Government has evaluated the abilities of university students on the basis of standards set by the commercial sector in order to determine the direction of future university teaching. Madam President, why are they evaluated only by the commercial sector? Why did we equate the market value of the commercial sector with the academic value of Hong Kong? Who are universities serving? This is the fourth deficiency of the section on education.

Fifth, the policy address has neglected teachers. With the tedious administrative work, education has become labour. The policy address has asked teachers to receive information technology training and to become biliterate and trilingual, and principals and teachers to receive pre-employment training, but it has failed to solve the fundamental problem that teachers simply do not have the time and energy to receive training. If we do not fully assist schools and teachers in relieving some unnecessary and tedious administrative duties so as to allow them to return to classrooms and concentrate on taking care of students, how can they have spare time and energy to receive training? On the surface, the Government respects teachers but it lacks understanding of their situation and difficulties. This is the fifth deficiency of the section on education.

Madam President, there is certainly a link between education and the economy but education is after all a cause about people. We cannot overlook humanism in education and merely regard man as economic animals and tools for increasing wealth. It will be an alienation to attach importance to the products of education, the employers' preference and economic results. If so, education will be detached from the essence and spirit of total man education.

Similarly, to promote environmental protection in Hong Kong, we should not regard environmental protection as the economic needs of international investors. But we should look at it as an introspection on our blind economic development in the past. To successfully turn Hong Kong into an environmentally friendly world-class city, we can certainly enact more stringent legislation in the short run to monitor, control and prohibit the production and proliferation of pollution. But it is more important to create a green and environmentally friendly market in Hong Kong and promote green living and values. In the past 10 years, western countries including the European Union such as Belgium, Germany, Italy and Scandinavian countries have started collecting environmental green taxes on products that damage the environment and require producers and people to bear responsibilities for damaging the environment.

The grounds for imposition of green taxes are that the prices of commodities in the market do not include the social costs for environmental destruction, and public moneys are used in handling the aftermath. Why do we have to use public money to establish landfills and subsidize property developers making huge profits in treating waste? Why do we not collect green taxes on commodities that damage the environment such as plastic bags, detergent and

leaded batteries? Green taxes can increase government revenue and create a green market, support more environmentally friendly enterprises and promote green living.

By means of green taxes and environmental protection labels, the European Union, the United States and Canada have started nurturing a green market. There are 1 000 green products in Scandinavian countries, 1 600 in Canada, 2 000 in Japan and 4 000 in Germany, including detergent, recycled paper, environmentally friendly batteries, reusable plastic products, low-pollution gas fuels and construction and fitting-up materials. The successful experiences of western countries illustrate that green markets and green living have great prospects.

The economic development of Hong Kong in the past has upset the human and natural ecology. Now, we have to adopt green values to affect the direction of economic development. From this perspective, we should be highly vigilant against the Government's "clear water, blue sky" project. Will the so-called "environmentally friendly new town" and "unpolluted city" drive poor people away in the name of urban renewal? Will environmentally friendly residential areas featuring green platforms and recreational areas, and the separation of passenger flows from vehicle flows affordable only by the rich be constructed? We have to be highly vigilant as to whether these environmental protection projects will finally become property development projects in which property developers will make profits while the poor will be removed to crowded and polluted areas?

Madam President, my worries are founded. The Cyberport project which has become a property development project is an evident example. The emergence of the Cyberport has driven a wave of speculation in technologies. Many listed companies need only add "cyber", "net" and "technology" to their names or acquire one to two projects related to technologies, and their share prices will be rocketing. This illustrates that Hong Kong people are still speculation-minded when they engage in economic activities. In the past, they speculated in property, now, they speculate in technologies and environmental protection. They are not happy if they do not speculate and their speculation has turned Hong Kong into a bubble economy, and an international city that is floating on bubbles forever.

Madam President, Mr TUNG Chee-hwa hopes to build Hong Kong into an international city comparable to London and New York, but the nature of Hong Kong has changed after the reunification. The economic privileges of the Cyberport and the political privileges in the Sally AW Sian case shows that there is nothing left of equality and justice. The legal system has collapsed with the interpretation of the Basic Law by the National People's Congress and there is democratic retrogression with the abolition of the two Municipal Councils and the restoration of the appointment system. Hong Kong has become more and more a Chinese city than an international city. Yesterday, the Government announced that the Director of Broadcasting, Miss CHEUNG Man-ye, would be transferred out of the Radio Television Hong Kong (RTHK) to Tokyo. This is a premeditated political transfer. In the Chris PATTEN era or the TUNG Chee-hwa era, the independent speech and editorial initiative of the RTHK has always been the thorn in the side of the leftists who eagerly wanted to remove it.

Last year, XU Simin lodged a complaint against RTHK with Beijing, claiming that RTHK was cynical and asked Mr TUNG Chee-hwa to "control" RTHK on three occasions. At that time, Mr TUNG Chee-hwa responded that this should be done slowly; in other words, Miss CHEUNG Man-ye would be transferred and RTHK would be reformed sooner or later. Recently, Mr CHENG An-kuo defended the "two states" theory in a RTHK programme, the leftists responded extremely strongly and this led the SAR Government to pull forward the policy which would otherwise be implemented slowly, and Miss CHEUNG Man-ye became the victim of the independent speech of RTHK. In such an adverse situation, RTHK may still maintain the policy of editorial initiative in the short run. But when the nest is overturned, can eggs stay unbroken? If the lips are gone, the teeth will be cold, and we should draw lessons from others' mistakes. While Hong Kong people felt sorry for the departure of Miss CHEUNG, they are worried that RTHK will ultimately become the people's radio and the mouthpiece of the Government.

The transfer of Miss CHEUNG Man-ye means a victory for the leftists in Hong Kong and the defeat of independent speech. We have actually lost too much for two years after the reunification. Democracy, freedom, human rights and the rule of law are retrogressing and Hong Kong has become more and more a place that is noiseless, a place that has lost or changed its voice, and a place that is becoming one with China. But is this the Hong Kong we want? Is this the world-class city we are yearning to become? I can say nothing indeed.

Madam President, I oppose Mr TUNG Chee-hwa's power politics with this pathetic speech. With these remarks, I support Mr Martin LEE's amendment.

**DR PHILIP WONG** (in Cantonese): Madam President, the Chief Executive, Mr TUNG Chee-hwa has made his third policy address. As the representative of the Chinese General Chamber of Commerce, I consider this policy address objective, neutral, and practical, and it has positioned Hong Kong clearly and contained forward-looking policies. I support the strategies advanced in the policy address for the future development of education, environmental protection and innovative technologies and I believe that the community will fully support that the SAR Government should build Hong Kong into an economically prosperous and environmentally pretty knowledge-based international city on the basis of the ideas and plans in this policy address.

I also subscribe to the suggestions in the policy address for promoting the economic and trade contacts between Hong Kong and the Mainland, and I believe that the relevant measures will certainly be welcomed by those in the industrial and commercial sectors as well as investors. I hope that the SAR Government will continue to work for the promotion of economic and trade contacts between Hong Kong and the Mainland and co-ordinate and solve the problems encountered by Hong Kong people who run business and factories in the Mainland. This way, the superiority of the two places will complement each other for the benefit of joint development.

Perhaps because of limited space, this policy address only contains a brief section on SMEs. It will be better if the policy address can put forward more effective measures for supporting SMEs.

Supporting SMEs so that they will continue to play a useful role in stabilizing our economy deserves our attention. A responsible government cannot be unconcerned about the present situation of SMEs, the difficulties encountered by them and the direction for their development. It should formulate some short-term and long-term measures to give SMEs assistance because SMEs are really of great significance in social stability and economic development.

Firstly, around 98% of companies, 60% of manpower and 40% GDP in Hong Kong are related to SMEs. If SMEs have more venture capital and better financing channels, they can continue to stay in business and develop, and this will help to alleviate the employment problem. I have made this point before.

Secondly, after the employment problem has been alleviated, the Government will naturally spend much less on welfare, in particular, Comprehensive Social Security Assistance payments and public order, and it can spare more resources for training outstanding talents, building a better home and laying a firm foundation for the long-term development of Hong Kong in the 21st century.

Therefore, I believe the SAR Government should attach great importance to SMEs.

According to a survey, the number of SMEs in Hong Kong has reduced from 450 000 at their peak to around 270 000 at present within 10 years. SMEs encountered unprecedented difficulties after the Asian financial turmoil and 1 400 more SMEs closed down from January to June this year. To help SMEs out of their plight, it requires concerted efforts by SMEs, the Government and banks.

SMEs and their staff should continue to be devoted to their work, innovative and energetic and to turn crises into opportunities. Their traditional spirit of constantly striving to become stronger is one of the major factors that contributed to the success of Hong Kong in the past. With the onset of knowledge-based economy, if SMEs want to assume a failure-proof position, they have to increase their technology content, enhance business management and be devoted to the development of new products and markets. In my view, the directions for development in respect of technologies, education and environmental protection as advocated by the Chief Executive are closely related to SMEs and will ultimately benefit them.

Within the Government, not only the Chief Executive's Office has to be concerned about SMEs, the Financial Secretary's Office, the Trade and Industry Bureau, the Financial Services Bureau, the Trade Department, the Industry Department, the Intellectual Property Department, the Customs and Excise Department and the Beijing Office should also be concerned about SMEs. In

addition to continued implementation of the Special Finance Scheme mentioned in the policy address, the Government should also look for ways to give SMEs practical help. It should look at questions, for example, of how to increase channels for communication with SMEs, how to upgrade their management quality, how to give them suitable guidelines and enhance their grasp of market information and chances of development, how to relieve their tax burdens and to relax certain restrictions that are unfair or unreasonable to them as well as how to assist them in establishing sounder financial systems that will enable them to obtain bank loans or attract other shareholders more easily.

In respect of the banking sector, I fully agree with the views expressed by the Chief Executive that we must change the "culture" of granting loans. At present, the greatest difficulty faced by SMEs is capital shortage and, to a very large extent, this is affected by the practices of the banking sector.

I would like to focus on the banking sector.

For years, the banking sector has been extending property and mortgage loans more readily. As these loans on mortgaged property have relatively lower risks and are more profitable, the lending rates have stayed high with highly preferential terms offered. In fact, bank loans should also focus on SMEs engaging in trade, tourism and services industries because these industries can generate foreign exchange for Hong Kong and they performed fairly well in the past and have rather promising prospects. These industries can perform far better than the estate property sector in generating foreign exchange. However, as banks are usually unwilling to make long-term loan arrangements for SMEs, they affect the further development and growth of SMEs. I understand that banks do have their own difficulties. Apart from the fact that they have to be prudent in extending loans in an economic downturn, most deposits with banks are short-term deposits, and having granted loans to large enterprises and property development projects, banks can hardly extend long-term loans of large amounts to support SMEs.

Why are there more short-term deposits than long-term deposits with banks?

Certainly, some depositors do not want to take the risk concerning the long-term trend of deposit interest rates but many of them would like to wait and see. During the rule of the British Hong Kong Administration, legislation was made in the latter part of the transitional period to abolish the well-established Interest Rate Agreement (IRA) that had been operating for years. As a result, small, medium and large banks compete among themselves in respect of interest rates. At that time, the Consumer Council proposed the abolition of the IRA under the pretext of "consumer interests" which led to vicious competition among banks in terms of interest rates, making it more difficult for small and medium banks to carry on business. How can they compete against large banks in terms of deposit interest rates? We can deduce from this that one of the main reasons why a depositor only deposits his money in a bank for one week, two weeks or one month is that he expects that other banks will make an upward adjustment in interest rates, therefore, he is not willing to make long-term deposits. If the IRA is reinstated, they will naturally have less worries about long-term deposits.

Madam President, the Chief Executive reiterated in the policy address that he upholds the non-intervention policy featuring market-orientation and fair competition; this is very important to the development of a free economy in Hong Kong. Looking back at the later days of the rule of Hong Kong by the British Government, although it kept stressing non-intervention, it intervened largely before its retreat and upset the independent market operations of various industries and trades. The example of the abolition of the IRA just given is actually an excuse made by the British Hong Kong Administration on the basis of "consumer interests" to conceal their "venomous schemes" to upset the normal operation of the banking sector. When these "venomous schemes" come into play, the small and medium banks will have to compete directly against large banks, and their business costs will be much higher than before. On the contrary, their profits will be substantially reduced or they will not even make any profits. If things go on like this, I am afraid that some small and medium banks will face elimination, and there will even be a "dominos effect", banks will close down and people will run on banks.

In the past, some Honourable colleagues of the former Legislative Council were scared by the pretext of "consumer interests" advanced by the British Hong Kong Administration and they failed to consider this carefully. In the long run, the abolition of the IRA will only harm the public as these "venomous schemes" will strike a blow at small and medium banks, thus directly jeopardizing their profits and existence and indirectly giving rise to SMEs' financing difficulties, a

tense employment situation, economic depression and so on. The interests of the public will then be damaged.

Therefore, if we want to pick an industry among all industries and businesses that is most influential to our economy, we should pick the banking sector. After we have maintained the stability and fair and reasonable growth in interest of the banking sector, we can provide SMEs with a sound business environment and establish a solid foundation for our economic prosperity. To achieve this aim, it requires matching policies from the Government and a sufficient understanding from the public. In my view, the IRA came into being as a result of the banking sector's ability to pinpoint at the realistic situation of Hong Kong, mature consideration and practice. If the IRA is reinstated, it will be beneficial to the banking sector and our economy as a whole and helpful to SMEs. I hope that the SAR Government and the banking sector will consider once again if the IRA should be reinstated.

Madam President, the greatest danger lies in our inability to discern the seriousness of the problem. I am afraid the British Hong Kong Administration had devised many "venomous schemes" before it withdrew from Hong Kong, so I hope that the SAR Government is wise and bold enough to detoxicate them as this will be a blessing for Hong Kong people.

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

**MR EDWARD HO:** Madam President, as two colleagues from the Liberal Party have spoken before me, I shall be using English. But I promise that I will not switch to Putonghua midstream.

Madam President, they say that as one grows old, one tends to look back into the past. In preparing today's speech, I looked back to what I said in the policy debate in this Chamber in 1988. You may remember that. I started with a quotation from the famous book by Tolkien, *the Hobbit*.

"They found that the story-teller had now wandered into strange regions beyond their memory and beyond their waking thought, into times when the world was wider and the seas flowed straight to the western shore."

I went on to say that, "It was not beyond my memory that, as a young boy, my father took me to swim in Causeway Bay where the water of the Victoria Harbour lapped against the shoreline where the trams now run. And I remember us kids cycling to Central without undue fear of being run over, or suffered the inhalation of harmful car exhausts." I also said, "that since then, Hong Kong has unrelentlessly built up its population and its economy. Hong Kong takes pride in its success story, but what has become of our quality of life?"

Madam President, those are the words I said 11 years ago. Unfortunately, those words are still relevant today, as are almost the entire content of my speech then, which was focused upon our quality of life.

This year's main themes in the Chief Executive's policy address are on education and the environment. These are issues that are of vital importance to all sectors of our community, and particularly so to those in our functional constituency whose members are architects, planners, surveyors and landscape architects. After all, our professionals are committed not only to the cultivation of professional skills, but also committed, by their vocations, to making Hong Kong a better place to live in.

The cultivation of human resources has to come first in building up any society and any economy. I welcome the Chief Executive's and the Administration's commitment to a number of innovative initiatives to reform our education system that has long been in need of a fundamental overhaul. I can understand why there is no mention of the training of professionals in the address, as apparently, there is no deficiency in this area. In fact, I can go on to say that professionals in Hong Kong can be compared in ability and quality to all others in the developed world. What has been a worrying trend is that professionals in Hong Kong have not been given due recognition by our own Government.

The question of fee bidding has already been much debated. The central problem is that the level of fee has become the overriding principle in the selection of professionals. Under this system, and in the current depressed economic climate, many professional firms have to resort to unhealthy fee undercutting in order to survive. This is positive discouragement to enhancing quality in professionalism.

The Chief Secretary for Administration, Mrs Anson CHAN, has, in a speech last week, asked the professionals to tighten their belts. I am frankly totally amazed at her statement. Does she know that many professional firms in the last two years have already reduced drastically their staff costs both in reduction of salaries, as well as large scale layoff of their staff; and that some estimates indicated that for architects alone, there is some 33% unemployed or underemployed? Does she know that at the best of times, professionals in private practice only earn a reasonable living? Does she know that professionals are now fighting for their survival?

I want to emphasize that this Government and this community have a duty to maintain the viability of our professionals. They are not only vital assets of our society, but each one of us has invested much to their education.

I will now speak on the environment and town planning. Since its creation, the Environmental Protection Department, under the policy direction of the then Planning, Environment and Lands Branch (now the Bureau) has been mainly concerned with the formulation of laws for the protection of the environment. The department's efforts have been more visibly engaged in the enforcement of environmental laws. It has been more eager to wield the stick than proactively working in partnership with the private sector to look for solutions. I am glad that we have at last a Chief Executive of the Hong Kong Special Administrative Region (SAR) who saw the problems and is willing to take the initiatives; and a Secretary for Planning, Environment and Lands who is determined to introduce strategic planning policies to improve the environment.

I stress the words "strategic" and "planning", for the improvement of our environment is not the sum of ad hoc measures. Least of all, it is not about the mere action of introduction of environmental laws and increasing prosecutions and punishment. Though they have their undoubted contributions, it also should not be the sole domain of so-called "green groups" who tend to be single-issue advocates.

In June, 1992, a large gathering of world leaders met in Rio de Janeiro. They decided, under the terms of Agenda 21, to jointly pursue a path to put the world on a more sustainable course. Though it has been in use before, the term "sustainable development" has been widely used since. The Planning

Department is finalizing a study on sustainable development strategy for Hong Kong. What is important to bear in mind is that the study definition was: "Sustainable development in Hong Kong balances social, economic and environment needs, both for present and future generations, simultaneously achieving a vibrant economy, social progress and better environment quality, locally, nationally and internationally, through the efforts of the community and the government."

It is a rather long definition and the goal is very ambitious, but it is clear that any strategy for the future must be based on the context of where we live, the SAR, and not somewhere in the South Pacific. Environmentalists tend to forget about the economy and social needs, while the business sector tends to ignore the environment. Sustainable development must consider the conflicting demands of a fast-growing economy on the environment and the society, and to achieve a right balance between the two.

Though one of this year's main themes in the policy address was on the environment, I was disappointed at the omission of any reference to the broader issue of town planning except in relation to urban design around the harbour. In his briefing to Members of this Council, Mr Gordon SIU, the Secretary for Planning, Environment and Lands, has indicated that there will be innovative concepts to create new towns that will be clean and healthy. I welcome that commitment. To realize that concept, I urge the Government to call upon the expertise of the local professional institutions and their members. They have demonstrated a remarkable capability to produce original and imaginative solutions to the Central and Wan Chai Reclamation as well as the South East Kowloon Development. Naturally, I do not think that professionals are expected to work for free every time.

Hong Kong's population is projected to grow to 8.1 million by 2011. Many homes will have to be built, many communities formed, many people will have to be transported, and many employment opportunities will have to be found for the expanding population. It needs the co-ordinated and concerted efforts and commitment of many government departments to develop and implement visionary communities for the future that are attractive, clean and safe. These should be places where people like to live and where employment opportunities can be found.

Madam President, at peak hours every day, we can observe a unique phenomenon on the streets of Hong Kong: long and unbroken lines of half empty buses taking up valuable road space, creating inefficiencies for themselves and other road users. The irony is that they are mostly gleaming new buses, and yet by their sheer number on the road, they are adding to traffic chaos and air pollution. We can see that there has to be a better co-ordinated public transport policy, especially inter-modal exchanges with rail transport. Our future town planning strategy must be formulated so that this kind of problem can be avoided. New business centres and communities must be created so that one direction public transportation at two peaks a day would not cause inefficiencies, congestion and pollution such as we are experiencing today.

On urban renewal, I welcome the Government's initiatives to facilitate urban renewal. The old urban areas should not be allowed to continue to deteriorate. At the same time, large scale resumption of properties and uprooting of people and businesses are socially disruptive, and must be done with sensitivities and equity. The needs of the elderly who are usually attached to their original neighbourhood must be specially considered. There must be comprehensive solutions to rehousing and reprovision of businesses. In all these, the Hong Kong Housing Authority has a strong role to play.

Incidentally, I am extremely pleased that the new authority is to be named the Urban Renewal Authority. In a debate in this Council on the subject, I suggest that the word "renewal" is a far superior word to use than "redevelopment". I have spoken many times on the merits to rehabilitate old urban areas: urban renewal by rejuvenation and conservation, rather than by wholesale demolition and redevelopment. I am glad that the ambit of the proposed Urban Renewal Authority will include preservation of our heritage.

A community must be able to look back into its past heritage so that it would commit to its future. At present, there is very negligible resources put into culture and preservation of heritage. Our cityscape tells all. The Antiquities and Monuments Ordinance was first put into operation in 1976. 23 years later, there are only 67 declared monuments. Of these, 48 are buildings, mostly in the rural areas. What about statutory preservation of important historical buildings in private ownership? There is none.

Whilst the Antiquities Advisory Board and, since its inception, the Lord Wilson Heritage Trust, have done much to promote culture and heritage, with the assistance of the hardworking Antiquities and Monuments Office, preservation of heritage private buildings has not been possible because of the inflexible land policy. With the creation of the Urban Renewal Authority, it is time that there should be positive legislative means whereby important historical buildings can be preserved: means such as "linked-sites" development, transfer of plot ratios and bonus plot ratios for conservation of important building facades. All of the above have been successfully practised in other countries.

Many people criticized this year's policy address as long in vision but lacking in short-term measures to tackle problems in our economy and unemployment. I can sympathize with that feeling. Though the Chief Executive has described the Hong Kong economy as being out of the depth of the valley, it is no consolation to those who are unemployed, or to those whose income has drastically been reduced, or to those who are in constant fear that they may be the next ones to be laid off.

From the perspective of professionals in my functional constituency who work in the private sector, the number of new projects in the past two years has been negligible compared to before; and professional fees have been greatly reduced, being led by the example of such government bodies as the Hong Kong Housing Authority.

I urge that the Government should do its best to explore the opportunities to do projects in the Mainland, as other governments have done very successfully in our Mainland.

Lastly, I would like to re-emphasize the importance of the relationship between the SAR and the rest of the Pearl River Delta, a subject which I have spoken many times in the past but that I have got no time now to deal with in detail.

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

**DR TANG SIU-TONG** (in Cantonese): Madam President, the policy address this year is entitled "Quality People, Quality Home". While the former emphasizes cultivating and upgrading the quality of individuals, the latter emphasizes improving and upgrading the quality of life in communities. Both policy directions merit our support, but in respect of building a "quality home", I hope that the word "共同" can be added before "建設" and the word "安全" can also be added before "美好家園" in the Chinese version of the theme. This may make the theme "superfluous" but I precisely want to highlight these disappointing parts of the policy address.

In regard to "quality home", the policy address has especially emphasized environmental protection, the sustainable development concept and urban renewal. These policies and concepts of administration are definitely essential to quality home building but I believe it will take certain time before we will be able to enjoy the fruits of these policies. If the people want to breathe fresh air in a busy area, they may have to wait for at least three to seven years. If they want to take a walk in an environmentally friendly new town, they may have to wait for eight to 10 years. If they want to take escalators in a redeveloped area, they may have to wait for 20 years. If they want to admire "clear water, blue sky" in the Victoria Harbour, they may have to wait for 30 years. Yet, the public may be injured or killed by spalling concrete fallen from the external walls of old buildings on the streets of Mong Kok at any time and they may be trapped by floods overnight or even drown by landslide or floodwater at any time. They are also constantly threatened by the dangerous slopes surrounding their homes and forced evacuation at any time. These incidents do not happen once in a while every one to two years, but every year. Unfortunately, they have taken place at the same time a few months ago. More unfortunately, some people directly or indirectly lost their precious lives every time. The disappointing point is that this policy address has not mentioned these pressing problems concerning people's livelihood.

Although there is limited space in the policy address and not mentioning these problems does not mean that the Government will not do anything about them, I am afraid that not mentioning these problems means that these are not the main points of the policy address and, at the most, additional resources will be allocated. But general administration will be taken forward on the basis of established policies. Madam President, let us look at the safety of buildings first. In mid-August this year, an incident took place in Mong Kok in which a person was knocked dead by spalling concrete fallen from height, and this incident triggered off public worries about the safety of buildings once again.

Similar incidents took place in North Point and Causeway Bay after that. One month later, the Buildings Department finally admitted that the illegal structure clearance carried out in the past was dissatisfactory and promised that it would step up actions and double manpower for the clearance of around 6 000 illegal structures in 300-odd target buildings. Yet, an accident happened in Tai Kok Tsui early this month in which an illegal platform collapsed. However, this building was not on the list of target buildings of the Buildings Department. The incident reflects that about 800 000 illegal structure not on the blacklist of the Buildings Department are constantly threatening the personal safety of residents and passers-by, and it shows that the problem is more serious than that estimated by the Government and imagined by the public!

No doubt, the most thorough solution to the safety problem of old buildings lies in urban renewal. Therefore, I support the Government's proposal to establish the Urban Renewal Authority to pace up renewal projects. However, a slow remedy cannot meet an urgency, unless the Government can do the following:

- (1) to give higher priority to the relevant policies, allocating more resources and enhancing law enforcement to further extend the coverage of the list of target buildings and shorten the waiting time for illegal structure clearance; and
- (2) to change its policies to implement as soon as possible the proposals made by the Hong Kong Progressive Alliance on the policy address to improve the efficiency of old building inspection, repairs and maintenance by means of "inspection by the Government and maintenance by the owners" as well as making owners participate more actively. This way, the problem will be solved sooner and the public can set their mind at ease.

Apart from building safety and illegal structure, for years in the past, dangerous slopes and floods also made the public worried and suffer hardship. It is a pity that the Government has not been highly concerned about these problems. Although these disasters can destroy people's home and their property and lives at any time, the Government has similarly handled these problems relating to the lives and property of people slowly. According to the Government's estimation, there are a total of 10 000 government slopes in Hong Kong categorized as highly risky slopes "having serious consequences", yet, the public has to wait for 10 years before these slopes can be properly dealt with.

It is hardly acceptable for people to live in worries for another 10 years, and the Shek Kip Mei landslide in August revealed that executive departments were mutually shirking responsibilities for the maintenance of such slopes, giving rise to the situation where dangerous government slopes are nobody's responsibility. It is totally unacceptable that the public has to be worried about man-made calamities other than natural disasters. Regrettably, the policy address has not summarized the lessons to be learnt from the incidents and failed to make timely suggestions to pace up the renovation of dangerous slopes. Furthermore, the "looking forward" section of the policy objectives of the Government only comprises the same old contents. There are few surprises at all!

How about flood control works? A rainstorm in September turned extensive areas in the New Territories into a vast expanse of water. It is estimated that we have to wait until 2002 and 2004 when the flood discharge works in such areas as Yuen Long, Kam Tin and the North District that are plagued by floods have been completed before the threat of flooded homes will be relieved. By 2006 and 2010 when all works on the drainage system in the two areas are completed, the flood problem will be brought under permanent control. The public is waiting for the works to be paced up but we found in the Government's progress report that eight of the flood control works projects in 12 "easily flooded" villages have been delayed for two or more years. This is really astonishing!

Under the policy premise of "quality home", how can the time taken by urban renewal be shortened by 10 years? How can urban renewal projects be exempted from billions of dollars of premium and even be subsidized and how can diesel vehicle owners be given \$1.4 billion subsidies? Yet, why cannot the public who only wants safe homes be told that the slope renovation and flood control works that take 10 years will be shortened by one to two years? Why does the Government not spend \$600 million to \$700 million to provide old building owners with free inspection services? If "quality home" is important, "safe home" is even more important!

Madam President, the policy address emphasized community building, environmental improvement, promotion of sports development and building Hong Kong into an international cultural centre; all these require the support and participation of the public. However, on the basis of administrative convenience and political considerations, the Government is bent on having its own way to abolish the two Municipal Councils which see participation by representatives of the public in making policies for municipal, cultural and sports affairs. It is indeed the biggest contradiction in the policy address!

Next I would like to discuss reforms to the medical system and cross-boundary traffic. Madam President, "man" is the most precious resources of Hong Kong, and to ensure that people can keep making excellent economic achievements in a rapid and tensed situation with intense competition, it is definitely important to enhance people's knowledge and skills through education. But if we want to ensure that people have healthy bodies to enjoy these economic results, a fair set of policies on health care of a reasonable quality is essential.

Since the Harvard specialists have published a report on the medical reforms of Hong Kong early this year, the community has yet to reach a consensus in respect of the principles or objectives of the reform. Yet, as the reform involves material changes in the future mode of service delivery and financing, it is closely related to the public. Therefore, we should not finalize any specific proposals before the community has reached a consensus on such principles as the orientation and objectives of the reform. Hence, when the Government conducts the second round of consultation by the end of this year, it must adopt objective and scientific methods, and it must first collect, analyse and compile information on the value orientation of people, and identify the relevant principles and objectives before putting forward a specific proposal for the community to make a decision. I think that we can only make the consultation more efficient by first specifying the principles and then making a proposal, and we will then be able to find a genuine way out for the medical reform.

Madam President, as stated in the policy address, the paramount superiority that supports Hong Kong in its development into a world-class city is the economic link between the SAR and the Mainland. The question of strengthening the passenger and freight flows between Guangdong and Hong Kong by rail and on the road is the key issue. Besides, whether there are unimpeded cross-boundary crossings is tied up with the traffic condition in Hong

Kong especially in the northwest New Territories. At present, once the cross-boundary road crossings are seriously congested, traffic in the whole northwest New Territories region will be affected at any time, causing traffic congestion in Yuen Long, Sheung Shui and so on. This is inconvenient for people travelling to and from these areas and will even delay the movement of emergency vehicles in and out, entailing serious consequences. It is a pity that other than bringing up again some long-term cross-boundary passage schemes under planning, the Government has failed to propose positive and specific short-term measures to relieve the traffic congestion and huge crowds travelling between Hong Kong and Shenzhen.

Although the policy address has stated that the Government is actively considering the further simplification of the cross-boundary customs formalities, it has not specified the concrete details while the information provided by the press and surveys have specified that people in Shenzhen and Hong Kong support the so-called "one place, two inspection" system to simplify passenger and freight customs inspection. Therefore, I hope that the Government can announce as soon as possible the proposal for simplifying the cross-boundary customs formalities and put them into practice as soon as possible after consulting various views and after the community has reached a consensus to speed up customs clearance to relieve congestion on the roads in the northwest New Territories. To avoid unnecessary disturbance and burden for people who travel frequently between Shenzhen and Hong Kong, and unnecessarily impeding the exchanges between Shenzhen and Hong Kong, I have reservations about the Government's intention to collect land departure tax.

Madam President, while we welcome the approach of a new century, it is encouraging that the SAR Government has made great plans for "quality home". But I am disappointed at the fact that the Government has failed to actively solve the problems threatening the settled life of the people. I am sorry that the Government has neglected people's right to participate in making cultural and municipal policies and it is determined to abolish the two Municipal Councils. Given the present tight financial position of the Government, I am afraid it will have to further tighten its purse strings for it has to raise some \$270 billion in the next five years to finance various infrastructure and environmental protection projects. By then, the public and the industrial and commercial sectors will have even heavier burdens. I hope that the Financial Secretary will give the public a satisfactory explanation and a few surprises in his budget next year.

Furthermore, the Government should ensure that the job opportunities to be created by huge infrastructural projects will be made available first to local workers and the industrial and commercial sectors so that such investments will drive our economic growth.

Madam President, I so submit.

**MR CHAN WING-CHAN** (in Cantonese): Madam President, before the delivery of the policy address, the Home Affairs Bureau conducted a telephone survey and interviewed 1 400-odd people in September this year. The findings of the survey showed that the public was most concerned about economic problems, followed by labour problems. Most people, 51% of the interviewees, were concerned about employment and unemployment problems. In other words, Hong Kong people are generally concerned about employment and unemployment, that is, the rice bowls of "wage earners".

At present, the latest unemployment figures show that some 200 000 people, that is, 6.1% of the total working population are unemployed. We cannot ignore this problem. However, the Chief Executive's policy address has not touched upon this problem, apparently resigning these some 200 000 unemployed people to unimportance.

The policy address only stresses how the international features and image of Hong Kong can be maintained and brushes aside the problem that local workers have to "tighten their belts". Paragraph 25 of the policy address reads "Last year, the Labour Department set up the Job Vacancy Processing Centre ..... helped an average of more than 4 000 people per month to secure jobs." The Chief Executive thought that unemployment was only the result of a mismatch between supply and demand and it can be solved by merely establishing an administrative centre. In fact, there are utterly not enough jobs in Hong Kong and it is a problem of "seven covers for 10 rice containers" that cannot be resolved after all.

At present, most unemployed people are manufacturing workers displaced by the second economic transformation of Hong Kong. We in the FTU have always asked the Government to take special care of their employment and assist them in rejoining the labour market. For instance, we suggested that the

Government should develop the community and personal services industries to absorb these people who have "low skills and academic levels".

Compared to other countries, there are still ample space for the development of community and personal services industries in Hong Kong. In 1998, only 28.9% of the working population were employed in the services industries, far lower than the 50% level in foreign countries. Of course, the demands of every country and region for personal services differ, but if such development in Hong Kong can be elevated to the same level, over 500 000 jobs can then be created. In fact, there is a huge demand for domestic helpers in the market and people have always criticized that the resources put into such community services as elderly and child care are seriously inadequate. The Government should actively promote the community and personal services industries and explore job opportunities fully.

Paragraph 29 of the policy address lightly stated that "Hong Kong's economy is improving. I believe that the high unemployment rate caused by the Asian financial turmoil will come down gradually in due course .....". I really doubt if the Government can reduce the 6.1% unemployment rate by what Mr TUNG "believed" alone. The Chief Executive seeks to solve problems only by confidence, not by actually taking actions. We are helpless in the light of the Government's attitude towards employment.

Besides, the FTU found that the growth in employment is not proportional to economic growth and the key lies in whether the growth industries are labour-intensive. As Miss CHAN Yuen-han has given the relevant arguments in her speech, I will not go into the details. Even if there is positive economic growth again, it does not necessarily mean that the unemployment problem will be readily solved.

On the whole, most people especially the labour sector do not agree to the way in which the SAR Government has tackled the unemployment problem, on the contrary, they feel disappointed. According to the findings of the telephone survey conducted by the Home Affairs Bureau, almost 70% of the interviewees thought that the Government had performed rather badly in tackling labour and economic problems. It showed that the Government needs to adjust its economic role and positioning, and change from biasing towards the views of the industrial and commercial sectors to listening to and respecting the views of the grass roots.

At present, the first ray of hope for the labour sector are the job opportunities to be created by the Government's \$250 billion investment in infrastructural and railway projects. However, we must stop labour importation before we can really create job opportunities for local workers. This is the usual position of the FTU and the DAB.

Madam President, having discussed the many labour problems, I would now turn to discuss the environmental protection policies of the Chief Executive. As regards his environmental protection policies and objectives, I think that they are forward-looking and correctly oriented. I pointed out in the Question and Answer Session after the policy address had been delivered that Mr TUNG was "really living up to his words ..... prepared to meet the challenges in nurturing quality people", and the title of the policy address was very good and the policy address skilfully packaged.

Madam President, I have not used the word "packaged" in a derogatory sense. In fact, I was praising the Chief Executive in the question and answer session though I did not say that "it merited support" then, I would add this now. For example, it has implemented the principle of sustainable development and put into practice sustainable development as stated in the policy address in three aspects: improving air quality, improving water quality, reducing waste and building greener quality homes. The Government can instantly realize Mr LAU Kong-wah's "ideal Shing Mun River" idea. His idea includes clearing away the sludge, weeping willows on both banks and boating under the moon. I further hope that there will be swimming fish in clear water, singing birds and fragrant flowers. A Shing Mun River like this is really enchanting and Hong Kong will then make one step forward towards the "clear water, blue sky" objective.

Madam President, Hong Kong was well-known as a "shopper's paradise" and a "gourmet's heaven" in the past. We, Hong Kong people, certainly hope that Hong Kong will become other "paradises" in future. For example, a "habitation paradise" with an excellent environment, and an "employment paradise". If so, this city can really be called a "heaven on earth".

After listening to my remarks, some Honourable colleagues may think that I am "too idealistic". Madam President, I share their views to a certain extent because it is a very difficult task to improve the overall environment of Hong Kong. For example, the Strategic Sewage Disposal Scheme (SSDS)

implemented by the former Government for a long time to improve the water quality of the harbour has so far been beset with difficulties.

The completion of the Phase I project of the SSDS has to be delayed until 2001 and its costs amount to \$8.2 billion. In the course of this project, it has been suspended for some time because of some technical problems. It is stated in this policy address that \$18 billion has to be spent on the remaining Phase II to Phase IV projects. The enormous costs and scale of the Scheme are unprecedented and it is unknown whether these projects can be completed on schedule. It is also expected that sewage charges will substantially increase.

To improve the overall environment of Hong Kong, I agree that our concepts should be changed once and for all, and the public, businessmen and the Government must co-operate among themselves. The issue of charges is even more important. For instance, have the charges been reasonably determined? Does the public generally accept such charges? How about the burden on businessmen? Will charges impose pressure on the business environment? Moreover, how can the Government conduct extensive publicity and education among the public to match the environmental protection initiatives? How can the relevant departments sincerely listen to the views of the affected trades and conduct negotiations in order to reach a consensus?

When the Government established the Sewage Services Trading Fund, it neglected the existence of the catering trade and did not consult them before collecting from them unreasonable and excessively high sewage charges, making their operation increasingly difficult. The trade made strongly criticisms and petitioned to the former Legislative Council for many times and they even organized demonstrations that saw participation by 3 000-odd people. Yet, the Government did not hesitate to increase sewage charges substantially in order to attain a break-even in 2000. The budgeted rate of increase between 1997 and 2000 amounted to 165%. Such an unreasonable rate of increase was certainly opposed by the then Legislative Council and the Sewage Services Trading Fund also ceased to operate during the time of the Provisional Legislative Council. That meeting was chaired by you, Madam President. At first, the trading fund was supposed to be 100% financially autonomous, but the Government later promised that the public and the Government should each share 50% of the charges.

I believe this lesson should remain fresh in the memory of Honourable colleagues. I would like to remind the Government once again that it should prudently and strictly control project and operating costs in future and avoid increasing charges insanely, otherwise, history will repeat itself. Keep this in mind! Keep this in mind!

The Government has also proposed to implement a Liquefied Petroleum Gas (LPG) Taxi Scheme to improve air quality and hoped to extend the scope of the Scheme to cover other vehicle types. I support this in principle. As I have discussed the lack of matching facilities in our debate on the "environmental protection" motion last week, I will not repeat the points made.

I wish to point out that the Government has launched a signal flare in the policy address which made professional drivers worried. It increased the fine for smoky vehicles to \$1,000 and the "chassis dynamometer" testing method made them at a loss as to what to do. Many examples have shown that even if vehicles are properly maintained, they are often still tested to be substandard and matching maintenance services are seriously inadequate. As a result, professional drivers are gravely worried that they may be fined frequently to cause them livelihood problems. The Motor Transport Workers General Union is extremely concerned about this.

Madam President, to conclude, I think that the policy address has presented to the public a beautiful picture of our future insofar as environmental protection is concerned. But how can people really appreciate and admire the beauty of the picture? That must require a "good mood" among all people in Hong Kong. Putting this simply, "everybody should have work and square meals".

Madam President, I so submit. Thank you.

**MR LAU WONG-FAT** (in Cantonese): Madam President, last month we had several typhoons. When we were having dim sum breakfasts, a long-time neighbour said to me grudgingly, "Hong Kong is out of luck these days. For quite a long time in the past, even typhoons dared not come near the territory, as

if it possessed a protective talisman. Even if they did, they just went past Hong Kong. Whatever crises there were, they lasted only several months and the economy would pick up again. But those good old days have all gone."

The financial turmoil has burst the economic bubble of Hong Kong. Bad days are in. I trust many people are just like this old bloke, grudging and cherishing the memory of the good old days. This kind of negative sentiment would soon turn into resentment against the SAR Government. Under such circumstances, it comes as no surprise that the third policy address of the Chief Executive, Mr TUNG Chee-hwa, has attracted some criticisms or even attacks coloured by resentful moods.

Most of the criticisms centre around the failure of the policy address to stimulate the revival of the economy and to alleviate the unemployment problem, which are the two immediate concerns of the people. They speak against a misplaced focus on a distant bright future. These criticisms are understandable. However, in the wake of the financial turmoil, the SAR Government has adopted a series of measures to stimulate the economy and to relieve the hardships of the people. These include expediting the commencement of large scale infrastructure projects, providing guarantee for loans made to SMEs, intervening in the stock market to achieve market stability, strengthening training and job placement, putting a moratorium on land sale, granting a tax rebate, reducing rates, imposing a freeze on government fees and charges and so on.

Of course, the present position of Hong Kong still falls short of public expectations. Although Hong Kong is out of the woods, true economic recovery is yet to be seen. However, if not for the above measures, what would Hong Kong be like? I think an economic downturn is sometimes like catching the flu. When attacked by a virus, the patient takes time to recover. Medication can only relieve the symptoms, but recovery cannot be achieved immediately. The bursting of the economic bubble in Japan took 10 years for the country's economy to pick up again recently. Certainly, the SAR Government cannot use the Japanese case as an excuse for non-performance. The political reality is that the SAR Government is measured by the effectiveness of its administration.

Madam President, one may or may not believe in luck. The fact remains that although Hong Kong has had a number of conditions contributing to its success, these conditions are not as helpful or are not available now. So, Hong Kong is losing its edge. Criticisms directed against the SAR Government are many but few are constructive. In regard to the two main areas of concern of the policy address delivered by the Chief Executive, namely, education and environmental protection, while some say these are not immediate relief for urgent needs, they can in fact serve our next generations well. These are areas we need to work hard on, whether there was the financial turmoil or not.

The Hong Kong education system is fraught with problems. Problems exist from across basic education to higher education, hindering gravely the training of our human resources. As our competitors are developing a knowledge-based economy one after another, it is all the more necessary for us to urgently reform our education system to avoid lagging further behind the times.

Madam President, I was glad to hear the Chief Executive make it a point to expedite improvements on basic education. This is a move in the right direction. The Government has all along neglected basic education, nothing can be more absurd than that. As the saying goes: A good beginning is halfway to success. Faulty basic education can only lead to problems at later stages. I think this is one major reason why Hong Kong has been unable to train up enough talents and there are so many examination losers in our secondary schools.

Education reforms and training take a long time to bear fruit. I think it is desirable to import talents from outside Hong Kong to cater for the needs of the existing economic development. But I have reservations about the scheme to admit talents from the Mainland. What Hong Kong needs is the best and most appropriate talents. Only the best is needed and we do not care where a person comes from. We should recruit from all possible sources and should not lay down a policy to give preference to people from a certain region, which may restrict our choices.

Madam President, the long-standing neglect of the environment has taken its toll on Hong Kong. Pollution is deteriorating quickly, jeopardizing people's health and the investment environment in Hong Kong. The series of measures proposed in the policy address to improve the environment should be

implemented as early as possible. The various proposed environmental protection projects, costing \$30 billion over a period of 10 years, are smart and absolutely necessary investments. Environmental protection is genuinely a cause of the people. Its success or otherwise hinges on the joint participation and co-operation between the Government and the people. Given the lack of environmental awareness among the people, the Administration must conduct extended promotion to educate the people in this regard. To enable the people to understand the importance of environmental protection at an early age, the Government can make environmental protection a compulsory subject in schools.

Furthermore, as the institution that promotes environmental protection and the biggest employer, the Government should set a good example itself. I suggest the Government formulate a set of strict guidelines, requiring that all of its departments must meet high standards conforming to environmental protection principles in their operation, allocation of resources and disposal of waste. If necessary, it may provide training courses for civil servants. That way, the Government may take the lead in environmental protection.

Madam President, the policy address also says that the Government intends to develop Lantau Island and Sai Kung District into "centres of recreation and leisure activities compatible with principles of nature conservation." And in 2001, the Government will "also substantially extend managed country park areas on Lantau Island, enhance management of countryside areas such as the wetlands in Mai Po." All these will benefit the people of Hong Kong, which is a piece of good news. But as the Government plans its land use, it must have sufficient consultation and cater to the interests of the landowners.

Since the passage of the Town Planning (Amendment) Ordinance in 1991, a lot of private land in the New Territories has been zoned for uses such as country parks, wetland conservation and sitting-out areas and therefore been frozen over a long period of time. However, the landowners so affected have not been compensated at all. This is tantamount to deprivation of private property and violates the principle of natural justice.

Articles 6 and 105 of the Basic Law respectively states that the Hong Kong SAR shall protect the right of private ownership of property and the rights of individuals to compensation for lawful deprivation of their property. In the report prepared by the Special Committee on Compensation and Betterment, it

was suggested the Government should in principle compensate those whose interest was prejudiced due to zoning of their lands. However, the Government has not adopted the suggestion. The issue has been subject to dispute for some time and the Government should review the matter and see to it that justice is done to the landowners. Otherwise, the landowners will have no choice but to resort to legal proceedings and defend their interests.

Madam President, the Government is determined to abolish the two Municipal Councils, an action I am up against. I am not convinced that they should be scrapped. It was an unreasonable move. But then the Chief Executive said he "will invite District Council Chairmen and the newly created Vice Chairmen to join the District Management Committees." I fully agree with that suggestion because that will enhance the communication between District Councils and the Committee and strengthen the Direct Councils' monitoring of government operations at the district level, thereby facilitating district administration.

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

**MR ANDREW CHENG** (in Cantonese): Madam President, in delivering the third policy address during his term of office, the Chief Executive, Mr TUNG Chee-hwa, has laid much emphasis on nurturing talents and protecting the environment, with a view to leading the people of Hong Kong into a "prosperous millennium". Regrettably, however, the general public just could not visualize such a beautiful picture. Indeed, being hard-pressed by the immediate "bread" issue and the weight of the living expenses, how could they find any leisure or mood to enjoy the scenery?

Madam President, according to the latest figures issued yesterday, the unemployment rate is still standing at an 6.1% high, representing an unemployed population of 224 000, while the underemployment rate has climbed back to 3.1%. So, the unemployment situation is still very grave. However, Mr TUNG Chee-hwa has devoted only a very limited part of his policy address to the training of our younger generations, without making any mention of the way to help the majority of the unemployed workers to rejoin the labour market. Despite the recent messages released by the Government that the economic growth of Hong Kong has shown improvement over the third and fourth quarters

of the year, many of the unemployed are still unable to secure a job. As pointed out by economic advisor TANG kwong-yiu, the unemployment situation will not be alleviated in the near future.

Instead of undertaking to help the people to solve their immediate employment problem, the Government is still asking the public to look on God's mercy and wait for the economy to revive. As regards the demands made by the Democratic Party all along, such as legislating to protect the rights of employees who have been laid off or whose salaries have been reduced, looking into the feasibility of setting up an unemployment insurance fund and so on, the Government has just turned a deaf ear to us. For this reason, the Democratic Party has sought to make amendment to the motion today to express the dissatisfaction of the public.

On the manpower resources front, the policy address has talked a lot about the scheme to import talents into Hong Kong to contribute to the development of our high value-added industries as well as technology-based economic activities. The Democratic Party holds that if the purpose of the Government is to complement the development of our high technology industries, it should be fine to admit talented mainlanders to Hong Kong for exchange of experience. However, given the wide gap between the salary levels in the Mainland and that of Hong Kong, the Democratic Party is afraid that the talented mainlanders may cause the salary levels of local talents to drop.

In regard to the scheme to admit talented mainlanders, the Democratic Party has to raise the following points:

- (1) Has the Government conducted any manpower requirement estimates regarding high technology talents? If it has, why did it not set any ceiling on the number of people to be admitted under the scheme and review it regularly to see if any upward adjustment is necessary, instead of leaving the local labour market open to the influx of an unlimited number of mainlanders?
- (2) The relevant government departments should formulate a salary scale for mainland talents admitted to Hong Kong, with a view to preventing them from securing a job here with a lower-than-market-price salary rate. During the briefing in respect of the

policy address, the Secretary for Security stated that it was not possible to formulate salary scales for the mainland talents because they would be involved in more than a hundred job types. Actually, we are not asking the Government to set a minimum wage for each and every job type. Our point is that since there are objective requirements that the talents have to meet before they can be admitted into Hong Kong under the scheme — such as the possession of a doctoral degree and relevant working experience — why could the Government not consider formulating an objective salary scale with reference to the remuneration of local professionals, such as setting the basic monthly salary level at \$20,000 or \$30,000?

- (3) How is the Government going to plan for the technology transfer and training for local students in the long run, so that Hong Kong does not need to rely on talents admitted from outside or the Mainland? This is a point to which the Democratic Party would like the Government to respond actively.

The last thing that the Democratic Party wishes to see is the scheme further depriving the people of Hong Kong of their employment opportunities. Moreover, we hold that the Government should not concentrate on high technology to the neglect of the livelihood of workers with a lower level of skills.

Madam President, now I should like to speak on the transport policy of the Government. One of the most important parts of the transport policy mentioned in the policy address this year should be the listing proposal in respect of the Mass Transit Railway Corporation (MTRC). However, what disturbs me most is that the Government has concentrated solely on the selling price of the shares of MTRC, making no mention of such important issues as how commuters' rights could be safeguarded after privatization, or how the development of the MTRC in the future could cater for the needs of the community and so on.

The Mass Transit Railway (MTR) is an important asset of Hong Kong. For this reason, the Government must act very prudently and make very careful planning beforehand if it should decide on privatizing the MTRC. In order to win the support of the community, the Government should prove to the public that privatizing the MTRC bring more benefits to the local population and the

community of Hong Kong as a whole. In view of the rule of law, we should rely on legislation and a comprehensive system to protect the rights and interests of the public, instead of relying on the self-discipline of the corporations concerned or on the empty promises made by government officials, since neither of them has any legally binding effect. For these reasons, the Democratic Party cannot accept the Government's proposal to allow the price levels of MTR fares to be subject to no monitoring of any kind after privatization, as well as to allow the privatized MTRC to enjoy autonomy in setting fare levels in its 50-year franchise period. I hold that this is a measure to totally sacrifice the rights and interests of consumers.

Madam President, owing to the mode of operation of the MTR, it is an indisputable fact that the MTRC has naturally monopolized the market. What is more, given that the MTR and the franchised buses could not possibly replace each other, there exists only limited competition between the two modes of transport and the room for competition would be further restricted. As clearly set out in the Third Comprehensive Transport Study released by the Government recently: railways would form the backbone of local passenger service system and top the various modes of public transport. It is estimated that the patronage rate of railways among all modes of public transport would rise from 33% in 1997 to between 40% and 50% by 2016. In addition, the study report also points out that in order to enable the new railway lines to give full play to their capacity, other modes of transport should take on a complementary role. In this connection, the entire transport system would be graded into different levels gradually, under the market forces and the intervention of the Government. From this we can see that the MTRC will not face genuine competition or fair market competition. Yet the Secretary for Transport has kept on stressing that market competition would be the most effective mechanism monitoring the fare prices of the MTRC. I cannot but say that this self-contradictory argument of the Secretary's is no more than a lie to fool himself and the public.

Further still, many past experiences have told us that if government supervision should be ineffective or if the supervisory system should lack flexibility, it would always be the public who suffer. By that time, the Government could only play the role of a stander-by who can do nothing to help. The automatic toll increase mechanism of the Western Harbour Crossing and that of the Tai Lam Tunnel, as well as the scheme of profit control of the China Light and Power Company are some of the familiar examples. Because of the

automatic toll increase mechanism, the Government could do nothing to intervene or remedy the situation after it has realized that the Western Harbour Crossing Company and the Tai Lam Tunnel Company had overestimated the traffic volume and set excessively high toll levels. The greatest irony is that the Government is compelled to allow the two companies to raise the toll levels. So, who is going to protect the rights and interests of motorists? As regards the China Light and Power Company, because of its own wrong estimation of the local electricity demand, the company has over-invested in its electricity generating plants and thereby caused the people of Hong Kong to pay an excess of \$3.4 billion for their electricity bills. Owing to the ineffective monitoring role played by the Government, the interests of the people have been betrayed again and again. But the reason why the Government has time and again sacrificed public interest was simply the desire to reinforce the confidence of the investors.

Madam President, it is regrettable that the Government has not learnt any lesson its failures in the past. In the privatization proposal of the MTRC, the Government has resorted to its old trick, and in order to enhance the appeal to investors, it has even taken a further step to propose no supervision on the fare setting by the MTRC. Given that the relevant control mechanisms are so ineffective, how could the public believe that the "control-free" MTRC would protect the interests of commuters effectively in the future?

I very much hope that when the Government will take into account not only the interests of investors when considering privatizing the MTRC. The Democratic Party holds that it is equally important to protect the interests of both the commuters and the public as a whole.

Madam President, the policy address has also touched upon the press council proposed by the Law Reform Commission and the issue of the Radio Television Hong Kong (RTHK). As an official broadcaster under the "one country, two systems" principle, RTHK is in fact an important attainment index of the principle. Over the past 13 years, Director CHEUNG Man-ye has been standing firm on the editorial independence of RTHK and rightly positioned RTHK as the mouthpiece of the people, instead of a propaganda machine serving the Government as demanded by Mr XU Si-min. In regard to the transfer of Miss CHEUNG, one could hardly believe that there is no political concern behind such a decision, bearing in mind the series of abnormal events that took

place earlier on. The series of events started from the criticisms made by WONG Siu-yea against RTHK, followed by the comments made by XU Si-min, and then by the explanation of the "two states" theory given by CHENG On-kuo in a RTHK programme, all of which are very sensitive issues. As such, who would believe that Miss CHEUNG is not being punished for having disobeyed the Government? Who would believe that this is not an attempt by the Government to please the Central Authorities?

Miss CHEUNG has served the Government for more than two decades, and many of these 20-odd years were spent with the RTHK. The calculated transferral arranged by the Government this time though looks like a promotion for Miss CHEUNG, it is in effect an exile, a practice which has been made use by Chinese rulers all along. We have learnt it too well from our several thousand years' history. I am concerned that the departure of Miss CHEUNG, who has been defending vigorously the independent news agency under the "one country, two systems" principle, would unavoidably affect the work culture of RTHK to the effect that the staff members would be working under white horror in discharging their editorial or reporting duties. I fear that they might unknowingly exercise self-discipline to avoid making any criticisms against the unreasonable policies of the Government, or to "filter" the sensitive issues before broadcasting. The Democratic Party has all along held that corporatizing RTHK is a feasible way to safeguard the public interest and the interest of RTHK. In the Policy Objectives this year, the Government has repeatedly requested and expressed that the broadcasting industry should establish an open arena for free competition. We certainly agree to this point, yet we also hold that the corporatization of RTHK as an important member of the broadcasting industry should also be put on the Government's agenda for re-consideration, with a view to allaying the worry of the public that the Government is going to turn RTHK into a people's radio station.

Certainly, the departure of CHEUNG Man-yea from RTHK is no big deal, or perhaps some people might be very happy about that. However, now that the visible hand has successfully removed the champion for editorial independence, would the nightmare feared most by the press circle, which is the establishment of a press council, not be near? The Democratic Party will devote its full effort to raise objection to any news controlling agencies set up and manipulated by the Government. We hold that the freedom of the press does not need any advice from the Government, nor does it need the Government to make for it any frame

or limits. It is my believe if Mr TUNG Chee-hwa should do one thing less in connection to press freedom, he would in effect be doing good to the freedom of the press.

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

**MR YEUNG YIU-CHUNG** (in Cantonese): Madam President, this year, we have a modest, progressive and forward-looking policy address. This year's policy address can be said to be most distinctive among the three policy addresses delivered by the Chief Executive. The first policy address was mainly geared to long-term planning. However, the financial crisis has completely reversed our economic situation and disrupted our plans. The main objective of the second policy address was to take emergency measures to "put out the fire" and help the people tide over the difficulties. At a time when our economy has started to pick up and gradually rise above the predicament, the third policy address is mainly aimed at giving Hong Kong a clear position and elaborating in unequivocal terms the Government's administrative conviction. In response to the extensive requests made by various sectors of the community and international investors, this conviction has made the administration better suited to the realistic situation of Hong Kong.

According to the views held by the Commission on Strategic Development and international business leaders, the first and foremost task for Hong Kong in its pursuit of further development is to define a clear positioning for its future development. The policy address has specifically put forward the proposal of turning Hong Kong into a world-class city, that is, the New York and London of Asia. This target is indeed worthy of our support. However, there is at present still a big gap between Hong Kong and these world-class cities in terms of the availability of talents and the living environment. Should Hong Kong wish to realize the goal of becoming a world-class city, the SAR Government must prescribe the right remedy by putting more efforts into nurturing talents and improving the environment.

The fact that the previous two policy addresses have proposed to set up a dozen international centres as well as committees has reflected the Administration's "big government" mentality. This has apparently given people an impression that the Government is "consulting doctors recklessly in times of serious illnesses". Coupled with the Government's intervention in the market and proposals of setting up various ports, outsiders just cannot help worrying if the Government has altered its previous philosophy of prudent management of public finance and its economic principle of "active non-intervention", and whether it has deviated from the free market economy and embarked on planned economy instead. In his third policy address, the Chief Executive has made special clarification and specifically reiterated that the SAR Government will continue to adhere to its guiding principle of prudent management of finance and small government, upholding a free economy which is market-oriented and facilitates fair competition. The Government will only exercise essential and limited intervention when the market mechanism fails. Such a specific declaration of the economic role of the Government carries a very important meaning for this will help allay the business sector's unnecessary misunderstandings and attracting foreign investors to invest in Hong Kong.

It is undeniable that many members of the public are disappointed with the fact that the policy address has failed to put forward practical solutions to the economic, unemployment and housing problems. Although it is no easy task to please the public in alleviating their imminent problems. There is obviously still enormous room for improvement with respect to the packaging of the policy address.

Madam President, although the policy address carries a right direction and a clear notion, the key still lies in whether the right measures can be devised to realize the goals. The Government has on past occasions proposed setting up a dozen ports such as the Cyberport, Chinese Medicine Centre, Silicon Harbour and so on. Except for the Cyberport which is settling into shape, we are still at the "talking" stage with the other projects. The Chinese Medicine Centre is a good project item, and Members of the community have also reached a strong consensus on it. However, two years have lapsed and it is still at an embryonic stage. I very much hope that the Chief Executive can really look at the progress of the Chinese Medicine Centre. Apart from putting relevant measures in place,

the Government also needs to examine whether these measures can tie in with its policy objectives. For instance, while the Chief Executive talks fondly about the joint development of the Pearl River Delta Region and the formation of a more integrated regional economy encompassing Guangzhou, Hong Kong, Macau, Shenzhen and Zhuhai, the Government has proposed to levy a land departure tax. This proposal is in fact running contrary to the policy objective of strengthening liaison with the Mainland. In another example, although the policy address has proposed to introduce mainland talents into Hong Kong, the accreditation policy with respect to qualifications attained on the Mainland is still "in a mess". In my opinion, it is not important as to whether there are any new proposals or how many new proposals the Government has put forward. It is most important for the SAR Government to take concrete actions. I hope that the Chief Executive can make some practical achievements and live up to his reputation of being an "educational Chief Executive" and an "environmentally-friendly Chief Executive".

Next I will focus on two policy areas, namely, education and manpower, and speak on behalf of the DAB.

Insofar as education is concerned, although this year's policy address has not put forward a great number of new proposals, it has proposed many new initiatives. The fact that there are only a limited number of new proposals is totally within expectation. This is because the consultation on education reform is now being conducted by the Education Commission. It is obviously inappropriate for the policy address to propose additional policies with respect to education reform at this moment. Yet it is worth mentioning that although it is inappropriate for the policy address to propose new measures, it has managed to put forward a good many new initiatives.

First, the policy address has taken education policy as the theme for the cover of this year's policy address. It is really "unprecedented" for education to be taken so seriously. People working in the education sector are enormously encouraged indeed. The expenditure on education has risen to a record 4% of our GDP, the biggest share of the SAR Government's public expenditure. The SAR Government's determination and commitment have greatly boosted the general educators' confidence in the education reform. The DAB is of the view

that the policy address has done perfectly right in putting forward such ideas as "building Hong Kong through education", "building a knowledge-based Hong Kong", "cultivating talents for a knowledge-based society" and "quality people, quality home".

Second, to display a modest and progressive attitude with respect to education reform. While some biased critiques have criticized our education system in an extremely harsh manner and negated it completely, the policy address has first of all affirmed the success of our education system. The Chief Executive pointed out that a number of Members sitting in this Chamber and community leaders were nurtured by the existing education system. Of course, because of the change of times, our education system needs to advance with times too. "We need to review and continuously improve our education and training system" — the Chief Executive has made it very clear that education reform will definitely go ahead. However, what he meant is "improvement", not "revolution". The Government has no intention to negate the past or set up another stove to carry out radical reforms. The DAB sees education reform as a long-term commitment. It is not something that we can hurry through. In the course of implementation, we must take a progressive and step-by-step approach by doing the easier part first and trying to make advancement while moving forward steadily. In our opinion, the priority task for us is to upgrade teachers' efficiency of teaching in classes and carry out curriculum reforms. Only through adding substantial value to education quality can we arouse the confidence of teachers in general, students and parents in carrying out education reforms. The DAB would like to urge the Government to expeditiously relieve teachers of non-teaching work, exempt students from payment of PNETS charges for Internet service, install air-conditioners for schools in phases, improve school environment and put "one social worker to one school" into full implementation so as to give the academic sector a small gift in celebration of the millennium.

Third, to jointly take up the commitment to development of education. A huge amount of new resources will be required for everyone to be given a chance to engage in life-long learning. It is impractical, as well as impossible, for the Government to take up the full burden. This is because, with a slack economy, the Government has only limited financial resources. Moreover, the

Government is constrained by the principle of prudent financial management and avoiding a deficit budget. Therefore, although the Administration will "provide its share of resources for education and ensure their efficient allocation", the community and the general public will also need to "shoulder its share of the responsibility" with respect to resources required for life-long learning. This is the Government's new way of thinking in solving issues pertaining to raising capital for education. The DAB deems it necessary to discuss and take the matter seriously.

Madam President, the policy address has obviously failed to give due attention to manpower policies, compared to education policies. Insofar as "wage earners" in general are concerned, this year's policy address has brought them few surprises.

Undeniably, reforming the education system and advocating the awareness of life-long learning are indispensable to a comprehensive and forward-looking policy on manpower. However, they are not the whole of the policies. A comprehensive set of manpower policies must take into account the development and conservation of manpower resources. I am referring to a comprehensive set of education and training policies that can facilitate the co-ordination of relevant bodies so as to encourage the community to invest more in manpower capital. For the purpose of conserving manpower resources, we should focus on a better utilization of our existing manpower resources, retraining those who are in possession of out-dated skills so as to enable them to re-adapt to the community. This will help them find suitable jobs and fit into their positions, thus preventing them from becoming useless resources in society.

It is regrettable that the manpower policy mentioned in the policy address is far from comprehensive and complete. It is of course important for us to nurture the next generation. However, it is equally important for us to provide education and training to this and previous generations. How can our workforce, with 1 million-odd people of lower educational standards, cope with the transformation to a knowledge-based economy? What should the Government do in planning and developing continuing education below tertiary level? Has the Government set a new direction for retraining? How can the unemployed find jobs? When will all businesses be able to prosper again?

The policy address has failed to give much thought to all these issues. The DAB earnestly hopes that the SAR Government can expeditiously formulate a "proactive strategy for the labour market" to co-ordinate efforts in such areas as education, retraining and employment service so as to upgrade the overall quality of our manpower resources.

With these remarks, I support the original motion.

Thank you, Madam President.

**MR SIN CHUNG-KAI** (in Cantonese): Madam President, on behalf of the Democratic Party, I would like to express our views on economic affairs.

On the whole, the Democratic Party is disappointed with and regrets to note the fact that this year's policy address is lack of pragmatic and concrete measures to revive our economy. We really find it strange that the top level of the SAR Government seems to have reached a consensus and firmly believe that we could put our hearts at ease for our economy would register a slight growth of 0.7% in the second quarter. What is more, the policy address even predicted that the third quarter would see a 2% or higher rate of growth. The Government can therefore wait patiently for our germinating economy to pick up, believing that it can speed up its growth rate without any watering or application of fertilizers.

In the passage "Yueyanglou Ji", it reads: "to be the first to show concern and the last to enjoy oneself". Of course, I have not fancied the SAR can do that. However, there is no justification for the Government to do it the other way round, that is, "to be the last to show concern and the first to enjoy oneself". With more than 220 000 people still remaining in the unemployed ranks at the moment, we need to put emphasis on measures aimed at stimulating employment. Nevertheless, the Government repeatedly emphasized that our economy had started to pick up. Feeling complacent, it has even started to examine raising charges for various utilities, regardless of the fact that this will increase the public's burden. In fact, has the top level of the SAR Government considered that this will add to the public's sufferings in times of an economic recession? Is the crisis before us really over? Members must be aware that we have a

rebound in the stock market today. Nevertheless, should the bubbles generated by the information technology (IT) shares, particularly network shares, of the American stock market burst, it might cause a chain reaction in the global economy. On the other hand, has the pressure exerted by the increase in American interest rates been eliminated completely? Such pressure will also exert certain pressure on Hong Kong. Can Hong Kong really revive completely at such a speed? We should not be optimistic too early.

The Chief Executive has shown throughout the address that he tends to formulate policies from a macroscopic and long-term perspective. This is of course a right approach. Nevertheless, we should not set our targets too high and focus on some exceedingly long-term policies. As a matter of fact, long-term policies and short-term measures should not be mutually exclusive. It is inadvisable for the Government to be too far-sighted. It should instead take both elements into consideration. The fact that the SAR Government has put emphasis on its grand projects seems to have given people a feeling that the problems we have in reality will be solved by realizing the Government's vision. However, we are told by the reality that a great number of people of the grass-roots level are still suffering. The Government has always relied on long-term plans which may take eight or 10 years to realize. However, these plans may not be able to stimulate the current economy.

In fact, insofar as a number of issues are concerned, there is still much room for effort by the SAR Government. For instance, the Government has put forward its environmental protection policies for the purpose of opening up the energy market. Nevertheless, such policies should not be restricted to urging the public to replace their diesel vehicles only. In Hong Kong, there are a lot of buildings with curtain walls. Many overseas countries have introduced solar curtain walls for the purpose of reducing consumption of fossil fuels. However, owing to the provisions of the existing legislation, we find it quite difficult or even impermissible to do likewise because the electricity supply network is now monopolized by the China Light and Power Company Limited. The Government should indeed open up the electricity market. Even if the Government might not need to provide for the opening up of the electricity market until 2008, it can still embark on carrying out some preliminary work. This is going to be equally forward-looking. The Government can announce at an earlier date that it has decided to liberalize the electricity market by 2008. After that, the Government may need to do some preparatory work legislation

wise, so that people can start to think about the prospects. As a matter of fact, it will take four to five years to construct a building. Many foreign governments have started to introduce solar curtain walls in the hope of replacing fossil fuels with solar energy or other forms of energy, as well as realizing their long-term goal of improving the environment. To be effective, the Government should implement its economic and environmental plans simultaneously by mixing them together. Nevertheless, the Government seems to lack a new way of thinking in this area.

The Democratic Party is of the view that the Government should continue to implement measures to stimulate the economy, including maintaining a deficit Budget for 2000-2001, allocating funds to examine the setting up of unemployment insurance funds, putting its original social service plans into practice and, what is more, taking concrete measures to stimulate employment. In this respect, the Democratic Party has put forward its views to the Government.

In the previous two policy addresses, the Chief Executive, Mr TUNG Chee-hwa, laid special emphasis on IT and innovative technology, showing his keen determination to turn Hong Kong into a knowledge-based international city and secure a place in the top ranks in IT research and application. In the first policy address, the Chief Executive set out the SAR Government's various aspirations and ideals with respect to IT development with "Connecting to the Information Age" as one of the titles. In the policy objectives delivered in the following year, the Chief Executive also put forward some concrete proposals of developing Hong Kong into a digital city. Regrettably, this year's policy address has barely touched on this area. It has failed not only to ease pressure on the public, but also failed to put forward new objectives and measures for IT development, making it difficult for Hong Kong to make unremitting efforts of self-strengthening in this information era. Should the SAR Government fail to endeavour to overtake others, implement its policy objective of developing IT, set further targets for development and catch up with the ever-changing and rapid IT development, it will find it difficult to compete with its neighbouring Asian cities.

Before the delivery of the new policy address by the SAR Government this year, I have, on behalf of the IT constituency, expressed to the Government our wish of designating the year 2000 as "Information Year 2000" as well as putting forward a total of 18 proposals. Perhaps owing to resource constraints, the Government has only accepted one of the many proposals put forward by me and that is the one related to the collection of benchmark statistics on IT. Both the Democratic Party and the IT sector support the Government's move to conduct regular surveys on IT, systematically build up related data which can gauge the IT development so as to analyse and reflect the development and application of IT in Hong Kong. It has been the usual practice for many countries, such as the United States, Britain and the European Union, to study and publicize on a regular basis benchmark statistics on local IT and relevant development, as well as making comparisons with other countries. Given Hong Kong's keen determination to develop this area, it should as well build up relevant benchmark statistics too. Apart from examining the ratio of the IT industry to Hong Kong's economic activities, the supply and demand with respect to IT manpower and the benchmarks for expenditure on IT research and development, the Government should also make reference to other countries and make extensive study on a wide range of benchmark statistics, such as electronic trading volumes, IT application by SEMs, Internet user pattern and so on. Hong Kong can then use these data as a powerful proof to publicize itself as a digital economic and information city to countries in other parts of the world. The data will also serve as guidance for formulation of Hong Kong's new IT policies in future.

Most IT policies put forward in this year's policy address are old tunes. Perhaps this is because the Government has, over the last two years, put forward many policies for implementation. Nevertheless, I think it is still necessary for the Government to put emphasis on our IT development.

Although the IT policies formulated in the past two years are still under implementation, we find it unacceptable of the Government to take the measures being implemented and the policy objectives of the past two years as this year's targets and policy objectives. We have been really encouraged by the fact that Hong Kong has displayed a keen determination in its IT development over the last two years. However, the Government seems to have poured a bucket of cold water on us this year. It should indeed continue to strengthen its measures and policies in this area. It must not stop moving forward. The fact that the Government has casually played the tunes it has played for the past two years and

incorporated its established policies into this year's policy address has indeed proved that it has been doing its work half-heartedly.

Hong Kong must promote the use of Internet in unison with the Cyberport development. However, Hong Kong is faced with a big obstacle in its IT development and promotion of the Internet. The obstacle comes in the exceedingly high Public Non-exclusive Telecommunication Services (PNETS) and Local Access Charge (LAC). Although the Government has lowered the two charges this year, the Cable and Wireless HKT (HKT) is allowed to gradually raise local telephone charges annually to reduce the subsidy made by other telecommunications services to local telephone service. As a result, the justifications for levying PNETS have slowly disappeared too. A few months ago, the HKT raised its charges for local telephone service on the ground that the company was no longer operating under a franchise for long-distance call services. As a result, there was a reduction of income for subsidy to local telephone service. From this, we can see that it is even more reasonable for us to demand for a lowering of PNETS. Although the HKT announced on 8 October the lowering of PNETS with effect from 1 November, the cut is only 18%, that is, from 3.3 cents to 2.7 cents per one minute. As far as students and lower-income families are concerned, the new charge is still too high and this will stifle the popularization of the Internet. I very much hope that the Government can further examine the feasibility of reducing the PNETS and LAC.

There is one more point which I consider very important and that is, the Government's pet subject of upholding a level playing field. However, the Hong Kong Government has been opposing the making of legislation on fair competition and the formation of a commission on fair competition. Members should be aware that the Telecommunication (Amendment) Bill was debated in this Council lately. This Bill does indeed merit our support, and we support it as well. However, some problems have arisen in connection with the granting of permission for one trade to monitor another. We can see this problem precisely from the contradictions surrounding the telecommunications and tunnel companies. If the arbitration role is taken up by a body called fair competition commission rather than the Office of the Telecommunications Authority, the controversy arisen will definitely be greatly reduced. This shows that the inter-trade anti-competitive behaviour will become increasingly serious in future. At this stage, the Government should reconsider enacting legislation on fair

competition and set up a fair competition commission. Only through this can the increasingly obvious problem of inter-trade anti-competitive behaviour be resolved in the long run.

Although many colleagues have mentioned the training of talents just now, I want to stress that the Government has made the first step in cultivation of IT personnel by giving special emphasis on IT education. This has won great support from the Democratic Party. However, there is actually much room for the training of talents in other areas. According to our estimate, the future development of electronic trading or Internet will make it necessary for us to train tens of thousands of talents. The vocational training authority and the Employees Retraining Board (ERB) should organize more training programmes tailored for this development. Moreover, the Government should strengthen training in this area, particularly training for unemployed young people. In the IT sector, a number of small computer companies offer training to some Secondary Five students, even including some of those not yet graduated. After receiving training for a period of time, they are now able to master the skills and work in the IT profession. In order to address the youth unemployment problems, the Government should give emphasis to its work in this area. In doing so, the Government will be able to kill two birds with one stone for it can reduce the unemployment rate on the one hand, and lay a foundation for our future human resources on the other. Today, I would like to take this opportunity to urge the Government to entrench its concept of promoting an electronic government. The Government should indeed take the initiative of using IT and boost the public's confidence in the use of electronic trading. Provided with a convenient electronic service, the public can ask the Government for or submit information through the Internet at any time. More importantly, the Government should formulate internal guidelines governing the acceptance of complaints lodged by the public through the Internet at any time. This will help remove the traditional barrier as the public was previously required to write to the Government for the lodging of complaints. I think the Government should consider this matter from a holistic angle and consider the application of Internet to the operation of government departments. In doing so, the public can lodge their complaints directly through the Internet while government officials can also make responses through the same channel. This will pave the way for a so-called electronic government as well as laying a firmer

foundation for our democratic institutions. Meanwhile, we can greatly reduce the use of paper through the setting up of an electronic government. Government officials should make better use of electronic mail and reduce the use of memo and fax. This will reduce the falling of trees and reinforce the awareness of protecting the environment in concrete terms. It all starts with the Government.

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

**DR RAYMOND HO** (in Cantonese): Madam President, I think it is perfectly correct of this year's policy address to have put its emphasis on environmental protection and the murture of talents for these two elements have a direct bearing on the future development of Hong Kong. However, it is disappointing that the policy address has not come up with any substantial solutions to our flagging economy and high unemployment rate.

I would to like to make use of the time left to share with Honourable colleagues a few points on the contents of the policy address:

### *Investment in infrastructure*

Insofar as investment in infrastructure is concerned, I greatly welcome the Chief Executive's reiteration that the Government will invest a total of \$240 billion in various projects within five years as well as proposing a series of projects under planning. In this respect, it is most important to shorten the preliminary preparatory work, speed up the implementation of project items, provide job opportunities and stimulate economic recovery. Nevertheless, it is more important for the Administration to respect the important role played by the engineering profession in supervising projects and the work related to research, design and execution. The Government must refrain from trying every possible means to encourage competition in terms of consultancy fees for that will force various consultancy companies to adopt "cut-throat" tendering and award most design jobs to countries which ask for lower salaries and charges. Of course, this will eventually lead to a deterioration of quality and do nothing to help boost job opportunities.

*Environmental protection*

I welcome the policy address's dedication of much of its contents to elaborating the seriousness of pollution in Hong Kong as well as proposing a series of mitigation measures. The policy address is also moving in the right direction for it has proposed enhancing co-operation with the Mainland in protecting the environment. This is because regional co-operation is invariably needed in order to solve problems pertaining to air and water pollution. Therefore, we should support co-operation between Guangdong and Hong Kong in protecting the environment.

However, it seems that the Government's policy proposals for improving the environment have failed to take into account the variable related to our population growth. According to the Government's original estimate, our population will increase to 8.1 million by 2011. Added to the number of mainlanders who are eligible to settle in Hong Kong, our population will rise to an even higher figure. The population growth will add to our pressure with respect to housing, transportation and waste disposal and will make it even harder for us to carry out environmental protection work. I hope that the Government can make careful planning to ensure that the relevant environmental protection work can cope with the actual needs of the community.

I think it is inadvisable for the Government to set a precedent by providing financial assistance of \$1.4 billion to improve emissions from diesel vehicles for this might directly aggravate the Government's financial burden. In fact, the Government can achieve the same target by resorting to tax concessions such as reducing new vehicle registration tax, LPG fuel duty and so on.

The Government needs to rely on co-operation between the public, organizations and commercial institutions to ensure the successful implementation of its environmental protection policies. To a certain extent, environmental issues bear a close relationship with the living habits of the people and the mode of operation of various types of organizations. The Government must, through publicity and promotion, enhance the public's awareness of environmental protection. In formulating the relevant policies, the Government should also refrain from adhering to its practice of indulging in its own wishful thinking without considering other opinions. On the contrary, it should consult the affected organizations and people, or even invite them to take part in

formulating the relevant policies. Only through co-operation with the public can the Government ensure the smooth implementation of its environmental protection work.

In fact, after the announcement on the relevant environmental protection policies in this policy address, some organizations indicated that the Government had failed to consult them prior to the formulation of the relevant policies, so as to give them a chance to express their dissatisfaction with certain policies or measures. This precisely reflects the fact that the Government has not discussed with and fully consulted representatives of certain affected trades. The policies will therefore definitely encounter great obstruction in its future implementation.

### *Sustainable development*

A number of measures proposed in the policy address in connection with sustainable development have coincided with the proposals which my constituency — the engineering constituency — has all along been advocating. For the purpose of setting up a Sustainable Development Unit and a Council for Sustainable Development, the Government will need to recruit experts in the related areas, of whom engineers are definitely indispensable. In order to put the sustainable development concept into practice, the Government must not, like what it did in the past, act arbitrarily in planning its policies. Instead, it should invite the public and relevant organizations to take part in the process of policy-making. Only through such public participation can the Government really achieve its ideal of sustainable development.

### *Strategic Sewage Disposal Scheme*

The problems arising in connection with the Strategic Sewage Disposal Scheme (SSDS) in terms of planning and technicality are extremely complicated. I support the setting up of an independent expert group to re-examine Stages II, III and IV of the SSDS. Members of the expert group should include local engineers who are familiar with the distinctive features (such as geology and environmental protection projects) of Hong Kong. The expert group should focus its attention not only on problems pertaining to deep tunnel engineering techniques, but also make an overall assessment of scheme and conduct a comprehensive review of the SSDS. In addition to the three international

experts commissioned earlier, the Government should also invite the Hong Kong Institute of Engineers to recommend one expert to join the expert group. This is because foreign experts may not be fully familiar with Hong Kong's geology, which is extremely complicated.

Furthermore, the Government will also need to clearly consult the public and various professional bodies through various channels on reports prepared by the expert group and the relevant situation in detail, including costs to be borne by the public under the SSDS, annual recurrent expenditure in the future, charges to be levied on the public and so on, in a bid to collect views from all sides. This is because every member of the public may need to share part of the project costs.

### *Ageing city*

Ageing city has become a pressing problem that needs to be addressed urgently. However, the policy address has failed to put forward a comprehensive and more specific policy or strategy to deal with the relevant pressing problems including, *inter alia*, maintenance of buildings, slopes, pipelines, roads, bridges and flood relief facilities. In the policy address, the Chief Executive optimistically envisaged that Hong Kong would become a world-class city, the New York and London of Asia. I am not sure whether the Chief Executive has taken into account the reality of an ageing city. Failing a proper solution to this problem, it will become a cause of concern in future. What is more, it will turn our goal of developing Hong Kong into a world-class city into a dream, not an ideal. As it is the Government's wish to turn Hong Kong into the New York and London of Asia, has it seriously studied the experiences of these two cities, which have a long history of development, in resolving the problem of an ageing city?

In fact, in developing new towns and planning infrastructure facilities and relevant construction projects, the Government needs to consider in concrete terms and try its very best to adopt designs which can facilitate maintenance work in future. Moreover, it should refrain from choosing old-style facilities which will give rise to immense difficulties and high costs in future maintenance works.

It is announced in the policy address that the Secretary for Planning, Environment and Lands will consult the public on the legally-binding scheme of preventive maintenance of buildings. I hope the Administration can take this opportunity to launch an integrated building inspection scheme to conduct a one-off inspection on such parts as slopes near buildings, electrical installation, elevators, fire safety systems, pipelines and external wall finishes. As the scheme will involve "one-stop" services provided under the relevant legislation, the Administration should examine the matter carefully to avoid tackling it with a piecemeal approach.

In addition, it is mentioned in the policy address that an Urban Renewal Authority (URA) will be set up in 2000 and the time needed for redeveloping 2 200 dilapidated buildings will be shortened from 30 to 20 years. Nevertheless, from the angle of public safety, the policy address has not mentioned what effective measures will be taken while the buildings are awaiting redevelopment (because the waiting period may range from five to 20 years) to ensure that these dilapidated buildings will be properly maintained.

As for owners and tenants of buildings falling in the scope of redevelopment, their desire of carrying out maintenance may be greatly reduced because of the constraints imposed by the redevelopment scheme. I hope the new URA can consider the abovementioned issues practically and take corresponding measures to prevent making the matter even worse.

### *Long-term planning*

The policy address has analysed in specific terms Hong Kong's current situation and proposed the basic direction we need to take in respect of our future development. I think it is particularly worth mentioning that the policy address has once again stressed the importance of cultivating talents and maintaining a knowledge-based society. At the same time, the policy address has pointed out the mutual assistance relationship between Hong Kong and the Mainland. Therefore, as far as the relevant infrastructure development is concerned, we should also take care of the needs for cross-boundary facilities and put forward a number of improvement measures.

*Other areas*

The policy address has also put forward more specific measures to help SMEs, including a decision to double the amount of guarantee for loans provided under the Special Finance Scheme. Nevertheless, it has failed to propose effective long-term packages for helping SMEs. As a matter of fact, proper assistance is very important to relatively small companies with limited resources. As most companies in Hong Kong are of small or medium size, their steady development will play a positive role at a time when Hong Kong is moving towards an economic recovery. At the same time, these companies are also major job-providers.

On the promotion of innovation and technology, the Government will in the next decade invest more than \$2 billion to set up an Applied Science and Technology Research Institute which will focus on midstream research, a high-level co-ordination framework and a standing advisory committee, as well as admitting people of necessary technological expertise. The relevant proposals are also positive and sound.

On the whole, this year's policy address is acceptable. Although it has failed to bring any surprises to the jobless, I still hope that the Government can give priority to improving our employment situation. In order to achieve the goals set out in the policy address, the general public must first of all be able to live and work in contentment. Otherwise, all this is only empty talk.

With these remarks, Madam President, I support the Motion of Thanks.

**MRS MIRIAM LAU** (in Cantonese): Madam President, the policy address delivered by the Chief Executive has chosen "Quality People, Quality Home" as its theme. In this connection, although environmental protection constitutes a very important part of the policy address this year, it is by no means any new issue. Quite the contrary, environmental problems have been existing in Hong Kong since a long time ago.

As the Government has admitted, our environment has been deteriorating rapidly due to the fact that the Government's commitment and long-term planning for environmental protection have not kept pace with changing circumstances. Before 1992, there was not any vehicle emission standard for imported diesel vehicles, for it was not until 1994 that the Euro Standards were introduced into Hong Kong. As a result, the majority of the vehicles running on Hong Kong roads are basically emitting an excessive amount of exhaust gases. Who should be held responsible for this? All along the Government has been urging vehicle owners to have their vehicles properly serviced, but the vehicle-servicing technicians are just unable to eradicate the exhaust emission problem. On the one hand, their skills vary dramatically in standard; on the other hand, they have no access to the necessary servicing manuals published by vehicle manufacturers and have to do their job by trial and error or by drawing on their own experience. Indeed, even the vehicle servicing industry has admitted this fact, yet it was not until 5 September this year when the chassis dynamometer was introduced into Hong Kong that the seriousness of the problem was finally revealed. Since the Government has all along overlooked this long-standing problem haunting the vehicle servicing industry, an effective measure to resolve the vehicle emission problem has yet to be found. Whose fault is this?

However, it is better late than never to remedy the situation. In addition to proposing that certain vehicles should switch to environmentally friendly fuels, the Government has also begun to attach greater attention to the technical requirements of the vehicle servicing industry. In this connection, the Government has conducted for the industry a number of training courses in tuning vehicles to reduce the exhaust emission level, as well as assisted in conducting researches into environmental protection facilities that can help reduce the amount of exhaust emissions. These measures are proceeding in the right direction, only that they would take quite some time to bear fruit. Perhaps the Government wishes to make up for the time lost and compensate for the lack of policies in the past, it has set many unrealistic deadlines for the various environmental protection proposals and even suggested raising at this stage the relevant penalties. However, in so doing, the Government has in effect turned its determination into over-ambition, and its effort to catch up with the world into hasty work. The Government has intended to achieve its objectives in one goal, only to find that haste makes waste.

A quality home cannot be built overnight. In this connection, the transport industry is also eager to resolve the exhaust emission problem, and has therefore done a lot of work on the environmental protection front. In 1995, the Kowloon Motor Bus Company (KMB) started its researches into catalytic converters that are suitable for diesel buses; the researches were completed recently and one out of the six types of catalytic converters tested has been identified as suitable for the pre-Euro standard buses. In 1996, the industry put forward a proposal to the Government recommending all taxis switching to LPG after conducting a self-funded tour to Japan to study the LPG taxis there. Also in 1996, the industry sponsored the Hong Kong Polytechnic University's research into particulate traps suitable for light diesel vehicles. In addition, before the adoption of the Euro II standard by the Government, individual members of the industry have already imported Euro II diesel vehicles on their own initiative, while another franchised bus company has voluntarily invited the Government to jointly conduct research into buses using environmentally friendly fuels. This year, a Transport Industry's New Millennium Environmental Protection Action Group comprising representatives from 66 transport trade organizations has put forward 21 proposals with a view to solving once and for all the problem of exhaust emission by diesel vehicles. Some of the proposals coincide with that of the Government, while the others are still under consideration by the Government.

Looking back on the piecemeal measures taken by the Government in the past, they were all focused on the control side and unable to get at the crux of the problem. This time, the Government has finally abandoned its past principle of "dealing with only the immediate symptoms"; it has come to realize the need to identify and target at the source of the problems, with a view to tackling not only the symptoms but also the causes. However, given that the Government has just wakened up all of a sudden, it would only be unrealistic to hope that a quality home could be built overnight.

The Government has proposed to require all new taxis to switch to LPG with effect from 1 January 2001. According to my understanding, many taxi owners and drivers are looking forward to switching to LPG vehicles. However, the question remains whether the matching facilities under planning by the Government such as LPG filling stations, servicing centres and so on are

capable of catering to the needs of a large fleet of LPG taxis. As a matter of fact, the trade is very anxious and concerned about the development of the LPG matching facilities, which is currently in very slow progress. If light bus operators should switch to LPG vehicles as well, would the shortage of matching facilities be aggravated? Moreover, given that the problem as to how taxi owners whose assets have turned into liabilities could afford to switch to LPG vehicles has yet to be resolved, the trade has found the deadline set by the Government not only impractical but also unfair to them.

The Government has also proposed to launch in April 2001 a six-month trial scheme for LPG light buses. This proposal has, however, reflected to the full the fact that the Government has been acting in haste. This is because the LPG buses to be used in the trial scheme have yet to be introduced to Hong Kong. In this connection, Japan is still in the process of conducting relevant researches and manufacturing the vehicles, with a view to sending them to Hong Kong early next year. As such, the trade so far knows nothing about the LPG light buses. On the other hand, given that the LPG taxis have been on trial for a year before more accurate data could be collected, would six months be too short a trial period? Besides, it may not be possible to detect any problem with the new vehicles running for only half a year. Recently, the Netherlands has launched a trial scheme for LPG goods vehicles, and the vehicles will be on trial for a year.

In regard to particulate traps, the Government has proposed to offer grants to owners of old light diesel vehicles in 2001 to install these devices. Research into particulate traps was first conducted by members of the transport industry on their own initiative, but recently the Government has taken over the research and conducted a large scale test to ascertain whether the devices are suitable for all types of old light diesel vehicles. To show its support, the transport industry has sent out 60 vehicles of different types and models to undergo the test, the success of which is still unknown. It is indeed too hasty of the Government to set a deadline at this stage when research into particulate traps is still in progress, since the public may be misled into thinking that the research has been completed in success and that the particulate traps are suitable for use by the industry.

Moreover, the Government will also be conducting trials to identify catalytic converters that are suitable for medium and heavy diesel vehicles, with a view to drawing up the relevant specifications by 2001 the latest. I should like to point out that it is no easy task to identify catalytic converters suitable for medium and heavy diesel vehicles. Indeed, it has taken the KMB many years' research to identify only one suitable model out of the six types of catalytic converters tested. But then the catalytic converter tests to be conducted by the Government are due to commence towards the end of the year, it is highly questionable whether specifications could be drawn up for the industry by 2001. In any case, the catalytic converter concerned is still at its inception stage, far from being ready for application by the industry.

The queries I have just raised are not intended to discourage the Government. I only wish that the Government could act in a more active and practical manner, and that it would expeditiously discuss with the industry as to how the various measures should be implemented. As a matter of fact, the industry is prepared to co-operate with the Government in environmental protection, and to strike up the partnership kind of relationship the Government loves to talk about. Regrettably, however, the Government has bluntly proposed to resort to the punitive measure of increasing the fixed penalty for smoky vehicles when the industry is making an effort to collaborate with it to resolve the exhaust emission problem. Naturally, this has impacted gravely on the enthusiasm of the industry to co-operate with the Government.

The transport industry cannot help wondering whether the Government's proposal to increase the fixed penalty for smoky vehicles to \$1,000 is intended to increase government revenue or to reduce black smoke. Even if the Government should wish to reduce black smoke, how could it improve the air quality by increasing the fine levels at the present stage when the various problems related to the vehicle servicing have yet to be resolved and the devices to reduce black smoke are still unavailable?

Last week when this Council was debating the motion on "Protecting the Environment", I raised in my speech the principle of mutual co-operation and the principle of mutual commitment. I do not wish to recap my points here. Nevertheless, it is my belief that it is only through mutual co-operation and mutual commitment can we solve once and for all this problem of smoky vehicles which can neither be formed nor be resolved overnight.

Madam President, now I should like to speak on some land transport issues that are related to environmental protection. The Government has completed its Third Comprehensive Transport Study and formulated for Hong Kong its transport strategy in the long run. And one of the initiatives proposed is to have railways form the backbone of our public transport network. I support the development of rail projects on the ground that railways provide a speedy and environmentally friendly means of mass transport. With regard to the Government's intention to increase the percentage share of railways in boardings on public transport from the current 33% to between 40% and 50% in 2016, I should like to point out that particular care must be taken to strike a balance between the development of railways and that of other modes of transport. This is to prevent other modes of transport from engaging in unhealthy competition in anticipation of a tremendous increase in the patronage rate of railways. To this end, special attention must be given to means of public transport that are smaller in scale, such as taxis, light buses, ferries and so on. In particular, the Government should review the ferry services, bearing in mind that its development prospect has already been significantly limited by the market expansion efforts of road and rail transport operators. As such, the question as to how ferry operators could satisfy the ever rising expectations of passengers and still make a profit has become an issue compelling a solution by the Government.

In addition, I am also in favour of a rationalization of bus routes. Apart from alleviating the congested road traffic situation, rationalizing the bus routes could also enable the franchised bus companies to operate in a more cost-effective manner. However, the Government must provide enough exchange stations for the purpose. As a matter of fact, the presence of certain bottlenecks has disabled many diversion initiatives from giving full play to their effect. To cite an example, the congested traffic condition in the Central District has served to scare away drivers who wish to switch to the Western Harbour Crossing.

I support the construction of strategic roads and the use of intelligent transport systems. Some people are of the view that the construction of more roads would only serve to create more traffic and thereby cause harm to the environment. I should like to point out that however extensive the railway networks may be, they could never cover each and every part of the territory. Since railways could only form the backbone of transport networks, we need to construct more strategic roads and bypasses. However, we cannot build our

way out of traffic problems. We also need intelligent transport systems to help enhance the efficiency of traffic management efforts, to improve the capacity of road systems as a whole, as well as to reduce exhaust level on roads. I support the development of intelligent transport systems, but I have much reservations about electronic road pricing.

In providing transport infrastructure, the Government could resort to the "build, operate and transfer" (BOT) model where necessary. While there have been examples of success, there are also chances of failure. Yet in any case, the practice could enable the Government to reduce its financial burden and allocate resources thus saved to other needy uses. The operation of this model is based on an agreement executed between the Government and the private organization concerned. Recently, the Government has proposed to authorize the Telecommunications Authority to intervene in the commercial negotiations between telecommunications network services providers and tunnel companies regarding the network installation arrangements, as well as to legislate to amend the agreements it has executed with the tunnel companies concerned. In so doing, the Government will be violating the contractual spirit on the one hand, and breaching the principle of a free economy on the other. Therefore, the Government must look before it leaps.

Madam President, the Chief Executive has made little mention of the economic front in his policy address and disappointed quite a large number of people. However, what is more disappointing is that the Chief Executive has made no mention of how one very strong point of Hong Kong could be enhanced and that is: Hong Kong's status as a shipping centre. Perhaps the Government believes that it has done enough to safeguard the position of Hong Kong as an international shipping centre; or perhaps it believes that Hong Kong could naturally become an international shipping centre, and hence there is no need for any more actions by the Government.

The Netherlands is an international shipping centre, yet several years ago it came to the view that its shipping centre status was being challenged and hence revised its relevant strategies. In addition to putting emphasis on increasing both the number and the tonnage of registered vessels, the country has also been putting in much effort to collaborate with the commercial sector to develop businesses related to the shipping industry. Although we will develop our own hull insurance business next year, Hong Kong still needs to actively develop such

businesses as financing, arbitration, ship repairs and maintenance and sale and chartering of ships as well. In this connection, the Government should collaborate with both the commercial sector and the academia in research and development, with a view to formulating the right policy objectives and adopting specific measures to achieve the objectives, thereby entrenching and enhancing the status of Hong Kong as an international shipping centre.

To couple with our initiative to enhance Hong Kong's status as a shipping centre, we need to train up more talents for the shipping industry. While training in this respect could be divided into upper, middle and lower levels, the training opportunities available in Hong Kong now are provided by the Seamen's Training Centre of the Vocational Training Council and the Hong Kong Polytechnic University respectively. In this connection, the Seamen's Training Centre is mainly responsible for training up seamen, while the specialized training course offered by the Hong Kong Polytechnic University is aimed at training up senior management staff. Hence, training for the middle level staff, including ship masters and the middle level management personnel, is wanting. As a matter of fact, although Hong Kong has the world's largest high-speed vessel fleet, including jetfoils and jet catamarans, there is not any specialized training schools for masters of such high-speed crafts. If the Government should provide relevant systematic training for the industry, it would be able to remedy the inadequacy in the middle level manpower supply on the one hand, and perfect the entire training structure on the other. That way, a training ladder could be provided for those who are interested in making shipping their life-long profession to receive training and get promoted step by step.

In the 21st century, to ensure that the shipping centre status could bring economic growth to Hong Kong, it is imperative that we inject into our shipping industry the new concept of logistics management. Hong Kong is indeed a blessed place. On the one hand, we are well positioned at the centre of the Asian-Pacific Region and at the threshold of China. On the other hand, we have a quality harbour, a world-class airport, highly efficient container terminals, as well as an air freight centre. Hence, we have the necessary software and hardware to develop our own air and sea freight transshipment and logistics management industries, with a view to attracting multinational companies to set up goods distribution points in Hong Kong. Certainly, there are a number of issues we need to resolve, including the congested cross-boundary land transport. Besides, we also need to look carefully into issues such as the type of logistics

management we should develop, whether it should be the high value-added type or the low-cost type and so on. In this connection, the Government should seek to strike up a partnership kind of relationship with the commercial sector, so as to jointly develop Hong Kong into an air and sea freight transshipment and logistics management centre.

Madam President, I so submit.

**MR BERNARD CHAN:** Madam President, I remember about a year ago, I once said in this Chamber that green awareness could be enhanced only with concerted efforts from both the public and private sectors. The Government must have an integral part to play in making a green culture.

A year has gone but the Government's performance in environmental affairs is, unfortunately, still far from satisfactory. The Government's decision to turn its full attention to the long-term environmental issue in this year's policy address is nevertheless a good news. It comes a bit late but it is better than never. The issue is doubtless the concern of every Hong Kong citizen. I am sure that this will be welcomed not only by the Hong Kong people, but also by all foreign expatriates, who have incessantly complained about our decade-long pollution problems.

The Government can hardly avoid the blame that our general health deterioration is obviously an outcome of its past failures and myopic approach towards environmental protection. The quality of life in Hong Kong has suffered badly. Years had passed without the problem being addressed to by the colonial authorities. The Government should treat the issue as top priority and the community should devote its efforts to make the future campaign a success — for us as well as for our children.

I must say with regret that there have been little handclaps over Mr TUNG's green policy blueprint. And instead, comments were devoted almost exclusively to criticisms over the lack of short-term proposals dealing with instant cures for the economy. This is not altogether true.

As a member of the financial sector, I wish to draw the attention of the community to the fact that the Government's proposal to double the loan guarantee — an additional \$2.5 billion — for small and medium-sized businesses should be taken as a constructive move in boosting our flagging economy.

We welcome this decision. Timely financial assistance is most important to the survival of small and medium enterprises, which will stave off massive layoffs at a time of economic hardship for the people of Hong Kong. However, it is also not a fair and responsible move asking banks to relax their lending requirements and bear unnecessary risks over loans made without a solid foundation.

Certain members of the public and newspaper commentaries dubbed this year's "no-surprise" policy address as nothing more than a Progress Report. I am sorry to say that I quite agree. It is embarrassing but true to say that I almost joined the Financial Secretary, Mr Donald TSANG, in a nap while Mr TUNG was delivering his speech. It is common wisdom that any government, which fails to answer to its people's call for remedies for social and economic ills, such as unemployment and salary cuts, is never a government that wins public confidence. It is hardly a learned advice to suggest to the poor that they should go for mooncakes if they could not afford a simple meal.

It is clear that our society is split over our priority — shall we help our people seek job, or shall we clean our air first? I want to point out that we should not be surprised over such a split. It is natural to hear different voices in a community. There are people whose top priority is hunting for jobs while others care about the air that we breathe much more. We should be considerate and try to understand the plights from both sides.

I do not believe that a policy address would naturally win support if it proposes to offer immediate cures for instant pains, while losing the far-sightedness for policy visions. Neither would I advocate policy proposals that sound like "castle in the air" to the people.

The Government should strike a balance between short- and long-term interests. On the one hand, we have to look after the immediate needs of housing, employment and economic recovery. Yet on the other hand, we have

to ensure our long-term development by attracting foreign investments and cultivate talents. I think that it is a courageous move on the part of the Government to tackle our pollution problems over the next 10 years, and it is hoped that such a development will embody the concept of land use, transport and recycling operations.

I can hardly imagine how filthy and ugly Hong Kong would be like five or 10 years from now if nothing were being done to improve our living environment, as the situation is already fast becoming unbearable. How can a government induce foreigners to invest, live and work in a place, where its own people find difficult to live in and live with?

I support the Government's proposal to clean up our environment for the longer term. But in the mean time, a balance should be struck to keep our short-term needs in proper perspective, so that we will have a sound foundation for long-term and sustainable development.

Madam President, I support the original motion.

**MRS SOPHIE LEUNG** (in Cantonese): Madam President, if we care about the economy of Hong Kong at all, we must also pay attention to global economic trends. In the October issue of a financial magazine, there is a feature article which describes how an undercurrent of reform is right now running in Japan. This reform is not championed or led by the government there, but by the common people and those foreign corporations which have gained a new footing in Japan. Through computer technology, these common people and foreign corporations are now trying to discard the conventional practices and introduce new concepts, new technologies, to the Japanese economy and the daily life of the Japanese.

If we look still farther, we will see that in Latin America, a silent revolution is also in progress. There, the number of Internet subscribers is expected to soar from 7.5 million now to 19 million in the next two or three years. As a result, the people there expect that the corruption tactics and other conventional practices in South America will certainly undergo dramatic changes.

Let us also look at the United States. Despite their leading position in the field of high technologies, the Americans have never grown complacent about development of high technology. They have been trying to promote their development through keen internal competition, and, more recently, through a spate of amalgamation among different types of hi-tech corporations. In fact, elsewhere, development of high tech is now already transforming all aspects of human life. However, in Hong Kong, we are still suffering from a kind of "nostalgia fever", and we have refused to notice what is going on in other countries. However, places all over the world are undergoing such a change, and their economies are transforming as a result.

If we look at Beijing, Shanghai and even Shenzhen in our own country, we will also see the budding signs of such a transformation. In contrast, in Hong Kong, we still encounter many kinds of resistance; many people simply say one thing and do quite another. All I can see are some examples of fragmented development, and an overall atmosphere for such a transformation is still largely absent.

If Hong Kong wishes to become one of the Asian centres on the worldwide silicon development network, we will need to work extra hard, and we must pay attention to two matters: the inclusion of logic in our secondary and primary school curriculums and the setting up of a hi-tech industries park in the boundary areas.

Education is one of the major emphases in the policy address this year. Society in the 21st century is going to be knowledge-based. As I once mentioned in this Council, a certain worldwide research project predicted in early 1998 that very much unlike most of us now who can stick to one single type of occupation throughout our lives, our present generation of young people will have to change their types of occupations four times in their whole life in the next century. So, in order to prevent a situation under which young people are plunged into unemployment and made a burden of society because of their failure to meet changing job requirements, appropriate education must be offered to our young people.

In his policy address last year, the Chief Executive stated his intention of promoting the development of innovations and technologies. As science is a discipline which requires a lot of logical thinking, I hope that while laying emphasis on the teaching of knowledge of science, the Government can also seriously consider the idea of introducing logic to the secondary and primary school curriculums, so as to cultivate young people's critical thinking, power of analysis and independent judgment. Besides, starting from their primary schooling, children should also be encouraged to play more games involving logical thinking, such as Go Chess, bridge and any other types of chess games. This will give them a solid foundation for the learning of science, making them ready for the challenges ahead.

With a view to speeding up the development of innovations and technologies in Hong Kong, the SAR Government has already formulated a number of new measures to bring in professional talents from both the Mainland and overseas. We in the Liberal Party are totally supportive of these measures. At present, we do badly need some reinforcement, so that we can further develop existing hi-tech projects and launch new ones. So, we should fully support all these measures instead of putting up any obstacles. Having said that, I must hasten to add that the introduction of professional talents from the Mainland can at best serve as a useful "point" of development only. From the macro perspective, we should create an environment conducive to the development of innovations and technologies, so that hi-tech professionals from both the Mainland and overseas can easily converge in Hong Kong to exchange their expertise with their local counterparts. In this way, the "point" can be extended to become a "line" which can in turn be developed to a "plane", thereby upgrading the hi-tech expertise and know-how of Hong Kong people. To achieve this objective, I propose that the Government should consider the possibility of setting up a hi-tech industries park in the boundary areas between Hong Kong and Shenzhen. Such a park should be built as a centre of high technologies, and it should serve as a fertile land of technological exchanges, where both hi-tech personnel and goods can move freely in and out on a well-planned transportation system. I can guarantee that if this proposal is really implemented, many hi-tech personnel from all over the world will be willing to work in Hong Kong.

One possible way for Hong Kong to make a mark in the field of high technologies is to develop new computer software, one example being multimedia computer software. The people of Hong Kong are clever and quick to notice market trends. So, if they can upgrade their logical thinking, and if they can be given appropriate guidance, they can always make huge achievements in the development of new computer software. As far as I know, about 10 hi-tech companies in Hong Kong are now engaged in the development of new computer software. All these companies are run by young people returning from the Silicon Valley, and they are all in great need of people with skills of new computer software development. If suitable measures can be put in place, and if a good environment can be created, Hong Kong can certainly follow the example of India and become another important Asian centre of the silicon development network.

However, before we can yield any success in computer software development and high technologies, we must not forget our existing earners of foreign exchange. The Government must attach due importance to all those industries which have been earning huge foreign exchange for Hong Kong.

In recent years, the export value of Hong Kong every year has remained at about \$200 million on average. This has given Hong Kong a huge amount of foreign exchange and contributed significantly to our economy. The products manufactured by Hong Kong actually enjoy a very high international reputation. The point is that if the label "Made in Hong Kong" can really become a guarantee of quality, consumers will be induced to buy our products. Well, that way, although the people of Hong Kong may have blind faith in things foreign, and even if they do not buy any goods made in Hong Kong, people in other markets in the world will still do so.

Following the financial turmoil, the people of Hong Kong have changed their attitude towards the manufacturing industries; they have started to support industrial development once again, in the hope that the foundation of the local economy can thus be consolidated. That is why the SAR Government has put in place quite a number of measures, so as to assist in upgrading the image of the label "Made in Hong Kong", encourage manufacturers to relocate their production lines back to Hong Kong, promote their development, create more job opportunities and foster our economic development.

Madam President, let me now turn to the most popular subject this year — environmental protection. Battered by smog, deteriorating water quality and noise pollution of all kinds, the people of Hong Kong will not possibly object to any environmental protection efforts aimed at improving their living environment. However, when it comes to their actual understanding of environmental protection and the measures required, people may hold vastly different views.

Some people maintain that there is an economic motive behind the efforts made by the industrial and commercial sector to advocate and support the cause of environmental protection. This is indeed a very myopic view, because an improved natural environment will not only benefit the sector, but will also do good to all Hong Kong people — the natural environment here belongs to all Hong Kong people after all.

Environmental protection as interpreted by the Liberal Party is actually characterized by three underlying concepts:

1. Conservation of resources. We live on the earth, we use its many different kinds of natural resources, and we inherit the cultural heritage left over by our ancestors. For this reason, we are duty-bound to play a proper role as the housekeeper of the earth. This means that we must use our natural resources properly and appropriately, so as to maintain the ecological balance, protect our precious cultural heritage as much as we can and pass on our natural resources to our future generations.
2. Sustainable development. In the course of planning our social development, we must adhere strictly to this principle: "We must make sure that what we do now to satisfy our own needs will never render our next generations unable to satisfy their needs in the future."
3. Quality environmental protection work. By this, I mean that we must keep abreast of the latest environmental protection concepts, constantly update our knowledge in this respect and seek to widen the scope of environmental protection as much as possible. We must also employ high technologies, so as to attain high quality standards for our environmental protection efforts.

While going about the work of environmental protection, we must refrain from simply pointing our fingers at others all the time. By this, I mean that we must not point our fingers at others all the time and forget all about our own responsibilities. In other words, we must not try to criticize others and lay all the blame on them all the time, without thinking about how we ourselves can contribute to the cause of environmental protection. Such an attitude, an attitude which leads people to point their fingers at the very, very minor mistakes of others but which prevents them from seeing any of their own faults, will only serve to divide society and hinder the progress of our environmental efforts. As for the Government, it should define its role clearly and set up a proper priority list for its environmental projects. Besides, when formulating environmental policies, it should also encourage the affected persons and sectors to make voluntary improvements by providing them with satisfactory improvement facilities beforehand. It must refrain from forcing environmental protection upon the people by the imposition of heavy penalties.

The success of any environmental projects actually depends largely on our recognition that "Hong Kong, Our Home". We should all make Hong Kong our home; do our own parts well as individual members of the same family; start to protect the environment by first changing some small habits in our daily life, such as using handkerchiefs instead of paper tissues and shopping bags instead of plastic bags; and implement environmental projects with a common love for our own home. Only by doing so can we create a wholesome living environment and significantly improve our quality of life.

So, we must not underestimate the significance of the slogan "Environmental protection starts with us all". In particular, I must ask our community figures to set a good example. They must show a true sense of belonging to Hong Kong, a heartfelt love for it and a positive willingness to build it into a nice place in which to live. They must not spend all the time on criticizing others without doing anything themselves.

Madam President, environmental protection and our quality of living are closely related, and we must also note that the quality of our medical care services will also affect the life of everyone here. Regarding its opinions about our health care services, the Liberal Party already submitted a representation to the Secretary for Health and Welfare early this year. So, instead of repeating all our proposals here, I will just reiterate two major principles now. First, the

public must be provided with health care services characterized by both diversity in type and availability of choices. Second, the compartmentalization of the public sector and private sector medical care systems must be removed. I hope that when the Government conducts studies on improving our health care services, it will consider the proposals of the Liberal Party seriously.

The new millennium is fast approaching. To ensure that Hong Kong can continue to glitter as an attractive Pearl of the Orient in the next century, we need far more than pure lip service. Whether or not Hong Kong can rank itself as a world-class metropolis will depend largely on whether or not we are really committed to Hong Kong, whether we are more international in outlook than others, whether we can discard our Great Hong Kong mentality and whether we can build up our home with a strong sense of "we-ness", perseverance and courage.

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

**MISS CYD HO** (in Cantonese): Madam President, I rise to speak in support of the amendment proposed by the Democratic Party.

As I recall, a set text we studied at secondary school was on a meeting between Mencius and King Hui of Liang. The text goes that Mencius was having an interview with King Hui of Liang when His Majesty said to him, "Since you have been willing to travel the great distance of a thousand kilometres for this interview, you simply must possess something that will be of profit-and-advantage to my realm!" Then Mencius replied, "Why must Your Majesty use the word profit-and-advantage! Really, the only problem is manhood-at-its-best and propriety." This year's policy address, however, has placed profit-and-advantage above all other objectives and, unfortunately for us, made practically no mention of "manhood-at-its-best and propriety". Hong Kong is not a company, it does not need to break even every year just to give its share prices a boost. There is indeed no need for Hong Kong to concentrate solely on short-term investments. Yet this year's policy address has given us the impression that the Government is going to run Hong Kong as not only a business operation but also a short-sighted business project involving not any long-term investment. It is really very disappointing that instead of making any investment in human

resources or making people the base of its actions, the Government has regarded the people as "economic animals" and units of production. What is more, the Government has even taken sustainable development, education and manpower training as economic issues, hence formulating policies and evaluating the effectiveness of such policies from an economic point of view. It is really very disappointing that the Government has totally neglected the human factor in determining how Hong Kong should be run.

In regard to the concept of sustainable development put forward by the Chief Executive in this year's policy address, I agree very much to this concept and consider it a good thing to put forward the concept to urge the people of Hong Kong to pay more attention to their responsibilities and the development in this respect. However, the Government must not distort the concept of sustainable development. There have been many comments that the proposals put forward by the Chief Executive in his policy address are narrow-sense environmental protection initiatives rather than sustainable development. In regard to sustainable development, the meanings put forward by the Chief Executive include: (1) finding ways to increase prosperity and improve the quality of life while reducing overall pollution and waste; (2) meeting our own needs and aspirations without doing damage to the welfare of future generations; and (3) reducing the environmental burden we put on our neighbours and helping to preserve common resources. However, the definition and objectives of sustainable development laid down by the United Nations Committee of Sustainable Development include: building a fair community; reducing the disparity between the rich and the poor; as well as enhancing development on the fronts of political system, democracy and human rights. Yet the policy address has not touched upon these areas at all. Since the objectives of the concept of sustainable development as put forward by the United Nations can be found on the Internet, may I suggest the Chief Executive and government officials visiting the website: <http://www.un.org> to read for themselves.

On the fronts of reducing the disparity between the rich and the poor and of eliminating poverty, just now many Honourable colleagues have criticized the policy address for not responding to the requests voiced by the grass roots; as such, I am not going to dwell on that. What I should like to respond to is the view raised by the Honourable Miss Christine LOH earlier in the debate, as well as that of others who share Miss LOH's opinion, which is: the economy of Hong Kong has started to recover, while the number of job vacancies has outnumbered

job seekers. Certainly, the number of job vacancies as shown at the registration centres of the Labour Department has increased, and there have also been new job opportunities created by the infrastructure projects. However, I should like to remind Honourable Members that while we are looking at the "quantity" of jobs available, we must also take a look at the "quality" as well. Some trade union members told me that the wage levels in Hong Kong have kept on falling. According to the workers, the wage level has fallen to a "striking rate", which is \$3,000 per month. Yet there is still a "super low rate", which is \$2,400 a month. I think the workers concerned must be very environmentally friendly persons, for they could not afford to pay any transportation fares with that meagre income. Thus their workplace must be close to the housing estate where they live, so that they can go to work on foot. Under the circumstances, if we do not set any minimum wage and maximum working hours, the increase in job opportunities would just mean nothing. As a matter of fact, because of the reduction in the rates of Comprehensive Social Security Assistance (CSSA), many recipients are forced to take up such low-pay jobs. That way, how could the disparity between the poor and the rich be reduced?

To promote sustainable development, we must offer opportunities for the grass roots to receive adult education. In addition, we must also find ways to help those students who score zero marks to rejoin the mainstream education system. Regrettably, the policy address has made no mention of such aspects. Given that the majority of our population, or even an innumerable number of persons among our population are of very low education standard and not enjoying equal opportunities of development, we could never upgrade the quality of our population. That way, how could Hong Kong embark on sustainable development?

Speaking of education, let us take a look at the Chief Executive's concept of education. There have been many criticisms that the education policy of the Chief Executive is aimed at catering for the needs of the commercial sector. Indeed, beginning with his first policy address, the Chief Executive has been stressing only the need to master two languages and three dialects, as well as the need to master IT skills. It seems that the Chief Executive believes these are the fundamental solution to all education needs. But how about all-round education? Our universities are becoming more and more like higher level vocational training schools. There is now a suggestion that the performance of university graduates who have entered the workforce for a year should be assessed by their

respective employers, and then the universities would base on the assessment results to review if there is any need for the courses to be amended accordingly. Why must our education system and policy be that business-oriented? Why must our education not be aimed at providing all-round education? There are less and less social science courses taught in our universities, and this situation is attributable to not only the system and administration orientation of the universities but also to the needs of the community as well. Even in the Law Schools, courses that are related to human rights could not commence because law students are unwilling to take such courses, fearing that they would not be able to find any job if they should do so. So, this is what is going on in society, since our Government is promoting education in such a manner. For these reasons, I could hardly believe that our future education system will be targeted at nurturing all-round talents, nor could I believe that our education system will be putting emphasis on the humanities.

Madam President, the goal of education is not to train up efficient employees. I just hope that upon graduation, our university students would become citizens with commitment and vision. Further still, I hope they can develop into leaders of the various sectors of our community, instead of merely efficient employees of our commercial sector.

On the other hand, however, our education system has also produced many losers. In regard to the "zero mark" students to whom I referred just now, the Government has offered them no specific help except for the "Youth Pre-employment Training Programme". After finishing Form Three, these 13-to-14-year-olds may have to wait until they reach the required age set down by the Labour Department to join the workforce. As they turn 15 or 16 and have worked for a couple of years, these youngsters may want to go back to school. But then the doors of the mainstream education system are not open to them, and all they could do would be to join the evening secondary schools. For others, they might need to spend a fortune in order to study at the Open University. In any case, there is no way for them to start anew. Yet we are now talking about life-long learning. But the life-long learning is intended for those senior level employees who are earning high salaries and who do not need to work for long hours. For those Form Three or Form Five graduates, with their long working hours and meagre income, they could hardly have the money or time for further studies. How could they improve their situation? Indeed, once being weeded out from the education system, they could never get back.

As a matter of fact, education opportunities should not be confined to schools only. If we are to push society forward, we must put in more effort to take care of the underprivileged. Yet regrettably, they are currently being considered the burden of society. Certainly, to look after this group of people would certainly expend a great deal of social resources, however, if we are to enable every member of our community to push ahead, we must put in a lot of resources to help those underprivileged to stand on their feet again. Only by staging reforms among our grass roots that we could gather a new force of life for society. Sustainable development should be led by the community, not by the Government in a manner like running a profit-making business. In regard to sustainable development, there are a few things we can do. Firstly, we must set up a mechanism whereby the grass roots could take part in the policy-making process. This has something to do with a democratic political system. I hope that by enabling the people to have a fair chance to participate in political affairs, in district level affairs, as well as in central level affairs, they could draw experience and understand better their rights, and then learn to uphold self-respect and mutual respect. Secondly, we should help the underprivileged, in particular women and the disabled, to strive for their equal opportunities of development. Thirdly, we should make the local community our learning centre. Learning is not confined to schools or the time slot between 8.00 am and 1.00 pm every day. Actually, we have many libraries which can be used as learning centres for adult education. Besides, we can also make good use of our local schools to hold adult education courses in the evening, so that the 1.6 million people of our population who have yet to attain Form Three level education could start all over again. It is only after the education level of our population as a whole has reached a certain basic standard that we could talk about retraining and sustainable development.

Education is also subject to influence by the general atmosphere. If our society should remain closed, if our democratic political system should retrogress, we would never be able to nurture people with the ability to think independently. For instance, we should enjoy the freedom of speech, at the same time, we should also enjoy the right to visit Beijing. If we are not permitted to visit the Mainland just because we have expressed certain views, we can never encourage our students to raise questions or take part in any critical discussions. On the other hand, our Government has always acted and talked

differently, such as pledging to uphold the rule of law, freedom of speech and freedom of the press, yet at the same time requesting the National People's Congress to interpret the Basic Law bypassing all procedures and without abiding by the decisions of the Court. Moreover, the Government also intends to consider setting up a press council, thereby legislating to control the media. What is more, yesterday the Government even disclosed the sudden transfer of Director CHEUNG Man-yeek and caused much concern among the people of Hong Kong. If the Government should continue to yell out slogans like safeguarding freedom, safeguarding democracy and upholding the rule of law on the one hand, but do things quite the contrary on the other, how could we teach the small children to be honest, to be of good integrity? Therefore, I hope that the Government as a whole as well as the Chief Executive could set a good example by putting lip service into deeds. If the Government should keep on acting and talking differently, we could never answer the questions raised by small children.

As regards the Frontier, we certainly have to speak on the progress of the democratic development as this is also part of the education process. According to the Chief Executive, this year is the 10th anniversary of the Basic Law and a campaign would be conducted to give publicity to the Basic Law. We hope very much that the Government could look at the Basic Law from both sides. Apart from singing praises of how the Basic Law has helped to implement the principle of "Hong Kong people ruling Hong Kong with a high degree of autonomy", I hope that the Government could in the future discuss the undemocratic structure of the Legislative Council, the various limitations imposed on the Council by Article 74 and so on. I also hope that the Government would refer to the lack of a satisfactory mechanism to amend the Basic Law, and that the final interpretation right does not rest in the hands of the people of Hong Kong. Further still, I hope that the Government will offer the different sectors of our community the opportunity to speak in the discussion to compare the various political systems of different countries. What is more, I hope the Government could draw on the experience of the people's forum held in Switzerland and offer sponsorship to various non-governmental organizations to help them conduct seminars, with a view to enabling the people of Hong Kong as a whole to have a full understanding of the political development of Hong Kong and to make a wise choice.

Last but not least, Madam President, the Chief Executive has referred to positioning Hong Kong and developing it into a world-class city. In this connection, I have read an article which sets out that a world-class city must: uphold the rule of law, practise democracy, safeguard equal opportunity, be open-minded and tolerant, be free of alienating or discriminatory practices. In regard to equal opportunity, it should give rise to an upward looking and pluralistic culture which offers plenty of opportunities. However, the existing condition in Hong Kong is worrying. Our community is becoming more and more narrow-minded and inclining towards xenophobia. In addition to the unfair laws regarding imported workers, a political party is recently advocating that a 20% income tax should be levied on imported workers. Furthermore, the new immigrants from the Mainland have always been discriminated against by those residents who have settled here for a long time. We are becoming less and less tolerant these days. However, in many cases it was the Government which aggravated the situation. Take the reduction of the CSSA rate as an example, the Government has tried to appeal to a sector of the community by working against the interest of another. As regards the right of abode issue, the Government deliberately depicted a gloomy picture of our future to cause the local population to worry about the economy of Hong Kong and eventually resort to alienating the new comers. All these events are certainly doing no good to our development into a world-class city.

Madam President, the policy address has a good intention. It hopes that once Hong Kong has developed into a financial centre, we could then become a world-class city. However, I am afraid this is only the wishful thinking the business circle. Hong Kong is not a company which can simply retain the efficient employees and kick away the inefficient ones. To the 6.7 million people of Hong Kong, we have no choice at all; we cannot "shift to greener pastures". For this reason, the Government must take up its responsibility to set up a fair and equal system to safeguard the interest of each member of the community, talented or otherwise alike. Thank you, Madam President.

**MR LAW CHI-KWONG** (in Cantonese): Madam President, I am very glad to have time to develop my main points into an organized speech. In this debate today, some Honourable Members mentioned the fact that a considerable part of the policy address had been spent on describing the environmental protection policy of the Government. Actually, the Government's active response to

environmental protection issues should be worthy of our commendation. However, it is also for this reason that the motion debate last week the plus 15 minutes speaking time today is not enough for me to explain in detail the views of the Democratic Party regarding the active response of the Government on the environmental protection front. Moreover, I think it is just not fair to discuss the various proposals put forward in the policy address by the Chief Executive within such a limited time span. For these reasons, I intend to concentrate my speech today on a few important principles and then wait until the press conference to be held this Friday to explain in detail the views of the Democratic Party and submit our ideas to the Government.

Apart from environmental issues, today I will also speak on some social welfare issues. Although I am the spokesman of the Democratic Party on issues regarding medical policies, our recommendations in this respect will be expounded by the Honourable Michael HO due to the time constraint.

The first issue I should like to speak on is sustainable development. I believe the most outstanding and surprising part of the policy address is the Government's intention to set up a Council for Sustainable Development and a Sustainable Development Unit. We certainly welcome this development, yet we are also concerned about two points. Firstly, will the Council for Sustainable Development just be another advisory body unable to give full play to its functions? Hence, the Democratic Party hopes that the Government could lay down the principles for sustainable development and incorporate them into the laws, thereby making the Council for Sustainable Development a statutory body with specific responsibility to assess the various economic and social development policies against the sustainable development principles. In this connection, the Government could draw on the experience of similar statutory bodies and their relevant information, such as the Town Planning Ordinance and the powers and functions of the Town Planning Board. As regards the Sustainable Development Unit, it should be assigned with the responsibility to assist the Council for Sustainable Development to give full play to its role and statutory functions, as well as to monitor the achievement of various objectives that government departments have set in regard to sustainable development.

Secondly, basing on our understanding of the policy address, apart from environmental issues, the Chief Executive has made no mention of other aspects of sustainable development such as the social, economic and political fronts;

hence, we are concerned that the policy address might have given the community a wrong impression that environmental protection is all that to sustainable development. According to the "Agenda 21" adopted at the United Nations Conference on Environment and Development held at Rio de Janeiro in June 1992, environmental protection is one of the important processes leading to sustainable development.

I should like to stress that environmental protection is only a vital part of sustainable development but not the whole of sustainable development. For this reason, the Government should make the principles set out under "Agenda 21" among the basic principles of the Council for Sustainable Development in discharging its responsibilities.

In addition, I should also like to speak on the "polluter pays" principle. In his policy address, the Chief Executive has proposed to make the users and polluters fully accountable for the recurrent costs concerned through payment of charges, and this is exactly the principle of "polluter pays" referred to by many Honourable Members earlier on. The Democratic Party supports this point in principle; however, we must also strike a balance between two points. First, the amount of charges to be paid should be commensurate with the level of pollution caused; second, the basic daily needs of the people must be taken into account. Let me cite an example with sewage and waste, both of which will be created as a result of the people's daily activities. As such, in considering levying charges, the Government should not levy charges on the activities of the people's daily lives. However, if the amount of sewage and waste produced should exceed a reasonable level, then the Government can require the people to pay the relevant charges, so as to discourage them from wasting any natural resources.

Another issue I should like to speak on is related to social welfare. As I have said in discussing the concept of sustainable development, sustainable development is more than of environmental protection. It actually involves economic, social and political issues. Thus, I would like to speak on social issues as well. When this Council was discussing the motion on sustainable development in the previous Legislative Session, I already raised the concern for the disparity between the rich and the poor. As pointed out in "Agenda 21", in striving to attain sustainable development, countries must make an effort to eradicate the problem of poverty, as well as to reduce the disparity between the

rich and the poor. Indeed, reducing the disparity between the rich and the poor is an important item on "Agenda 21". While it is an indisputable fact that the disparity between the rich and the poor in Hong Kong has been aggravated and the impoverished population has increased, the Chief Executive has made no mention of the economic or social situation in his policy address in speaking on the concept of sustainable development. I am afraid he is suffering from more than far-sightedness or presbyopia, but also the problem of "tunnel vision", a term I have just learnt from Dr the Honourable LEONG Che-hung. In addition to failing to face the issue squarely, this year's policy address could also be regarded as having paid the least attention to social issues and social welfare issues compared to the policy addresses in recent years.

During the Chief Executive Question and Answer Session on 7 October, I asked the Chief Executive a question and his reply was that everybody would be benefited when the economy recovered. In regard to this reply, I do not know whether I should say the Chief Executive was being ignorant or that he was not careful enough in making his reply. However, as the prince of a shipping kingdom, he certainly knows that although ships would float higher if the water level should rise, broken ships will simply not float but sink. To the many underprivileged in our community, more often than not they are unable to enjoy any benefit when the economy of Hong Kong prospers. Quite the contrary, they would only suffer from a drop in living quality as a result of inflation and the rising costs of living. Recently, the Government has sought to cut back expense on social welfare on different fronts, including a series of measures to reduce or tighten the granting of CSSA introduced since 1 June this year. In this connection, I believe the ward offices of many directly elected Members who are now in this Chamber or in the Ante-chamber must have received many CSSA-related complaints over the past few months. In regard to this policy of the Government, which has turned a blind eye to the needs of the poor and cared nothing about their livelihood, we cannot but get very infuriated. Last evening, I interviewed a group of poor families and listened to their complaints. In this connection, the way in which the Social Welfare Department handled a case has indeed served to reflect the "skinflint" face of the Government. In the case, a mother of two has brought along her children of six and eight years old to join her husband in Hong Kong. This should be a happy case if not for their bad luck that the husband has fallen sick, become paralyzed, and been admitted to an infirmary. At first, the woman and her two children moved to the infirmary with her husband. But then an infirmary is not any place for them to live for a

long period of time, they eventually moved to another place with the help of some people. However, the Social Welfare Department has not offered them any assistance at all. The poor family has no relatives or any other sources of income in Hong Kong; as such, they have to live on the support from their fellow clansmen and relatives in the Mainland. Naturally, the mother could not afford to send her two children to school or buy them any textbooks, and the children are therefore forced to give up any hope of receiving education. This is of course a breach of the law, since the law has required parents to send their schooling age children to school. What is more, this woman does not have even the money to pay the transport fares to visit her husband. I just cannot imagine that this could still happen in Hong Kong at this juncture of time. Should this not be found only in old Cantonese movies starred by CHEUNG Ying, PAK Yin and Bobo FUNG? We are now in the run-up to the 21st century, how could such things happen in Hong Kong? Is it something that a community full of love and care as visualized by the Chief Executive should have done? Is it not fair to say that in asking the public to show some love and care, the Chief Executive simply could not care less about the less fortunate?

Recently, issues such as the enhanced productivity programme, the review of the basic expenses, contract tendering, 30% discounted salary payments and so on have already caused much anxiety among members of the social welfare sector and thereby dealt a heavy blow to their morale. Early this year when this Council was debating the Budget, I have proposed to encourage the social welfare sector to put in concerted efforts to promote the development of services that are more cost-effective, with a view to providing more and better services for the public with our limited resources. I will certainly continue with my effort in this respect and with my work to promote the self-enhancement of the social welfare sector. However, I must also remind the Government that the strength of voluntary social welfare agencies lies in that they have the enthusiasm to "benefit others" and to serve the underprivileged of our community. If the Government is to mobilize society as a whole to provide resources and manpower in the field of social welfare, if the Government is to mobilize the public to participate in social welfare work, the best action it should take is to strengthen the voluntary social welfare agencies, rather than tightening the assistance granted to them. The Government should aimed at enhancing the quality management of these agencies, improving the cost-effectiveness and strengthening the creativity, instead of seeking to cut back on social welfare expenditure to the neglect of the proper functioning of these agencies. I hope

that the Government should take care to learn the basics of social welfare before it attempts to introduce any reforms. If the Government should aim at cutting back on expenses and resort to skipping steps in introducing reforms, it would only reap results of the opposite effect. If the basic functions of the voluntary agencies should be damaged, the burden of social welfare would fall more and more heavily on the shoulders of the Government.

The Enhanced Productivity Programme introduced recently by the Government is indeed a source of headache for voluntary agencies. As a result of the mistakes made by the Government in implementing its subsidization policy, the number of voluntary agencies providing social welfare services has amounted to more than 180, encompassing a total of over 2 000 service units. Not only many of these voluntary agencies are of very limited scale, their service units are of an even smaller scale. All in all, they are not in line with the principle of economy of scale, and many management problems or problems of duplication of work have been created as a result. While it is already difficult enough to implement the Enhanced Productivity Programme, it is all the more difficult to implement the Programme among the 180-odd subvented agencies and the over 2 000 service units. In addition to improving cost-effectiveness, the Enhanced Productivity Programme is also aimed at discontinuing or downsizing those services or units that are obsolete or of low patronage rate. Regrettably, however, all I could hear today is that the Director of Social Welfare has turned a blind eye to the principle espoused by his superiors. All he has done was to cut back on the expenses on all subvented agencies and their services by 5% in the coming three years. It is indeed disappointing that the Director has resorted to discharging his duties at the expense of the subvented agencies.

For the greater part of the past year, I have spent much time on explaining the rationale behind the Enhanced Productivity Programme to my social welfare colleagues and discuss with them the ways to introduce reforms to our services. Many a time I have acted like a spokesman for the Government, and for that reason I have been stabbed in the back for many times. However, that does not matter, since I am not running in the election next year. All I want is to explain the case clearly. It is my sincere hope that reforms could be introduced to social welfare services so that their cost-effectiveness could be improved. But if the Director of Social Welfare should take no heed of the quality of the services concerned and introduce a sweeping 5% subvention cut to all voluntary agencies, he would only turn the well-intended efforts to harms. What is more,

the hard work my other colleagues of the social welfare sector and I have made for more than half a year would also be rendered futile. Many people consider the Chief Executive a nice man. However, I should like to remind the Chief Executive of a basic phenomenon and theory, and that is, many bad things in this world are not done by the bad people but by those who believe that they are the good guys in trying to do good to other people. Hence, I hope that the Government will give careful thoughts to how its well-intentioned measures could be properly implemented as it pushes forward its relevant work. In implementing environmental protection work and social welfare policies, the Government must be reminded that it cannot rely solely on its good intention to achieve the objectives. With a wrong approach, it could only get half the result with double the effort. What is more, in some cases, many damages might be done in the end.

Just now I have referred to the risk of reaping results of the opposite effect, here is one good example. I am not sure if Members are aware of a recent development in the social welfare sector called contract tendering. This is introduced by the Government with a view to making enormous savings. One thing the Government does not know is that although in the past the voluntary agencies were required to handle some 65 cases, more often than not they were producing an output of more than 100%, as the average number of cases they handled would amount to between 100 and 110. In other words, the workload taken up by the voluntary agencies were 70% or even 80% over their basic requirement. However, after the adoption of the tendering system, the majority of the agencies that have cut back their expenses by some 40% will not take up more workload than they are required to. As such, while the Government thinks that it could save 40% of the expenses by introducing the measure, it has in fact suffered a 40% loss. While the Government has intended to implement this measure to save money, the measure has nevertheless failed to cater for the needs of the community. So, this is a typical example of reaping results of the opposite effect.

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

**SUSPENSION OF MEETING**

**PRESIDENT** (in Cantonese): I now suspend the meeting until 2.30 pm tomorrow.

*Suspended accordingly at nine minutes past Eight o'clock.*