

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 21 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 LEE CHEUK-YAN

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

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

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

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

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

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

THE HONOURABLE NG LEUNG-SING

PROF THE HONOURABLE NG CHING-FAI

THE HONOURABLE MARGARET NG

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

THE HONOURABLE RONALD ARCULLI, J.P.

THE HONOURABLE MA FUNG-KWOK

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE AMBROSE CHEUNG WING-SUM, J.P.

THE HONOURABLE HUI CHEUNG-CHING

THE HONOURABLE CHAN KWOK-KEUNG

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE CHAN WING-CHAN

THE HONOURABLE CHAN KAM-LAM

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

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

THE HONOURABLE LEUNG YIU-CHUNG

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

THE HONOURABLE SIN CHUNG-KAI

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

THE HONOURABLE WONG YUNG-KAN

THE HONOURABLE JASPER TSANG YOK-SING, 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 EMILY LAU WAI-HING, 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 CHRISTINE LOH

THE HONOURABLE BERNARD CHAN

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE HOWARD YOUNG, 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 DONALD TSANG YAM-KUEN, J.P.

THE FINANCIAL SECRETARY

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

MR GORDON SIU KWING-CHUE, J.P.
SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

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

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

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

CLERKS IN ATTENDANCE:

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

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

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

MEMBERS' MOTION**MOTION OF THANKS****Continuation of debate on motion which was moved on 20 October 1999**

PRESIDENT (in Cantonese): Council will now resume the Motion of Thanks debate.

MR ERIC LI (in Cantonese): Madam President, almost unnoticeably, it is now already some two years into Hong Kong's long road of reunification. At the very beginning, with immense confidence and lofty ambitions, the Chief Executive and the people of Hong Kong all looked forward to turning a leaf in the history of Hong Kong.

Unfortunately, the road that Hong Kong has had to walk along after the reunification has been far from being smooth. As time passes, the historical glamour of the reunification is fading gradually. Today, the lofty promises and high aspirations of the Chief Executive can no longer mobilize the people to follow his leadership so very easily, though he has tried to repeat these promises and aspirations over and over again in different fashions. What the people of Hong Kong need most badly now is not any visionary policy objectives, not any detailed economic prescription on the positioning of all trades and industries, but a government with a clear sense of direction, one which can take concrete actions to deliver many in Hong Kong who are battered by a confidence crisis from their current political and economic hardships.

One positive aspect of the Government's political performance over the past two years is that it has made serious efforts to implement the unprecedented concept of "one country, two systems" and to maintain the political stability and "high degree of autonomy" of Hong Kong. Although there is still hidden tension in the apparently tranquil relationship between the legislature and the executive, although there has been no further progress for our democratization, and although the people of Hong Kong are still very much frustrated by their prospects in the foreseeable future, the Government has after all managed to effect governance in a practical and pragmatic manner over the past two years.

So, when I comment on the policy address this year, I am not going to discuss any political issues.

Hong Kong has always been noted for its strong ability to achieve economic success. Unfortunately, over the past two years, it has been battered by the Asian financial turmoil. And, with the keen competition brought about by the intensification of China's economic reform and development, the technological revolution and the globalization of the world economy, Hong Kong has sustained waves after waves of impact. As a result, the economic policy of Hong Kong, hitherto based on the principle of "small government and prudent financial management", has become somewhat too weak to respond promptly to all these changes.

Honestly speaking, the Government really has to deal with many, many problems after the reunification. However, even at such a time of adversity, it is no small feat of the Government to have managed to maintain our political and economic stability and win the sustained confidence of the Central Government and overseas investors. So, this Council really should not cherish any extravagant hope, expecting the Government to be perfect, expecting its officials to be "winners of the decathlon", and expecting the Chief Executive to be "an examination genius with 10 Distinctions". I think that unreasonable and unrealistic expectations or criticisms driven by political motives will only achieve the opposite result of exerting unnecessary pressure on the Government, indirectly inducing it to avoid persistent criticisms by covering up its mistakes and indulging in an over-ambitious approach of governance.

From the perspective of a Member representing a functional constituency, I would say that, first, if we know very clearly that the Government cannot possibly deal with too many things simultaneously in the foreseeable future, we should concentrate our efforts on getting just two Distinctions (in education and environmental protection), rather than hoping for too much but getting 10 "bare passes" in return. Second, although several significant moves, I mean, several joint ventures with business tycoons, can achieve some short-lived publicity effect, such projects are actually far less practical and effective than giving positive assistance to young venture businessmen, maintaining the vigour of SMEs and upgrading their competitiveness. All these efforts can benefit SMEs and the common masses directly, making them feel that the Government is sincere in tiding over the difficulties with them together. Third, many

professionals have recently approached me, complaining about the prevalence of finger-pointing and denial of responsibility in our community. In this connection, I must say that we really need a responsive government which will not gloss over its inadequacies and which is always prepared to accept responsibility for what it has done. Only this can help create a favourable climate of co-operation, making people feel that their government is willing to join hands with them to tide over the difficulties.

Let me first discuss education and environmental protection, the two major issues dealt with in the policy address. When Hong Kong was under British administration, its policies were biased towards the provision of hardware facilities such as the physical infrastructure, political institutions, the legal system, financial and economic institutions. Environmental improvement was all the time ignored, and the colonial administration seemed rather indifferent to the need for investment in the development of quality education, sports and culture and town planning — things that constitute a quality living. The painstaking efforts of the Chief Executive to make adjustments in this respect are an apt reflection that after the Hong Kong people have become the masters of their own house, "sustainable development" and "Hong Kong, Our Home" have become the principles underlying the policy objectives of the Government. This Council should affirm such an approach.

Some argue that these investments cannot possibly help solve the immediate livelihood problem of the people. This is understandable, but we should also note that this is after all just a negative response of some people who think that the Government has not done enough to protect the livelihood of the people; this certainly does not mean that people are basically against the proposed educational and environmental protection measures. Therefore, the Government should not hesitate anymore, and it should instead do all it can to implement its policies on education and environmental protection.

For economic planning, the Government has indeed implemented quite a number of significant measures that have already started to yield some success. But why is it that people still seem unable to notice such success? This really requires further thinking on the part of the Government.

As it appears, figures and statistics do suggest that our economy has started to pick up again, and it can well be said that the measures of tax rebate, rates reduction and property price stabilization put in place last year have all started to yield some results. And, we must also note that the Government has not hastened to mention anything about the Disney theme park and the Chinese medicine port in the policy address; this shows that the Government is very confident and does not find it necessary to draw on these favourable factors to boost confidence. Hence, it has decided not to include them in the policy address, so as not to upset the progress of these long-term plans. This political decision is both mature and correct, and it should merit support from this Council.

However, if this Council can look at the situation differently from the Government, which is superstitious about figures and statistics, and if it can notice the deeper implications of these statistics and relate them to the realities, it will see quite a different picture: the gradual economic recovery we now see is in fact caused by assets appreciation and confined to a few trades, industries and large enterprises. Most SMEs are still suffering immensely. Poor business and a grim struggle for survival are still common among many SMEs.

Over the years, I have been repeatedly urging the Government that it should first establish a venture fund for young people, and encourage the banking sector, professionals and businessmen enthusiastic about community services to act as advisers of new enterprises, so as to help solve the unemployment problem faced by young people. Second, I have been urging the Government to follow the example of those foreign countries which are already highly globalized in their economic development. In other words, the Government should formulate policies on assisting SMEs. However, the Government has so far failed to show any positive response. I am really very disappointed at this.

Young venture businessmen and locally-rooted SMEs are the underpinnings of all economies in the world, for, in times of economic recession, they will never give up, but when economic recovery comes, they will flourish and thrive again. Such is a function which the many famous international corporations much sought after by the Government may well fail to serve. So, a sole emphasis on large scale projects coupled with a neglect of the basics will give people the impression that the cart is being put before the horse.

I also wish to talk about the Growth Enterprise Market. This market is supposed to bring new prospects to SMEs. However, the current signs are that even such prospects may be strangled by a bureaucratic framework characterized by reluctance to assume responsibility, fear of sharp criticisms, hunger for regulatory authority and neglect of the essential ingredients of competition.

Nowadays, the whole world is rapidly moving along the path of reducing the operating costs, time and energy which market users have to incur as a result of regulation compliance. In Singapore, for example, listing requirements are continuously relaxed, so as to make it easier for SMEs and new enterprises to raise capitals. And, the various regulations applicable to SMEs are also relaxed whenever and wherever possible. It is only natural that even with such relaxation, some enterprises may still fail to succeed or simply close down. However, as long as more enterprises can thus achieve success, any government with the courage to open up and liberalize their home markets should adopt such an approach. What we need should be a capital market where smart investors can get high returns as rewards for the risks they have borne. What we do not need is a financial services market which serves only a handful of large international enterprises. Only such a market can be regarded as a market economy characterized by true vigour and long-term development potentials.

We now see that many Hong Kong SMEs with development potentials have opted Singapore, the United States and Australia as their places of listing, instead of joining the local Growth Enterprise Market. Overall, many market participants consider the local Growth Enterprise Market not attractive enough, because while the costs are high, its regulation is in no way more lenient than that of the principal market of the Stock Exchange. I hope that at this critical juncture, the Government can try to find out why some companies do not like Hong Kong as a place of listing and review the competitiveness of the local Growth Enterprise Market in the world.

The Growth Enterprise Market is just one of the many concerns of professionals. Actually, the mutual trust between the Government in particular regulatory authorities and professionals has gradually diminished over the past two years. Many professionals feel that the regulatory authorities have been trying to introduce more and more new laws and expand their powers in the

name of consumer rights protection. By doing so, they have shifted the liabilities to defenceless professionals, thus changing their role as the middle-man and reducing their business opportunities. This has also indirectly added to their operating costs, much to their worry. Actually, at such a time of economic adversity, the Government should co-operate with the people more closely than ever before, and the operating framework should be streamlined as far as possible to raise productivity. The often strong and powerful government authorities should not instead abuse their powers and shirk their responsibilities, and they also must not accuse professional bodies of incompetence and seek to enhance their authority and administrative convenience by sacrificing our overall competitiveness.

Not too long ago, the people of Hong Kong were still referring to Singapore as their main rival, and the two places also tried to learn from one another. More recently, people started to look at Shanghai as their rival. But now, the Chief Executive has advanced a new positioning for Hong Kong, saying that we should emulate some metropolises such as New York and London. This is certainly a well-intentioned idea, but the road ahead will be very long, with many difficulties on the way. We must not underestimate all these difficulties.

The birth of any world-class metropolis represents the best of a people's wisdom accumulated over hundreds of years in the areas of history, culture, economics, politics and so on. The identity of a metropolis relies not solely on facilitating the inflow of foreign capitals, talents and investments. So, besides seeking to turn itself into a haven of foreign investors, Hong Kong must also pay attention to its basic needs. In Hong Kong, professionals and SMEs constitute the very foundation of the local economy and supply of talents. Therefore, when launching any grand projects, if the Government seeks only to expand its powers, seeks only to deal directly with large foreign enterprises and ignore the interests, role and feelings of the local middle class, it will only alienate itself more and more from the common masses. And, this phenomenon has already occurred and must be dealt with properly.

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

MR TAM YIU-CHUNG (in Cantonese): Madam President, now that Hong Kong has already entered the SAR era, it must recapitulate its past experience and plan for the future. The theme of the Chief Executive's policy address this year is "Quality People, Quality Home", establishing the policy objective that we should train up more talents and improve our environment, so as to turn Hong Kong into a knowledge-based world-class city with a booming economy and a quality living environment. Such a positioning for Hong Kong is built upon the foundation laid down in the last two policy addresses. When the Chief Executive announced his first policy address in 1997, he put forward various long- and short-term measures to tackle the three major problems faced by the people, namely, housing, education and care for the elderly. And, when he announced his second policy address in 1998, he supplemented the 1997 measures by various other measures aimed at reducing unemployment and relieving the plight of the people; and, he also said that we should develop high value-added industries, with a view to enhancing the diversity of our economy and our competitiveness. Without the far-sighted objectives laid down in the past two years, it will not be possible to implement the theme of training up more talents as stated in this policy address; without a stable economy, we will only be building castles in the air when we talk about environmental protection; without any manpower reinforcement, it will be impossible for Hong Kong to sustain its economic development; and, without a wholesome living environment, we will definitely be unable to enjoy the fruit of our joint efforts and hard work. From this, we can see that the positioning, objectives and development plans laid down by the SAR Government over these three years are all closely related, forming an integrated policy approach. It is a pity that some people fail to look at the approach of the Government from the proper perspective. As a result, their understanding of the approach adopted by the Government is somewhat like what is presented in the following lines of an ancient Chinese poem: "It is a range viewed in face and peaks viewed from the side, of Mountain Lu we cannot make out the true face". I now wish to focus on the three issues which I have been following with concern, namely, continuing education, services for the elderly and the Civil Service.

Development of Continuing Education

On the development of manpower, the policy address proposes to improve the various segments of our formal education system through the promotion of IT education, life-long education and training of talents. It is hoped that all this can enhance the competitiveness of Hong Kong and upgrade the cultural quality of our society. However, at present, continuing education is developed with tertiary and professional education as the only emphasis; and, people with lower academic qualifications are still faced with many problems when they try to pursue continuing education.

There is a total working population of 3.4 million in Hong Kong, but the education level of 40% of them is just junior secondary or even lower. The motivation of these people to learn is comparatively weak. And, also since self-financed tuition will impose an especially heavy burden on the lower strata of the community, the "polarization" of society in terms of education attainment is bound to result over time, and this will in turn intensify the polarization of society in terms of wealth.

Actually, everybody should have the right to receive education at anytime in his or her life. The Government now spends huge resources on the provision of primary, secondary and tertiary education, so as to ensure that our young people can attain a reasonable language standard and grasp the IT know-hows required. If language proficiency and IT knowledge are really the qualities expected of the citizens in an advanced society, then the Government should also seek to upgrade the quality of those with lower education attainment. A better and fairer environment should be created for them, so that they can be offered chances of receiving education for the second time or even the third time.

Unfortunately, there is currently no policy in Hong Kong to achieve this end, nor is there any special organization to upgrade the common people in terms of their education qualifications. The Employees Retraining Board (ERB) is just a body responsible for providing occupational retraining and job referral services. And, the Vocational Training Council, now renamed the Institute of Vocational Education (IVE), does not offer any extension courses for those who have completed their retraining courses. As a result, after these people have secured employment, they will have no avenue of further upgrading their knowledge and skills even if they want to. To solve all these problems, Hong

Kong must as a matter of urgency launch a full-scale "linkage project". In other words, a complete and integrated system of manpower training and qualifications assessment must be established for all trades and industries in Hong Kong. Such a system must include all the relevant qualifications assessment standards, and the qualifications awarded must be recognized by both employers and the wider community. The courses provided must cover all levels from low to high, and must be linked to one another. In the short run, we must make the best use of the resources of the ERB and the IVE, so as to offer various courses to upgrade the qualifications of those people with only low academic qualifications.

Besides, we must also develop other hardware facilities, so as to establish a better self-learning system. Actually, the Government can establish a huge learning network by utilizing or expanding the existing educational and community facilities. Some possible measures include the development of unconventional schools and the promotion of correspondence courses, education television, multimedia education and teaching through the Internet. Moreover, the existing resources of schools should be utilized more fully by, for example, running courses for people in school premises after school or during holidays, so as to enable people to refresh their skills and knowledge or obtain more qualifications. And, the co-operation among different types of educational institutions should be fostered, so that they can jointly organize courses for people. Furthermore, the formal education system should also be adjusted to accept practical working experience and community services for the purpose of satisfying admission requirements. That way, people will be able to work and study on a "sandwich" basis. And, a credit unit system should be developed, so as to free students from any rigid time constraints. All this can help people pursue studies whenever they want to.

It is only when most people in the community are offered access to continuing education that we can raise the overall cultural quality of the community. Therefore, the creation of a better learning environment for people with low qualifications should be regarded as the very basis on which we seek common progress. Without such a basis, all hopes of fostering life-long learning will only be wishful thinking.

Better Services for the Elderly

The past two years have seen the SAR Government making more commitments in the area of services for the elderly. The aim is to enable the elderly to lead a comfortable life in their twilight years, by improving their financial and living conditions, and by providing better health care services and stronger community support to them. The measures and schemes put in place by the Government to achieve this aim, such as the elderly housing scheme, outreach health care teams, home helper teams, elderly health centres and subsidized hostel places, have all received the support and recognition of the community and the organizations concerned.

However, since the population of Hong Kong is aging more and more rapidly, we should not just concentrate on getting resources for elderly services in the future; we should also examine how best we can improve the co-ordination of our existing social services, so as to improve their efficiency and save future expenses on the provision of elderly services.

There is no denying that the development of our elderly services is caught in an impasse now, for we lack the resources required to further expand the services. But we can still review the allocation of existing services and the co-ordination among various government departments; that way, as we seek to better our services and maximize their efficiency, we will still manage to enable our old people to lead a dignified life in their twilight years.

Such an approach will require the Government and other public sector organizations to consider the needs of old people as users while formulating their policies. Let me give a few examples here. The Housing Department, for example, should consider the needs of old people when allocating public housing units to them. At present, a two-person unit allocated to old people may measure as small as 16.39 sq m. Such a small unit cannot possibly accommodate two single beds; old men and old women may thus have to sleep in bunk beds, having to climb up and down all the time. Some may of course wonder why it is not possible for two old people to share one bed. Well, this is very convenient to old people, because they may have to get up several times at night. Another example is that the staircases and corridors at the entrances of buildings are not usually equipped with any railings. Besides, the different steps of staircases are not usually clearly marked, and the floor tiles of

bathrooms are just too slippery. All this may be altogether insignificant to us, but old people will thus be greatly inconvenienced. Therefore, we hope that improvements can be made, and that the needs of the elderly can be duly reflected in the "planning standards". That way, the various inconveniences faced by old people in their daily life can be removed.

To maximize the effectiveness of the resources we spend on looking after the elderly, we must also deal with the problem of policy mismatches. Let me give one example here. By enhancing community health care and disease prevention for the elderly, we can actually save a lot of medical expenses. Unfortunately, in Hong Kong, we have so far paid very little attention to primary and community health care. As a result, we have failed to keep our old people in good health, and this has in turn imposed a very heavy burden on the medical and health care system. "Quantity" should no longer be the sole standard governing the development of elderly services; we must also seek to improve such services in terms of "quality".

A Stable Civil Service

The implementation of manpower training and elderly services, and their further development and improvement as well, will invariably require the efforts of civil servants. Therefore, a stable and efficient Civil Service should be regarded as the most valuable asset of our society.

Over the past few months, because the details of the civil service reform were not yet known, many speculations have emerged, and many civil servants are caught by a widespread panic as they fear that the reform may affect their existing interests and rice bowls. However, as the policy address has once again stressed that the reform aims to seek progress amidst stability, civil servants can now put their minds at ease. I hope that the top echelons of the Government can keep up such a pragmatic approach.

Reforms are certainly necessary, but they must not be perceived and put in place as pure personnel management changes. The reforms introduced will bound to produce far-reaching impacts on the service culture of the entire Civil Service, which is why rash actions must be avoided. The Government must not undermine the stability of the Civil Service, and it must make sure that our public services are not going to be adversely affected. And, more importantly, it must

make sure that all reforms will enhance the efficiency and quality of all government services. This means that caution, adequate consultation and respect for the views of staff are absolutely essential.

Madam President, when people fall sick, they always wish to have a specific which can cure them immediately. Some doctors know this mentality very well, and they always prescribe specifics or give their patients some injections. This can usually yield quick results for the symptoms are suppressed. But then, as the effects of the drug subside, the problem and the symptoms will emerge again. On the other hand, some doctors will adopt an opposite approach. They will first carry out a thorough diagnosis and seek to eliminate the causes. They will also try to improve the general health conditions of their patients, so as to avoid relapses of the disease as much as possible. People can of course say which approach they like. But I am sure that the prescription and approach of Mr TUNG belongs to the latter.

With these remarks, I support the original motion and oppose the amendment.

MR SZETO WAH (in Cantonese): Madam President, two years ago, shortly after the outbreak of the Asian financial turmoil, Mr TUNG Chee-hwa declared that Hong Kong would be the first to recover among the economies of the East Asian region. However, recently, he repeatedly said that the recovery of the Hong Kong economy has to depend on external factors. That is to say, the recovery of the Hong Kong economy depends on external factors, meaning that we have to wait for the economy of our neighbouring regions to recover first. From being the first to recover, we now have to wait for other countries to recover before us. This means that ours will be the last to recover.

The three trades most sensitive to economic adjustments are the catering taxi and retail trades. I wish to talk about these three trades from my personal experience, in order to show that there is as yet no improvement in people's livelihood.

I often go to a small café for breakfast. Lately, business has been increasingly slack. One morning, because there were very few customers, one waiter had time to chat with me. He heaved a deep sigh and said, "Alas, Uncle

Wah! In the old days, there would be no empty tables at this hour. Now we have no year end double pay and have to work longer hours. I am guarding the frontier, earning one meal at a time. I have a large family, with plenty of dogs and cats. Recovery? God knows!"

I said, "What do you mean by guarding the frontier? Have you become a general?"

He said, "Guarding the frontier means it is a lousy job. The frontier is cold and far away. But I have to keep my job. There is nowhere else to go. It is stormy outside. Where else can I go?"

I said, "If you have a large family, why do you keep dogs and cats?"

He replied, "I live in a public housing estate. No dogs and cats allowed. Dogs and cats mean children. I have to support my children!"

He asked me whether the economy will really recover by the end of the year. It is now only two months until the end of the year. I dared not reply.

Let me turn to the taxi trade. Every time I take a taxi, I would ask the driver whether business has picked up. They would all shake their heads and ask me to look at the taxi queue at the taxi stand waiting for customers. Sometimes, some drivers refuse to charge me. I always say to them, "No, thanks. Business is poor and it is hard to make ends meet."

One day at about nine in the morning, a taxi driver said to me, "I have worked all morning and made less than \$100. I have a family of five. I might as well quit and receive CSSA instead." He used to be a cross-boundary truck driver. He became a taxi driver after losing his job because of the shrinking cross-boundary freight transport.

Lastly, let me talk about the retail trade. I seldom go to department stores but frequently walk past them. They always have bills saying that they are on sale. They are stuck there all the time.

The Hong Kong Professional Teachers' Union operates supermarkets serving its members. In 1997, they had a turnover of \$270 million. While its membership increased by more than 2 000 in 1998, the supermarkets saw the first negative growth in more than 20 years, -9%. In 1999, membership has again grown by more than 2 000, but the turnover of the supermarkets has seen a further negative growth of -5% on top of the -9% last year. Teachers do not have to face retrenchments or wage reductions. Still, their spending power and desire have greatly declined. One can imagine what it would be like in other professions and what the turnover in the retail and other trades would be.

I have two comments for the Chief Executive's third policy address: it focuses on the faraway instead of the immediate issues, it takes up minor issues while evading the major ones. The "immediate" and "major" issue is people's livelihood. While environmental protection and education are certainly important, they are long-term issues that can be discussed later. They cannot be used to cover up the most serious problem we are facing and take precedence over people's urgent needs. If this is unintentional, then he is too ignorant of what is happening in society and too much out of touch with reality and the people.

About 1 700 years ago, there was a King Hui of the Western Jin Dynasty. When a famine broke out, officials reported to him that there was no rice and many people had been starved to death. He asked: Why not eat gruel with lean meat, if there was no rice?" King Hui of the Jin Dynasty is remembered for his remark "why not eat meat gruel?", which stands for his stupidity.

After seventeen centuries, the remark "why not eat meat gruel?" has turned into "why not have some moon cake?". How ridiculous this is. It looks history is repeating itself.

Madam President, I so submit.

DR LUI MING-WAH (in Cantonese): Madam President, on 6 October, Mr TUNG Chee-hwa, the Chief Executive of the Hong Kong Special Administrative Region (SAR), delivered his third policy address, entitled "Quality People, Quality Home", to the Legislative Council of Hong Kong. The thrust of the policy address is about the training and retention of talents and the improvement of the overall living environment in Hong Kong. Since we are now faced with an economic downturn and a high unemployment rate, the policy address has given rise to extensive criticisms in the community, and many people say that the policy address has failed to provide any workable measures to revitalize our economy and increase job opportunities. Besides, environmentalists also criticize that the pace of urban renewal is much too slow and that not enough environmental protection measures have been put forward. All these criticisms are understandable. From the perspective of long-term development strategies, talents and a quality environment are really the very foundation on which Hong Kong is to turn into a world-class city. Actually, Hong Kong has already lagged behind other countries when it comes to the training and retention of talents. Many other countries have long since started to attract talents for the purpose of technological and economic development. I would think that a quality environment should not just be the end to economic development, but also a means to it.

Madam President, I am going to raise four points from the standpoint of the industrial sector.

The first point is about quality manpower, the most valuable asset of any society and the driving force of innovation. In order for Hong Kong to become a knowledge-based society, it must have a sound system of education; in order for Hong Kong to develop a knowledge-based economy, it must bring in quality talents. However, it must be noted that what the people of Hong Kong needs are people with creativity who, however, do not necessarily have to hold any doctorates. In fact, the United States and other advanced countries are all trying to bring in huge numbers of immigrants who are either engineers or other experts, but a doctorate is not absolutely required. The Government should really learn from them. Some people say that the Government knows very well that not too many hi-tech talents are holders of doctorates, and they also think that suitably qualified hi-tech talents will probably find the midstream research work in Hong Kong not challenging and attractive enough. So, they suspect that the Government is actually using this requirement to control the number of

imported hi-tech people. If they are correct, then such a high requirement will probably hinder the implementation of the policy, to the disbenefit of Hong Kong.

Some people are worried that the importation of hi-tech talents may affect the job opportunities of local workers. But I must point out that the importation of creative hi-tech talents will only open up more job opportunities for local workers; they will not reduce the job opportunities of local workers. Having said that, I must still advise the Government that the importation of such talents must be subject to strict supervision, lest the relevant importation scheme may be used by other types of non-professional people as a means of getting into Hong Kong. The last thing I wish to see is a failure of this scheme that compels us to discontinue the importation of quality talents.

The second point I wish to discuss is the Government's role in economic affairs. In his policy address, the Chief Executive uses a mere 331 words to clarify the role of the Government in our economic development. In brief, he reiterates that market forces should be left to shape our economic development, and the only role of the Government should be to provide the necessary infrastructure facilities. So, with just a brief statement, he re-introduces the outdated principle of "positive non-intervention", which was upheld by the British Hong Kong Administration as a golden rule, albeit having been severely criticized by the community over the years. Once again, this is advocated by the SAR Government as a golden rule, as an eternal truth. That being the case, we really have to worry deeply about the economic future of Hong Kong.

If Hong Kong is still an closed economy, the Government really should not interfere with its activities, so that businessmen can operate and compete in a level playing field. However, the world economy is developing gradually towards globalization, and the governments of many countries are trying to enhance the competitiveness of their domestic industries by providing various forms of assistance. So, is the SAR Government going to ignore all these changes? Is it going to watch with folded arms how our industries struggle painfully and helplessly in the competitive global economy?

The third point concerns the structure of our economy. Hong Kong has undergone a complete economic restructuring over the past decade or so, and we have thus moved from manufacturing industries to services industries. In the meantime, our economic prosperity has led to soaring property prices and wages. But then, our high property prices and wages, coupled with the rapid economic and technological development in our neighbouring places, have also gradually eroded our competitiveness. So, when the Asian financial turmoil started to batter Hong Kong in 1997, our bubble economy finally burst, albeit, perhaps, at an earlier time. But perhaps the saving grace may be that the Government has learnt lessons from our bitter experience, and come to realize that our service-based economy is already behind the times. To facilitate its sustained development in the new century, and to achieve further economic progress, Hong Kong must perfect the structure of its economy and increase the proportion of hi-tech industries. Specifically, the Government should put forward some visionary strategies and concrete measures. Mere talks about policy directions are just empty talks. If we look at the Central Government, the Singaporean Government and the Taiwan Government, we will see that they have done a lot for hi-tech enterprises and made great achievements. The Hong Kong Government should really follow suit.

The fourth point I wish to discuss is that all world-class cities must require the support of a hinterland. I have no doubt that Mr TUNG Chee-hwa really wants to turn Hong Kong into a world-class city. This is his ambition, and the aspiration of Hong Kong people as well. But both New York and London are supported by a huge hinterland, with no restrictions on people's employment and no customs duties on the flow of goods. Mainland China is right behind Hong Kong, and in a way, it also serves as our hinterland, where we can process our goods and get our water and food supplies. However, the trade relationship between Hong Kong and the Mainland are simply no different from that between the Mainland and the United States. In the vast market of the Mainland, Hong Kong enjoys no privileges. In Europe, there is the European Union; and, in North America, there is a free trade zone encompassing Canada, the United States and Mexico. So, why is it impossible for Hong Kong and China to cooperate as partners of free trade? If we can do so, we will be able to export goods as an entity. Is this not an even better realization of the spirit of "one country"? When is Mr TUNG going to do this for the benefit of Hong Kong? This is far better than talking theoretically about enhancing the links between Hong Kong and the Pearl River Delta Region. This is more pragmatic, more

effective in strengthening and perfecting our economy at a time when we are about to enter a new millennium.

Madam President, in order to turn Hong Kong into a knowledge-based society, to develop for it a knowledge-based economy, and to equip Hong Kong industries with the competitiveness required in the global economy, we must import talents, improve our environment and give positive assistance to hi-tech industries. In this process, guidance, promotion and support from the Government are most essential.

With these remarks, Madam President, I support the Motion of Thanks moved by Dr LEONG Che-hung.

MISS CHOY SO-YUK (in Cantonese): As in last year's policy address, the policy address this year has met with quite a lot of harsh criticisms. Despite the absence of any pleasant surprise and the relatively small number of specific policies in the policy address, the criticisms levied against it are quite unfair. Just imagine, the Chief Executive has put forward a lot of grand and ambitious plans in the last two policy addresses. Many of the plans are still in progress. Our economy has still not yet recovered. In such circumstances, the policy objectives of the Government should be as practical and pragmatic as possible. The policy address makes a review and assessment of the administration over the past two years. It suits the right remedies to problems in seeking to overcome the present difficulties and define a direction for the future. Such is a right approach to take. The policy address also adopts many active measures such as those on the elderly, the newly-arrived immigrants and the youth. Reviews have been made in these areas and new policy objectives formulated. On the other hand, the amount of loan guarantee under the Special Finance Scheme for Small and Medium Enterprises has been increased. Efforts will be made to find business opportunities in the Mainland and open up markets on the occasion of China's accession to the World Trade Organization. Moreover, the pace of urban renewal will be speeded up. The policy address therefore deserves our support. As responsible Members of the Legislative Council, we should not express our opposition to it so readily.

The policy address makes environmental protection a key policy area. I am in full support of it. For the problem of environmental pollution is not only related to our daily lives, it is also closely tied with our economy. In the motion debate last week, I presented my views on many issues related to environmental protection. I would like to talk mainly about the Strategic Sewage Disposal Scheme.

Recently, problems surfaced in Stage I of the Scheme again and the project was delayed for five months. This is not the first time when problems are found in Stage I of the Scheme. Repeated disruptions do not just increase the costs of the project but also delay its completion date. This \$18 billion project has been questioned time and again by the public and the industry. Many experts have also expressed reservations on the Scheme. But the Government has maintained its views, sending many experts persistently to this Council to brief Members. Honourable colleagues were invited to inspect the progress of the project. I can recall a few months ago, a government official offered to put up a stake and said that he was convinced that the Scheme would all be completed next year, if not, he would treat me to a meal. At that time I was sure that I would win. Although I have won a meal, I am not happy because of the present state of the Scheme and of the fact that it would cost us billions of dollars and would stretch for years.

As a matter of fact, apart from the problem of the Scheme's feasibility, there is a lot of controversies surrounding the sewage disposal project, especially the effluent treatment employed in the Scheme which is halfway between primary and secondary treatments. This is turning domestic sewage into chemical effluent. But it is in fact turning one kind of pollution into another, and the problem will turn into another one. This is one of the most backward ways of effluent treatment in the world. It compares even more unfavourably with the requirement in the Mainland to treat waste water at least at the secondary level. On the other hand, the Scheme proposes to make use of a huge submerged sewage discharge tunnel at Lamma Island to discharge all the sewage from Hong Kong. There is a substantial risk to it, like putting all the eggs in one big basket. Should any leakage or crack happen to this submerged tunnel, then what can we do? Can this be repaired? No one can say to date for sure that it can be done. Even if it can, then where can the sewage of the entire territory be put during the period the tunnel is being repaired? Are we going back to the former days of nightsoil collecting? Or are we going to use the waste water as fertilizer? Is this what we call environmental protection?

Under such controversial circumstances, and after many people have reflected and debated the many problems, the policy address this year makes a pledge at last to review Stages II, III and IV of the Scheme. This is something worth commending. But unfortunately, in his letter addressed to us (on the day of the publication of the policy address), the Director of Environmental Protection pointed out that the Government planned to appoint a group of experts for Stage I of the Scheme, plus one or two tunnelling experts, to be responsible for Stages II, III and IV of the Scheme. This makes people suspect that the Government is using the review as a camouflage to carry out what it has decided to do. Its sincerity with the review is thus questionable. I hope the Government can understand that what the entire sewage disposal scheme needs is not a technical review or a feasibility review, it is a review of the strategy as a whole. What we need to do is to undertake a fresh review of Stages II, III and IV of the Scheme and to decide on the sewage treatment system to be used. What it should not do is to treat these Stages as a continuation of Stage I and to make a review of these systems to see whether they are technically and financially viable.

Talking about reviews, I have to talk about our education system. As Mr TUNG Chee-hwa, the Chief Executive, has said, "The quality of our people has a direct bearing on Hong Kong's competitiveness in the next century." Unfortunately, our education system is plagued with all sorts of shortcomings. The standard of English of our students is falling all the time, the number of students who fail in all the subjects they take in the Certificate of Education Examination is rising every year, the youth problem is deteriorating and the standard of our university students is worsening with the times. Such a state of affairs is worrying and one cannot help but sigh in despair.

Some time ago, the Government put forward the concept of "life-long learning" as a direction for our development. A complete overhaul of the education system in order to keep it abreast with the times does merit our support. However, the Government should note that while a reform of primary education is essential, a review of the university system seems to be more important. In recent years, the unemployment rate of local university graduates has been maintaining at a certain level. One of the reasons for this is that the demand for university graduates lags far behind the number of graduates. This, coupled with the return of overseas graduates, means that the time when graduation means unemployment will have to last quite a while. Has the Government ever

thought about this problem when it expands the number of university places so recklessly? The most ridiculous thing is that admission to places in each department of the universities is operating in the head-count mode. In order to secure funding, the departments have to take in whatever students they can find. This does not only waste public money, but also lowers the overall standard of the universities. One just cannot help but wonder which universities there are in this world that use this method to admit students. This way of admitting students in order to fill the number of prescribed places regardless of the quality of the students cannot be expected to produce quality graduates. The Government should review this state of affairs. I wish the Government should know that it is more important to raise the quality of the university students than increasing their numbers. Thoughts should be given to revising the number of university places or reverting to the four-year mode of university education in order that the quality of university students can be upgraded.

With the rapid development of the Internet, the world is fast becoming a world without frontiers. To really become talents, the university students of Hong Kong should open up their eyes on the world. The Government should consider increasing the quota on foreign students and mainland students and admit them into Hong Kong. This admission of elites from other parts of the world into Hong Kong will help enhance the academic standard of local universities. They can bring in a sense of positive competition and help promote an enthusiasm for academic pursuit in the universities. I think this will be helpful to our students in enhancing their international outlook and upgrading their quality.

About the Internet development, I would like to talk about our IT policy. IT was made a key area of work in the last two policy addresses. Unfortunately, the policy address this year has almost made no mention of IT. If the Government wishes to fulfil its pledge made in the second policy address to develop the territory into a "regional centre for multimedia-based information and entertainment services", it must grasp all opportunities available and put in more resources into the application of IT. Take for example broadband networks, Hong Kong is the first city in the world to introduce such kind of technology. The Government should increase the pace of developing broadband networks and prevent the territory from being caught up by other cities. Other places in Asia are actively developing IT. Singapore is determined to become the greatest regional hub of IT. As time is a very crucial

factor in the development of IT, if we are indecisive and allow other places to take the first step, then we can only regret for it.

In addition, the Government should strengthen the integration of the three areas of IT application, industry and research and development. Although green light has been given for the Cyberport and Science Park projects, there is no concrete policy on integrating IT application, industry and research and development. If there is no co-ordination among the various sectors, the result will be a compartmentalization of government initiatives and private sector efforts. The pace of the IT development will then be slowed down. So the Government must formulate a long-term and specific policy to co-ordinate IT application, industry and research and development so that complementary effects can be achieved.

Lastly, Madam President, I would like to talk about the transfer of Miss CHEUNG Man-ye. The public is very concerned about this event and it is understandable. However, some Honourable colleagues have overreacted to this event. The Radio Television Hong Kong (RTHK) has maintained a high degree of editorial independence over the past decades and one cannot deny it is due to Miss CHEUNG's efforts, but it is also a result of the contribution of RTHK staff and all members of the public. Therefore, it would be unfair to the staff of RTHK and the public to say that the independence and autonomy of the RTHK end with the departure of Miss CHEUNG. This is also worrying excessively. The freedoms of the press and of speech do not hinge on just one or two persons. I think as responsible Members of the Legislative Council, we should not speculate on the intention of the Government, nor should we make these speculations a firm conclusion, thereby misleading the public.

With these remarks, Madam President, I support the original motion moved by Dr LEONG Che-hung.

MR NG LEUNG-SING (in Cantonese): Madam President, the financial turmoil of October 1997 has been over for two years exactly. Our economy has shown signs of recovery and turning the corner. The publication of the third policy address by the Chief Executive at this time serves as a summing up of things past and a look into planning for the future.

As a whole, the policy address is a continuation of the convictions in governance held by the Chief Executive over the past two years. I recall when the last two policy addresses were delivered, the territory was faced with two major events, namely, the reunification and the financial turmoil. Therefore, in the last two policy addresses, the Chief Executive had to rectify the shortcomings caused by the lack of long-term policy objectives during the days of British rule and help solve the structural problems in our economy. It is in a bid to meet the needs of the time and owing to his political foresight that the Chief Executive aims at setting long-term objectives for economic development and to put forward policy objectives in this regard.

The present policy address takes into account the fact of the gradual recovery of our economy and places the emphasis of administration on the cultivation of talents and environmental protection — the two keystones in the "software" side to the infrastructure. It can be said that this policy address displays the consistency and logical continuity of the Chief Executive in his concepts of governance. More importantly, the policy address has clearly defined the positioning of the Government in economic development and dispelled the misapprehensions of some members of the public on the policy objectives and certain individual acts of the Government over the past two years under such a special socio-economic situation.

As early as in the debate held in this Council last year on the vote of thanks motion for the second policy address, I emphasized that the Government should define not just the role for Hong Kong but for itself as well. I also pointed out that since we practised a free and open market economy, the Government should adhere to the principle of fiscal prudence and should intervene into economic activities only when necessary and the moves should serve guiding purposes only. The recovery of our economy relies on structural adjustment and external factors. It is impractical to use a large amount of public money to achieve economic recovery.

In this policy address, I am very happy to see that the Chief Executive devotes a paragraph specifically to mention the role of the Government in the economy. He points out that Hong Kong owes a great deal to our free and market-oriented economy with a level playing field. It is only when the market mechanism is not working properly that the Government steps in and exercises necessary and limited intervention. The Government has carried on the tradition of fiscal prudence and small government. The Government's economic endeavours are infrastructure related.

As a matter of fact, during the worst times of the economic downturn last year, the Government used a lot of public resources to provide a stimulus to the economy and relief to the public. As much as over \$40 billion worth of relief was provided and infrastructure investments which totalled \$240 billion were also used to stabilize and stimulate the economy. To say that the Government does not have any measures to improve people's livelihood and the economy is far from being the truth. When the economy is showing signs of recovery, the Government should return to its established role in the economy and to adhere to the principal of fiscal prudence and make good use of public resources so that the market mechanism can bring its functions into full play.

After the delivery of the the policy address, some people think that the Chief Executive is being hyperopic, that he only sees things in the distant future without setting his eyes on the present. Actually, in a free and open economy like Hong Kong, those who govern are usually short-sighted than far-sighted. What a committed government needs is long-term development in the economy on a macroscopic level. This applies especially to the positioning of the territory at a time of economic transformation and where the provision of some visionary guidance is needed. Short-term economic moves and interventions of the free market economy should be avoided as much as possible. Only long-term strategies can provide a right direction for our economic development. Therefore, although this policy address may not be able to win applause at the present moment, I am sure it will be beneficial to our long-term interest.

In the aftermath of the financial turmoil, economic development has become the focus of attention of the community. The policy address has formulated plans for the software side of infrastructure, including the cultivation of talents and environmental protection. These plans are instrumental to the growth of our economy. This policy address can be said to be a reflection of public opinion and is far-sighted.

In order to protect the interests of all parties involved in economic activities, paragraph 150 of the policy address mentions the topic of constitutional development which is of widespread public concern. This includes reforms in the political system, the market system, the Civil Service and the district organizations. I think the Chief Executive has put forward a lot of social, economic and political reform measures in the above areas since he has assumed office. In the gradual and sure-footed practice of "one country, two systems", the social institutions of the SAR have to progress towards perfection. Therefore, I agree with the Chief Executive when he says in the policy address that the SAR should proceed with constitutional reforms in the pace prescribed by the Basic Law.

At the same time, I think that the community should start to think and discuss our constitutional development after 2007 in light of our practical needs. How is our political system going to be changed? How are the interests of all parties in society to be balanced, including those of the public and the investors? How is social stability to be maintained and how are we to keep our position as a successful international commercial centre? I believe these questions are worthy of our serious thoughts and discussion. If people can start to explore and think about our constitutional development well beforehand, it will certainly help produce sound advice which will form the basis of strategies and actions which will determine the development of our political structure.

Madam President, as a legislator who has been in the banking business for such a long time, I have been given to understand from the Government and from the public that the contribution of the banking sector to the stability and growth of the economy has been recognized. It has come to my attention and that of my industry colleagues that the policy address makes an unprecedented comment on the lending policy of the banks. In the past when our economy was robust and growing, the banking sector was not only a driving force for the economic development of the territory, it also gave a stabilizing effect to the economy by virtue of its prudent operations and management. That is why when faced with a number of financial crises, our banking system could still maintain its stability and managed to play a vital role in making the territory stay prosperous and anchoring the confidence of the public.

Hong Kong is at present undergoing a very important economic transformation in the wake of the Asian financial turmoil. All the trades are experiencing operational and financing difficulties. With encouragement from the Government, we are moving in the direction of a hi-tech and high value-added economy. In this process, the businesses and industries as well as the Government will need to make adjustments. At the same time, the finance sector, especially the banks, should make appropriate responses to market changes. They should devise innovative business strategies to promote the development of a hi-tech and high value-added economy. I trust that, as in the past, the banks in Hong Kong will adhere to the principle of capital safety and continue to support enterprises of all sizes which have a good performance, sound financial situation and with evidence showing good prospects in future development. The banks will do their best to assist the Government in implementing the current support schemes.

The third policy address of the Chief Executive lays down a long-term strategy in the Government's environmental protection efforts. This is a very positive reaction to address the environmental protection concern of the businesses, industries and the public. It will help improve our investment environment from the "software" side of our infrastructure and instil a driving force for the sustainable development of our economy.

The environmental protection initiatives contained in the policy address are mostly of a long-term nature. These include the comprehensive control on diesel vehicles to address the problem of air pollution. But this proposal has to take into account the domestic economic conditions and the impact on the industry concerned. The authorities should implement these long-term measures which have extensive impact and a direct bearing on the industry and the people's livelihood in a gradual and proper manner.

Given the importance of improving the environment, the Government should actively consider some other measures the effect of which can be seen more quickly. I pointed out in the past that consideration could be given to the installation of an automatic sprinkler system in areas of a high air pollution index like Causeway Bay, Wan Chai and Mong Kok. The volume of pedestrian and vehicular traffic in these areas is high, together with the concentration of high-rise buildings there, hence the movement of air is hindered. The exhaust emitted from cars thus accumulates in great amounts and there is a great amount

of suspended particles in the air. If the rooftops of the nearby buildings are installed with an automatic sprinkler system, then when complemented with the cleaning work on the ground, it will serve to reduce the amount of suspended particles in the air and improve air quality more quickly and effectively. If these measures are matched with the designation of pedestrian precincts, the effect so achieved on improving the air quality of these areas will be doubled.

In addition, for those densely-populated and low-lying areas like the public housing estates of Wong Tai Sin and so on, the Government should install some kind of blowing devices to help create some kind of convection in the air and thus improving the air quality there. Then on the question of beautifying the outlook of both sides of the Victoria Harbour and solving the problem of turbulent waves in the thoroughfares of the inner harbour, the Government may consider altering the design of the embankment from Wan Chai to Central from a vertical wave wall to one which is curving and slanting towards the land. This kind of design will reduce the impact of the waves and the embankment can become a popular spot for watching the waves.

Madam President, I have put forward these views on the improvement of the overall ecological and investment environment in the hope that they will attract proposals which can offer a remedy to the symptoms as well as the causes of the problems. I also hope that the Government can be willing to undertake trials of these proposals and be bold enough to make the right decisions in order that the living environment of our city and the health of the public can be effectively and expeditiously improved. Then more investors, professionals and tourists from all over the world will be attracted to come to Hong Kong and we can enjoy a greater economic prosperity.

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

MR KENNETH TING (in Cantonese): Madam President, the Liberal Party and the Federation of Hong Kong Industries support this policy address entitled "Quality People, Quality Home". We support the "small government" ruling style of the Chief Executive who will lead Hong Kong's stride into the new era.

Mr TUNG stated in the policy address that "we must consider more effective means to meet the needs of SMEs". We subscribe to Mr TUNG's view. Among all enterprises in Hong Kong, 98% are SMEs. Provided that we provide SMEs with adequate conditions conducive to their development, our economy will then develop more steadily towards diversification.

However, there is still much room for improvement with some of the measures put forward by the SAR Government. Take the Special Finance Scheme for SMEs as an example, if the Government doubles the loan amount, it can no doubt assist more SMEs in raising working capital with banks to meet their pressing needs, but once the loan amounts are used up again, will the Government extend the Scheme and inject capital into the Scheme again? We think the Government should make a decision on this issue after careful studies.

In fact, SMEs still need this Scheme quite ardently. Although the Asian financial turmoil is now an event of the past, its impact on industries and businesses is still lingering, and banks have yet to relax on extending loans to SMEs. Mr TUNG is also dissatisfied with the attitude of banks towards lending and has called upon banks time again to take factors such as the profit-making prospects and performance of enterprises, and their past lending and repayment records into consideration before granting loans. Mr TUNG's remarks reflect that the Government realizes the obstruction caused by shortage of funds to the development of industries and businesses. Therefore, the Federation of Hong Kong Industries and the Liberal Party hope that the SAR Government can consult more SMEs through business associations to understand their needs for the Special Finance Scheme before deciding whether the Scheme should be extended and whether more capital should be injected into the Scheme.

I have also talked to some people in the banking sector and exchange our views on the progress of the Special Finance Scheme. The problems encountered by banks include: enterprises lack clear books, uncertainties as regards the development of the enterprises and so on. Therefore, the industrial sector thinks that the Government can consider setting up a committee comprising representatives of the banking and accounting sectors, SMEs and members of the Monetary Authority, so that negotiations can be conducted among them to formulate an objective and specific set of lending guidelines so that the banking sector and SMEs can tackle loans for SMEs in an easier and fairer manner.

Madam President, Mr TUNG has also said that "a business-friendly environment should be created". The Liberal Party and the Federation of Hong Kong Industries support this target of development very much. Yet, to realize this ideal, the industrial sector thinks that the SAR Government must first reduce charges collected on the basis of the "user pays" principle and extend the term of "cost recovery" as far as possible.

The industrial sector supports the mega-buck environmental protection programmes for "quality home" outlined in the policy address, but we would like to sincerely advise the Government that while it implements the relevant programmes, it must avoid implementing them too rashly and quickly and collecting excessively high charges. For example, the SAR Government should maintain sewage charges and the waste separation handling charges under planning at low levels to avoid substantially increasing charges within a short period of time and slowing down economic revival.

We support another proposal made in the policy address, that is, the scheme for admission of talented people.

The industrial sector is of the view that the development of high value-added industries with enhanced technology content requires more talents with knowledge of advanced technologies. Apart from enhancing the training of local talents, Hong Kong has to compete with foreign countries and attract suitable talents to serve Hong Kong. Therefore, we must really have more flexible policies for the importation of more technological talents. But we would like to urge the Government to prudently work out the particulars of the scheme so that it will not be reduced to a "stepping stone" for the talents to settle in foreign countries. If so, it will be impossible for us to promote the high value-added and hi-tech development of Hong Kong.

Madam President, the industrial sector thinks that it is good news for Hong Kong businessmen that the SAR Government and the mainland authorities will actively consider ways to streamline cross-boundary customs clearance procedures as well as increasing the passenger and freight handling capacity of ports within a short period of time. In the past, the delays caused by traffic congestion incurred great economic losses on Hong Kong businessmen transporting goods to and from the Mainland. We hope that these problems can be solved soon.

As regards the establishment of a joint committee to strengthen communication between the Mainland and the SAR on economic and trade issues, we think that this is a timely decision. In the past, the Federation of Hong Kong Industries urged the two governments to establish a special body to assist Hong Kong businessmen doing business in the Mainland in enhancing communication with the mainland departments and understanding their policies as well as exploring business opportunities that would be created by China's accession to the World Trade Organization (WTO). The establishment of this committee is good news for Hong Kong businessmen. Apart from exploring business opportunities that would be created by China's accession to the WTO, the Federation of Hong Kong Industries also hopes that this committee can help Hong Kong businessmen understand the changes in the business and trade policies of the Mainland and assist them in reflecting their views to the economic and trade departments in the Mainland. We hope that the committee will be established as soon as possible and that the SAR Government will further announce the terms of reference and scope of work of the committee at an early date.

On the whole, the Liberal Party and the Federation of Hong Kong Industries support this policy address that has made environmental protection and cultivation of talents its principal tasks. The fly in the ointment is that the policy address has not touched upon such issues as high interest rates, electricity charges, container terminal handling charges and excessively high fuel prices with which the industrial sector is concerned. The industrial sector hopes that Mr TUNG will look squarely at the above issues in future and try his best to assist industrial and business bodies in reducing operational costs in order to create a "business-friendly environment".

Madam President, I support the original motion.

MISS EMILY LAU (in Cantonese): Madam President, I speak to support Mr Martin LEE's amendment.

Madam President, during my years as a legislator of the former Legislative Council since 1991 and of this Council, this is the eighth time I take part in the policy address debate. It can be said that the policy address this time is the worst I have ever seen in eight years. Why? Madam President, I will

speak on the subjects of democracy, human rights and the rule of law. I am very disappointed when I talk about these subjects. This is bound to be so, and for eight years I have been feeling like this. This year's policy address strikes me as particularly odd in the sense that the Chief Executive is putting forward a policy address with such a narrow scope of policy objectives.

Madam President, I believe you have heard over these two days that many Honourable colleagues have expressed their disappointment with the policy address. They come from different political background and many of them express their worries when they talk about issues like the economy and employment. I think that problems in these areas are entirely caused by Mr TUNG Chee-hwa alone. The reason is that before he assumed office he had said that he wanted to make Hong Kong apolitical and his view gained the support of the mass media at that time. As a result, political issues have lost their attraction among the people in these recent years.

So if Mr TUNG does not want to talk about politics, he wants to talk about other things. He wants people to talk about economic issues, but he cannot do anything well on any issue of major importance. He has left out many such important issues in the current policy address. Maybe Mr TUNG thinks that he has mentioned housing and the elderly before, and so he thinks these issues have been well taken care of and they are not problems any more. If he is thinking this way, or if he is led by any of the Policy Secretaries to think so, then perhaps he had better had his mind checked, for we can all see and feel that in the face of this multitude of problems confronting society, the TUNG Chee-hwa group has failed to handle any of them.

Now he is throwing out such a policy address which only talks about environmental protection and education. None will deny that these are important issues. But this will make many people feel very surprised. Madam President, for people like us who do not harbour any hopes any more, we will certainly not feel disappointed.

Nonetheless, I must talk about what I consider to be the most important issue, and that is, a democratic political system. Sad to say, in this policy address, we fail to see even a tiny speck of hope that the political system is going to be amended, or the Basic Law will be amended. If there is no change in the constitutional structure, there is no chance that the Basic Law can be changed.

Madam President, you are well aware of this. We have held countless meetings with the Government and they only said that a mechanism had to be set up and a so-called trinity of the National People's Congress, the executive authorities and the legislature would have to be called in to deal with the matter. But no agreement has been made on this arrangement. When Mr Michael SUEN responds next week, he may tell us that it will take 20, 40 or even 80 months to set up such a mechanism. Madam President, you know very well that even if such a mechanism is set up, it will not be easy to make any amendment to the Basic Law. Since the authorities refuse to set up even the relevant mechanism, so we have to go far away to Geneva next week to tell the United Nations that no such mechanism exists in Hong Kong.

Madam President, I think you will recall that in 1995 and 1996, the Human Rights Committee of the United Nations held inquiries for two years in a row to discuss the situation in Hong Kong. This shows that the Committee is greatly concerned about the developments after the transfer of sovereignty. The Committee is holding another inquiry in 1999. These inquiries are supposed to be held once every five years. But there are already three such inquiries from 1995 to 1999. Does it not imply that the Committee is greatly concerned? At that time the Committee said that elections in Hong Kong, a British colony, were a contravention of the International Covenants on Human Rights. The Committee had made itself clear on that point at that time. We will be facing the music this time we go to Geneva, unless of course the Committee has changed its position, like some people in Hong Kong have done.

The present situation is even worse than the Chris PATTEN reform package. Madam President, I opposed the Chris PATTEN proposal. I was the only one among the democratic camp to oppose the PATTEN proposal and I cast the negative vote. Nevertheless, the scope of the PATTEN proposal was wider than the policy address we have now. Therefore, I must say that democracy is suffering from a great retrogression now. Mr TUNG said nothing about this in his policy address. The only thing he said was we were not mature enough. But what does it mean to be mature? Madam President, there was such a torrential rain on the Legislative Council election day last year, but over 50% of the voters turned out to cast their votes. But in return Mr TUNG said that we were not mature enough and that Hong Kong could not take on a quicker pace of democraticization. I find this hard to take.

Yesterday, Honourable Members from the DAB said that we could discuss that issue the following year. I am glad to hear that. On the 8th of this month I had a chance to take part in a seminar held in the University of Hong Kong with Mr IP Kwok-him, the Vice-Chairman of the DAB. I asked him when should such a discussion be held since the Basic Law said that a review should be made only in 2007. On that occasion Mr IP said that the discussion might start in 2004. However, for some other reasons, Mr Jasper TSANG said yesterday that discussion could be made in the following year. Of course, even if it can be said that discussion can be held next year, it does not mean that the Basic Law can be amended.

Madam President, I feel personally, and I believe I can also say on behalf of many members of the public that they feel that Hong Kong has really reached a mature stage and the people of Hong Kong can really be the masters of their own fate. We should have the right to elect the head of our government. I think some of the Policy Secretaries know very well that the present constitutional structure is to nobody's benefit. They know that they are vested with so much authority, but they do not have the mandate of the people. We have the mandate of the people, but we do not have the authority. In such circumstances, what benefits will all of us get? Why do we not make a thorough review of the constitutional structure, rather than the progress of democraticization alone? The progress of democraticization includes vital issues such as when the Chief Executive can be returned by the "one-person, one-vote" method and when all the Members of the legislature can be returned by the "one-person, one-vote" system. Others such as the relationship between the executive and legislature, whether or not the ministerial system should be introduced and so on should all be discussed as well. We have raised the point to the Administration a number of times on whether or not we should hold a meeting to discuss these issues. I have proposed to Honourable Members from different political parties on a number of occasions about the holding of some talks on them. But, Madam President, the result is incredible. No one wants such discussions. Why? Maybe some kind of discussion will lead to some kind of momentum for more discussions, leading to a revelation that people are really keen on discussing these matters.

Madam President, I am utterly disappointed because given the mature conditions for universal suffrage in Hong Kong, Mr TUNG and the other Policy Secretaries are still offering such an absurd excuse to tell us that this cannot be done. If they think that they are that capable, then they should stand for elections. If they are elected, then they will have the mandate of the people.

Why should they hide? Why should they make such a boast when they do not have a mandate from the people? This is really shameful.

Some people may say, in the opinion polls the public has never put politics as the foremost concern. That is good. I think Mr SUEN and the other Policy Secretaries all like to hear that. Madam President, they may be able to cheat some people, but as we all know, the people will never approve of a government which is not returned by their own votes. But then why is this not reflected in the opinion polls? This is because very often our media are deliberately watering things down. Artistes have now become newscasters and that fits perfectly well with the apolitical appeal of Mr TUNG. This is especially true because he is a billionaire and the taxpayers' money can be used to start the media machine to dictate the topics of concern that he wants. However, Madam President, as long as those of us legislators who represent the people are still in this Council, we will continue to make our voice heard both inside and outside this Council. One thing good or bad about us is that if we say something wrong, then we cannot do anything on behalf of the people and we will be kicked out, unlike some of these people who do not have the mandate of the people at all, but they can complete one term and start another. I do not think the people of Hong Kong will have too much patience for these people.

Apart from the question of democracy, we should also talk about the question of the rule of law. In the past, we had the rule of law but we did not have democracy. Actually, if there is no democracy, then how can there be the rule of law and freedom? Madam President, I think we have talked about that for years, and that is, we had freedom and the rule of law under colonial rule because of our links with the democratic system of Britain. This is what many people in Hong Kong have mentioned. Therefore, many people will start to worry whether or not the rule of law and freedom in Hong Kong will end when this link is severed. Over the past two to three years, looking at things on the surface and even when the matter is brought up in the United Nations, they will invariably say that there is nothing wrong, and things can continue as they have been. But is that really the case? Madam President, if this is really the case, then hundreds of lawyers will not have taken to the streets. Madam President, both you and I know very well that most of the lawyers are in fact very conservative. Then why are they so enraged? Is it really because of the fact that the ruling made by the Court of Final Appeal on the right of abode of the children born in the Mainland has destroyed our rule of law? Even if the rule of law has not been destroyed in its entirety, the great pressure that has been exerted on it makes us worry that we have lost our right of final appeal. As there are

many cases being handled by the courts, will there be another attempt to seek an interpretation from the National People's Congress when some people are not pleased with a ruling?

Things like these, even if they are said a hundred times by the Government cannot serve to allay the worries of the Honourable Members of this Council and the international community. If there is no rule of law, then there will be no independence of the Judiciary. Madam President, there will be no human rights at all. Some people may say that there is nothing wrong with the human rights situation in Hong Kong. People can stage demonstrations and processions on the streets. But do we know that a demonstration involving some 10 to 20 people will invite as many as a few hundred policemen to encircle the demonstrators inside and out? Do we know that at times the demonstrators' loudspeakers are seized by the police, or the demonstrators' cries are overwhelmed by deafening music played by the police? We may be better off than the brutal way the British Prime Minister Mr BLAIR handled the demonstrations in London two days ago. This has led to severe criticisms by the British people themselves. They said that they had never seen British police behaving in such a ruthless manner for decades. The British police were trying to muffle the cries of the demonstrators so that President JIANG Zemin would be unable to hear anything. Shall we also do the same?

Madam President, the Chief Executive's policy address has not mentioned any single one of these matters. Not a word on human rights. Nothing is wrong with the rule of law, he says. For democracy, wait till we are mature enough for it, he says. Madam President, we just cannot take these. The Frontier was set up because we wanted to fight for democracy, human rights, freedom and the rule of law. When we see these important things, these foundation stones so crucial to our success being trampled on and attacked, we people from the Frontier will have to make our voice known. For when these foundation stones are destroyed, then come corruption, frauds and favouritism. Madam President, I think you have seen with your own eyes in these few years how these problems have cropped up one after another. But some people are refusing to admit that they exist, but as I said, wool could not be pulled over everyone's eyes. Therefore, I am gravely worried.

I very much hope that Honourable colleagues can come out and send a positive message to the Government, telling them we should start the discussion on when we can have universal suffrage. For that cannot come out all of a sudden from nowhere. Why do we have to wait so many years till 2007 when it

is only 1999 now? Besides, before 2007 comes, why do we have to let a small group of people taking the power into their own hands when they do not have the mandate of the people of Hong Kong?

Lastly, Madam President, I would like to talk briefly about two points which the Chief Executive thinks are very important, that is, education and sustainable development. Just now I have talked about so many things and I think we all know what the public and I consider the general trend is. If the general trend is closed and when people are refused entry into the Mainland for having said certain things which are not to the liking of Beijing, Madam President, do you believe that we can educate our students freely under such conditions? Can our students be taught to be creative and think independently? Just think how many school principals, university lecturers and school teachers dare to teach their students in this way. They may be afraid of speaking out against a lot of things. This problem of self-censorship is getting more and more serious. Now we seldom hear people criticize the Government or the policies of Beijing and say as much as they want. In such circumstances, the Government is still telling us that enormous money has been spent on holding such a lot of forums on education. To me that is an outright waste of the taxpayers' money and it is nothing but blatant deception.

Finally, on sustainable development. Madam President, I have said many times that sustainable development means more than environmental protection. If we read the papers published by the United Nations and other places, we will find that sustainable development embraces all areas in our community, including democracy, the rule of law and other things. I fail to understand why tens of million dollars of the taxpayers' money are used to hire a few consultants to give such a narrow definition to sustainable development. However, if we are to adopt a wider definition like other places have done, then we will certainly achieve nothing, for we simply want to become an economic city, having nothing to offer in all rights political. I agree with a green group's comment that Mr TUNG has "hijacked" the concept of sustainable development. If he is not willing to do this, at least he ought to be honest and not to deceive the people of Hong Kong. We are not a herd of swine. Please do not insult our intelligence.

With these remarks, I support the amendment.

MR WONG YUNG-KAN (in Cantonese): Madam President, as we are fast moving into the 21st century, the Chief Executive, Mr TUNG Chee-hwa, delivered the third policy address during his term of office. This policy address which straddles two centuries is entitled "Quality People, Quality Home". This coincides with the slogan "To build a better community for the SAR" proposed by the DAB. The Chief Executive in his policy address has pointed out how Hong Kong should equip itself to meet the challenges of the 21st century. The DAB thinks that the Chief Executive is clear in his concepts of governance and he is right in the direction he is heading. However, there are still some shortcomings in certain of his policies.

In this year's policy address, the only words on agriculture and fisheries are "..... deploy more artificial reefs". When compared with last year's policy address which had nothing on agriculture and fisheries, both the members of the sectors and I are somewhat delighted, for at least the Government is not ignoring the sectors completely.

I understand that it is just an extravagant hope for the agriculture and fisheries industries which have long been ignored, to have greater room of development in this city of a vast population but scanty land. The Director of the Agriculture and Fisheries has said earlier that owing to the limited amount of land available, it is not possible to set aside more land for the industries' development. What the Department can do is to help the industries to enhance their productivity. In fact, the industries are just asking the Government to help them improve their operational environment and raise their productivity, so that they can become high value-added industries. The Department is at present carrying out studies on the feasibility of developing a distant-water fishing industry for Hong Kong, and introducing rapid diagnostic tests for major animal and bird diseases to reduce losses. It is also hoping to introduce foreign technology to improve the growing of crops. All these will serve to help the industries' development. However, the Government is refusing to go ahead with the proposal to set up a research institute on agriculture and fisheries as requested by the industries. It is merely trying to pacify the industries by engaging in certain one-off and piecemeal studies. I hope that the Government can respond to our request as soon as possible so that the industries can attain sustainable development.

Madam President, as the seas are the lifeline of the fishermen, the Government should enact legislation to protect the fishing resources. This especially applies to the domestic and industrial waste water which after treatment should not be allowed to pollute sea water and affect the growth of fishes and marine ecology. Dumping into the sea and dredging of sand from the seabed should not be allowed to affect the nearby fish culture zones. Excessive fishing and improper means of capture should be prevented. The Government should help clear up the sediments in the seabed of the fish culture zones. If these are not done, the deployment of more artificial reefs will not help. For the schools of fish will not be attracted to these reefs. In addition, the Government should consider setting up certain prioritized areas for agriculture along the Shenzhen-Hong Kong borders and develop multi-storey poultry and livestock farm houses and other matching facilities such as transportation network, irrigation systems, concentrated treatment of poultry and livestock waste, accommodation and so on.

A lot of our farmland, fishing waters and marine fish culture zones are close to Shenzhen and Zhuhai. The territorial waters of many provinces are also fishing areas for Hong Kong fishermen, and fish farms and farms are operated by Hong Kong people along the Chinese coast. Agricultural and fisheries produce is sent to Hong Kong in large quantities every day. So there is a need for the Governments of the SAR and the Mainland to effect more co-operation and exchange of technical information. They should work out policies on the import of agricultural and fisheries produce into Hong Kong, crack down on smuggling activities, and track down farms which use excessive quantities of illegal drugs and pesticides. Fishermen of the Mainland should come under control and be prevented from engaging in illegal fishing activities.

Madam President, the Chief Executive in his policy address points out that talents should be cultivated. I am not sure if these talents include those for the fields of agriculture and fisheries. We know that the industries remain at the family mode of operation. Since there is a certain degree of difficulties and repulsiveness to work in these industries, the young people are unwilling to do such work. This leads to an ageing of the working population. Many of the fishing boats and farms are operated by some old couples who find it hard to find successors to their business. As a result, the fishing and farming industries are

currently on a gradual decline. If these industries can shift from a labour-intensive mode to a machine-intensive mode like some advanced countries, then they may emerge with new vitality.

To enable the fishing and farming industries to achieve sustainable development, I hope that the various tertiary institutions can offer courses on agriculture and fisheries in order to train people in these areas. This will help the industries move in the direction of hi-tech and high value-added development. As far as I know, post-secondary institutions in many countries offer courses in agriculture and fisheries. In recent years the Chinese Government advocates the idea of strengthening the country's agriculture and the country itself by science and technology. But we can find none of these practised in Hong Kong. Traditional Chinese medicine has become a popular subject among local students due to recent efforts by the Government to promote traditional Chinese medicine. If the Government is putting the same efforts in agriculture and fisheries, the industries can hope to regain their past glories.

The Chief Executive in his policy address proposes the idea of turning Lantau Island and Sai Kung into recreation and leisure areas. Though there are no specific plans for these in the policy address, it is believed when the strategic development reviews for New Territories Southeast and Southwest are completed next year, there will be a clear picture of future developments in these areas. Both Lantau Island and Sai Kung are renowned for their beautiful scenery. Sai Kung is even called the backyard of Hong Kong. It is much loved by people who like to go for a walk in the countryside. If it is developed systematically, it will certainly inject new hope to the local travel industry.

According to the initial development plan of the South East New Territories Development Strategy Review released by the Planning Department, the future development strategy of Sai Kung will be in the direction of eco-tours and leisure tours. This will protect and use the existing natural resources and open up tourist resources. Such resources include the proposal to open up a marine conservation area in the waters off the Sai Kung East Country Park and Tai Long Wan, and to build some marine research facilities near the Hong Kong University of Science and Technology for recreational and educational purposes. I fully support this proposal. On many different occasions I urged the

Government to set up a research institute for agriculture and fisheries to provide support in R&D for the industries. However, the Government was indifferent to this proposal. If the proposal can receive the green light this time around, it will certainly be good news to the industries.

On the other hand, Sai Kung has an extremely long coastline with lots of islands scattering around its waters. When studying the development of the kinds of tourist and recreational activities in the area, the Government may consider activities related to fisheries apart from marine sports. We can follow the example of some Southeast Asian countries to set up some leisure fishing areas. These areas will include some rest areas or promenades along the coast, the building of some tourist facilities and the deployment of some artificial reefs. Fries should be put in the waters of these areas. Certain parts of the waters may be designated as restricted fishing areas to enable the fishermen to operate some fishing tours. These tours may incorporate the elements of sight-seeing, tours and fishing. Tourists may ride on some redesigned fishing boats and they can fish while they are enjoying the beautiful scenery. The tourists may enjoy the seafood they catch and experience the life of a fisherman. In addition, fishing tours can provide a new way out for the coastal fishing industry which is on the decline. In recent years, owing to the massive reclamation and dredging activities along the coast, the fishing resources are on the edge of depletion. The development of fishing tours will reduce the amount of catches and thus enable the fishing resources to grow and multiply.

As for the future development of Lantau Island, it is believed that it will mainly be in the direction of leisure and tourist activities. Since the commissioning of the Lantau Link, the Tung Chung New Town has seen rapid development. Other parts of Lantau, however, have not been benefited too much from the development. The DAB hopes that the road network on Lantau can be improved through the planning this time. Roads from Tai Ho Wan to Mui Wo, and from Shum Wut to Tung Chung and the Tung Chung Road should be built as soon as possible for this will help boost tourism on the Island.

Madam President, the purpose of land planning is to make the best use of land available and more importantly, to balance the needs of all parties in society when planning is being undertaken. It is also aimed at improving the living environment of the people and to provide more comfortable and convenient facilities for the public. However, the way in which the Government has been doing things has been in contradiction to this aim. To increase the amount of land, it has been reclaiming more than 400 hectares of land from the sea. Worse still, the land so reclaimed is excessively occupied by roads. More than 40% of the land in the West Kowloon reclamation area is used to build roads. And to facilitate sale, land is usually divided up into small lots. As a result, the development lacks in uniformity and consistency. Without detailed planning for urban renewal projects, tall and thin buildings are found everywhere. Moreover, planning in the new towns lacks in foresight, giving rise to a serious lack of matching transport facilities in Tuen Mun and Tseung Kwan O. Railways will only be built when there is enough population to support them. In areas of unco-ordinated land use, one or two old buildings stand out among a majority of new ones, and residential areas are built up next to industrial areas.

It is encouraging, however, to see that the Government intends to rectify the former improper practice. Mr Gordon SIU, the Secretary for Planning, Environment and Lands, stated clearly during the briefing session on the policy address that the principles to be adopted in future would be person-based with emphasis on sustainable development and environmental protection. The DAB is in full support of these principles. In addition, the policy address will downsize the reclamation scheme in the Victoria Harbour which has attracted so much criticism. To make the best use of coastal resources, some land along the coast is set aside to build promenades and pedestrian passages. Pollution-free new towns will be built with electric pedestrian walkways to replace cars. Pedestrians and cars are streamed; tunnels, covered and semi-submerged roads will be built. These concepts are of great help in reducing pollution and making better land use. The DAB fully supports these ideas.

In addition, the Planning Department has also put forth a proposal on building a 500-metre underground shopping boulevard which goes all the way from Tseung Kwan O to Clear Water Bay. The DAB also supports this proposal. The DAB proposed to the Government some time ago that apart from developing space above the ground, the space beneath the ground level should also be used. The building of underground streets should be considered because

this will leave more space above the ground for development. The DAB is of the view that the concept of underground development should be extended to all urban areas. These apply especially to those areas such as Southeast Kowloon and Western District which are about to be developed, and the nine old urban areas which will be redeveloped. Before development is to be carried out, studies should be made on the feasibility of the use of underground space in various districts.

Madam President, apart from the proposals raised by the Government, I would like to raise two other points. First, in the development of new districts, railways should be built first in order to avoid repeating the same mistakes committed in Tuen Mun and Tseung Kwan O. I think many groups and people have already raised this point before. I hope that the authorities can consider this seriously and take on board this reasonable demand. Second, when building new districts or carrying out redevelopment, there should be co-ordination in land use and attention should be paid to the design of the buildings. Various buildings should have some uniform characteristics. Some kind of theme can be put into the districts or planning can be made to blend with the unique history of the districts. The DAB thinks that this kind of conception can make the buildings in the communities more lively and vibrant, and thus getting rid of the monotony of a design devoid of vitality.

Madam President, I so submit.

MR FRED LI (in Cantonese): Madam President, I wish to put forward some views about social welfare. We are now experiencing an economic downturn; many people are unemployed; people's income has diminished; and our population is also aging fast. All this has made an increase in the number of Comprehensive Social Security Assistance (CSSA) recipients almost inevitable, and the pressure on our social welfare services has also become heavier than before. The Government must realize that there is only one way to arrest the incessant increase in social welfare expenditure — resources must first be spent on strengthening the underprivileged of our community, so that they can be helped to extricate themselves from their hardships and become self-sufficient. If no early preventive measures are taken, many more people are bound to join the CSSA queue, and this will certainly increase our welfare expenditure.

This is in fact very simple, but our government officials have hitherto refused to take any actions. Let me give one example here. Many of the single parents whom I know do not actually want to live on CSSA, but they are forced to stay at home because of the need to look after their children. Why is it impossible for the Social Welfare Department (SWD) to improve its child care services, so that single parents can work without any worries? Also, many parents have to work very long hours, or they have to work shifts or at night. In that case, why does the Government not lengthen the hours of child care services to tie in with parents' working hours? Mutual child care services are more flexible. But why is it that these services are not included in the scope of child care subsidies for low-income families?

The Government is bent on axing its expenditure on social welfare and social services. Last year, in an attempt to secure public support for its proposal to reduce CSSA payments, it even went so far as to bad-mouth CSSA recipients. From the policy address this year, I see that the Government is going to review the old age allowance, commonly known as "fruit allowance". The Democratic Party is deeply concerned about this move, fearing that like CSSA recipients, old people will also become the "target" of the Government. I must say to the Government that it must not repeat its wrongdoing and try to bad-mouth our old people as it bad-mouthed CSSA recipients a year ago. It must consult the various different sectors of the community in a fair manner.

I notice that Mr SUEN is in this Chamber now; so, I cannot help talking about the abolition of the two Municipal Councils here. I shall be very brief, because I already moved a motion debate on this last week. I can remember very clearly that Mr SUEN said last week that the "scrapping" of the two Municipal Councils was something like "a river of no return". But I must say that the Government itself has embarked on a voyage along "a river of no return", a river leading to executive autocracy. I looked at the Policy Objectives of this year, and I learnt that Mr SUEN was very proud of the review of district organizations, considering its outcome very satisfactory. No doubt, the Government will certainly be able to "kill" the two Municipal Councils on schedule, on 31 December. However, has the Government set down any objectives to improve the quality of our municipal services? Many problems have yet to be solved, one example being the supervision of police and hospital canteens; there are indeed many grey areas. Another example is the supervision and division of labour relating to food and drug safety. On all these

problems, the Government has always said that they will be dealt with one by one after the "scrapping" of the two Municipal Councils. But I must say that the Government is only looking at the "scrapping" of the two Municipal Councils from a political perspective, and it does not have any determination or specific plans to improve our municipal services.

In paragraph 148 of the policy address, Mr TUNG says: The new streamlined framework will facilitate better co-ordinated and more efficient, and hence more cost-effective delivery of municipal services. More importantly, it will allow further participation by those in the fields of arts, culture, recreation and sports. But the fact is that when we scrutinized the Provision of Municipal Services (Reorganization) Bill, we all saw that the Government had never considered in any great depths many of the problems which the two Councils had not the time to solve over the years. There is not going to be any streamlining of framework because the reorganization will instead lead to the creation of one more directorate post and we also fail to see any streamlining of staff establishment. Therefore, I do have reservations about what is said in paragraph 148 of the policy address,

Because of the time constraints, I now wish to turn to my area of concern — the energy issue. Over the past year, the community has held many discussions on monitoring the public utilities companies engaging in energy supply. The topics discussed include the monitoring of LPG companies and oil companies; the elimination of the cartel resulting from the oligopoly of oil companies; the avoidance of any surplus electricity supply similar to that of the China Light and Power Company Limited (CLP) and the introduction of competition into the electricity and coal gas markets. Unfortunately, despite all these discussions, no measures are mentioned in the Policy Objectives of the Economic Services Bureau to deal with all these problems which have a direct bearing on people's livelihood.

The section in the policy address on energy supply makes no mention of monitoring the oil companies; nor does it mention anything about common transmission, about enabling other private companies to acquire natural gas. The publication of the report on the network interconnection of power companies and the introduction of competition into the market has been delayed again and again, and it has even been decided that more studies should be conducted. Similarly, no decision has been made regarding the proposal of the Hongkong

Electric Company Limited to construct a new power plant. The Government has simply tried to delay the matter by saying that more studies are required. So, from the policy address, we can see that the Government has simply failed to make any breakthroughs to foster competition in the energy market and to protect the interests of consumers.

The surplus electricity supply of the CLP has revealed clearly that the profits control schemes applicable to local power companies are already both outdated and unable to protect people's interests. In many other places, the electricity and gas markets have long since been liberalized to introduce competition, and to bring greater benefits to consumers. I hope that the Government can set down as soon as possible a policy objective of liberalization of the local energy market. It must also make more efforts to prepare for interconnection and the liberalization of the fuel market. That way, the people of Hong Kong will be able to enjoy improved services and lower prices as a result of the introduction of competition to the energy market.

Finally, I must discuss two issues. The first is environmental protection. This year, Mr TUNG attaches very great importance to environmental protection. In his policy address, he mentions many measures to tackle water and air pollution and the disposal of solid wastes. However, he mentions nothing about noise pollution. And, when I studied the Policy Objectives, I saw that noise pollution was mentioned. Why do I wish to discuss noise pollution? Well, because I have personally experienced this very recently. Frankly speaking, over the past few years, I have also failed to come up with any ways to deal with the noise pollution problem of existing roads. Even the Government knows that the noise pollution levels along these roads are well above the tolerable limit of 70 decibels. The only question is how improvements should be made. The Government has actually put in place a very good measure which requires that sound barriers must be erected along all new roads passing by residential settlements. Under the relevant Policy Objective, starting from 1999, extra funds will be set aside for the installation of noise abatement facilities in 1 400 housing units affected by noises produced along new roads, and these facilities will be installed directly in the affected housing units. This is very good. But what about existing roads? I have discussed the matter with the Environmental Protection Department (EPD), telling it that we have several hundred roads in Hong Kong where noises are generated day and night, as enormous nuisance to the residents living on their sides. According to a certain

study, the installation of sound barriers is possible only on about 20 of these roads. For the rest, nothing can be done at all.

Let me just talk about these 20 roads. I know one of them, the Tseung Kwan O Road, very well. The noises generated along this road affect as many as 2 000 to 3 000 housing units, and the problem is especially serious at night when the noise level exceeds the tolerable limit of 70 decibels, reaching 76 decibels to 80 decibels. The EPD knows only too well that this is beyond any toleration, but what can it possibly do? Yes, noise barriers can be erected, but at a cost of \$300 million. The Government simply said that it had no money when it knew of the cost. So, nothing can be done.

After I had learnt about all this, I started to think about what the Government had been telling us. The Government has been saying that the new roads to be constructed in the future will all be very good design, that the number of roads will be reduced as much as possible, and that it will seek to turn our city into one with no smog, no air pollution, by reducing vehicle emissions as much as possible. But then, we now have several hundred thousand people, or nearly a million people, who are battered severely by the noises generated along existing roads. What is the Government going to do? Very ridiculously, the Government says that it is going to do this in the next 12 months: to reduce the excessive noise nuisance suffered by people. That is all it says — all so ridiculously simple. How is it going to reduce the noises? Does it have any measures in mind to relieve the noise nuisance suffered by the several hundred thousand people living on the sides of the roads mentioned by me? The EPD told me that despite its sympathy, it could not do anything, nor did it know what to do, because the SAR Government had not allocated any resources for the purpose.

I hope that when Mr TUNG talks about environmental protection, he will not look only at the future and forget all about the present. That is to say, while he talks about LPG vehicles, or even electric vehicles, while he talks about the installation of sound barriers for all new roads, he must not forget the existing problems. Can we possibly ban all vehicles from the existing roads? Is a total conversion to electric vehicles possible in the near future? The answers are "no". In the next 10 years, these roads will still be used by vehicles, and they are not located in new towns, new planning zones. So, how are we going to remedy the situation? Although I am not the spokesman for the Democratic

Party on environmental issues, I still have very strong views on these matters. I wish to raise this problem, and in particular, I wish to say that the environmental policies of the Government have evaded this problem instead of addressing them.

Mrs Anson CHAN is right now in this Chamber. So, I wish to raise another point. Over the past few months, because of the forthcoming election (I have not yet decided whether I should run in it as a candidate), I frequently met with people in my constituency. When talking with me, many people spoke vehemently of new immigrants, and they attributed all their hardship and suffering to the new immigrants, saying that because of them, they had to suffer unemployment and wait a long time for public housing. They said, " Mr LI, why do you people in the Government (they regarded me as the Government) treat new immigrants so very well. Why is it that once they arrive in Hong Kong, they can immediately receive CSSA payments? Why is it that a family of four or five can receive as much as over \$10,000? Well, in contrast, we have to suffer so much, and we cannot get anything after working hard for our whole life. We live in very crowded conditions, and we cannot get a public housing unit even after waiting for five whole years. But then, new immigrants can get public housing once they arrive. They have snatched all our welfare benefits." These remarks really sadden me. If the situation is allowed to go on like this, our society will be divided, and problems will certainly arise. I hope the SAR Government can pay attention to this problem.

This situation is similar to what I experienced in Canada when I studied there years ago. Sometimes, when I was walking in the streets, some white men would come up to me, saying angrily that the people from Hong Kong had taken away their jobs and boosted the prices of their housing. I was puzzled, because I was just a student and had done nothing to cause them any problems. But they just kept on shouting at me. This is nothing but racial discrimination. Why? Because they tried to put all the blame on the racial minorities like black people and Latin Americans. So, they put all the blame on me, a yellow. The same problem has recently emerged in Hong Kong. Faced with an economic downturn and the resultant hardships, people have tried to put the blame on new immigrants.

The emergence of this problem is largely attributable to the Government, because I think it has practically fanned the flame. The Government said that 1.67 million people had the right to come to Hong Kong, and it also released many other statistics which made people think that new immigrants were horrible. It told people how many new immigrants would come to Hong Kong every day, and it also said that they would take away many of our welfare benefits. All this has really scared the people of Hong Kong.

Let me cite a concrete example. The Government commissioned the Chinese University of Hong Kong (CUHK) to conduct a survey on people's responses to the policy address. As revealed by the findings, 98.5% of the respondents support the policies on environmental protection (This is a survey conducted by the CUHK for the Government, and I do not think that the respondents would give any dishonest answers). What then is the policy which receives the least support? The policy on relaxing the public housing eligibility requirements for new immigrants, which receives the support of only 53.8%. As much as 46.2% are against this policy. This is in marked contrast to other policies. For other policies, the lowest degree of support is still as high as some 70%; and, the average degree of support is about 80% or 90%. Why are people so strongly against the relaxation of eligibility requirements for new immigrants? Because they think that new immigrants have taken away their benefits.

I do not want to see any deterioration of this social problem, and I also hope that prompt actions can be taken to remove discrimination against new immigrants. I hope the Government can take my advice, because this will become an increasingly serious social problem. Many people now discriminate against new immigrants, or they are looking at new immigrants through tinted glasses. This has made it very difficult for new immigrants to integrate into our community, to become one of us. I have tried to tell my experience to the SAR Government, and I hope that when Mr TUNG and the Policy Secretaries formulate various public policies, they will pay attention to this.

I so submit.

MR HUI CHEUNG-CHING (in Cantonese): Madam President, there is criticism that the Chief Executive is deliberately avoiding the important issues by making the cultivation of talents and environmental protection the key areas of concern in his policy address this year. He is also criticized for trying to shun the responsibility of giving impetus to an economic recovery. I think these criticisms are unfair. Hong Kong cannot go back to its former days of trying to dump low-price goods in the international markets. Only by raising the quality of our services and improving the living environment can Hong Kong continue to attract foreign investments and maintain its competitiveness. These have to depend on the availability of human resources and an environment conducive to such developments. It is only by bringing these factors into full play that Hong Kong can hope to become the London or New York of Asia.

Of course there are measures spurring growth in the economy and increasing employment opportunities that the Government can put in more efforts. Support given to SMEs is precisely the vital task facing the Government. For these SMEs have a vital impact on the local economy by the sheer fact of the enormous number of people they employ and the share they occupy in the Gross Domestic Product.

The policy address states that there will be no new capital injected into the Special Finance Scheme for Small and Medium Enterprises, but the loan guarantees will be raised from the original \$2 million to \$4 million. While this arrangement can help out SMEs which have cash flow problems, it is doubtful that many SMEs need such a great amount of loan guarantee. Even if these SMEs need such a great amount of loan guarantee, how many of them can provide enough collateral for their loans?

Besides raising the amount of loan guarantee, the Government should also consider injecting more capital into this finance scheme. It should also extend the loan term to suit the needs of individual trades. If this can be done, more SMEs will benefit from the Scheme. The Government can further consider turning this scheme into a medium-to-long-term assistance policy, so that the financing problems of the SMEs can be eased more effectively.

The second board soon to be launched by the Stock Exchange of Hong Kong Limited can in fact facilitate the financing activities of those SMEs which are larger in scale and more outstanding in their performance. But for over 90% of the other SMEs, it will not be of much help. Certainly, relying on the finance scheme of the Government alone will not ease the liquidity problems of the SMEs in the long run. I am pleased to learn the Chief Executive mention for the first time in the policy address that the Government will look into the lending policy of banks which is currently placing too much emphasis on property as collateral. The Government should encourage the banking sector to develop a lending culture which puts more emphasis on the performance and prospects of the enterprises. One such system is on credit rating information.

Madam President, the policy address also makes a formal call for a joint development of the Pearl River Delta Region to allow the free flow and pooling of manpower, goods, capital and other resources in response to economic forces so that the places within the region can complement each other's leading edges so as to rise to a new level. This is a strategy with foresight and in the long-term interest of Hong Kong, and it can also bring a lot of business and employment opportunities.

As Hong Kong and the Mainland are so closely tied, our economic development will be greatly restricted if we do not benefit from matching policies practised in the Mainland. The policy address suggests that the State Council's Ministry of Foreign Trade and Economic Co-operation should set up a joint committee to strengthen communication on economic and trade issues. This committee will facilitate communication between the two places on such issues. Although there are quite a few communication channels between the two places, there is no mechanism for economic co-operation between the two places. It is learned that for the past two years the SAR Government has been considering the setting up of an industrial services centre in the Pearl River Delta Region to provide assistance to businessmen operating in the Mainland. However, such an idea has not become a reality yet.

Hong Kong businessmen find it hard to cope with the ever changing laws, policies, and fees and charges of the Mainland. What the SAR Government should do first is to discuss with the mainland government to set up a mechanism to help Hong Kong businessmen in the Mainland to adapt to the changes in the policies and laws there. The SAR Government should also inform the mainland authorities of the need to consult Hong Kong businessmen operating in the Mainland on any important changes in business policies and law. Mainland authorities should be encouraged to exchange views with the SAR Government so that the latter can help in explaining and publicizing the relevant changes. All these can enable Hong Kong businessmen to make timely responses and adjustments.

Madam President, to fully grasp the business opportunities offered by the Pearl River Delta Region, the SAR Government must work hard to strengthen the intermediary role played by Hong Kong. This includes the use of our strict but simple and convenient import and export laws and its advanced infrastructure. The enterprises should be encouraged to develop high value-added services, for example, processing technology, quality control and electronic transactions and so on. At the same time, packaging, warehousing, insurance and such like value-added re-export business should be developed.

Madam President, at the same time when it actively promotes joint development with the Mainland, the SAR Government must review certain relevant policies and plans to see if they are in line with the development strategy laid down in the policy address. An obvious example is the levy of a land departure tax presently being considered by the Government.

80% of our GDP is related to the China factor. Should a land departure tax be levied, this will not only complicate matters in Hong Kong-China relations. If a reciprocal tax is levied by the Mainland, then we will suffer even greater losses.

The cumbersome customs clearance procedures in Hong Kong and Shenzhen are also an unfavourable factor to the joint development of the Pearl River Delta Region. The SAR Government should study this issue with the Central Government to combine the customs check-points between Hong Kong and Shenzhen or to make the officials of the two places work closely, say in different counters, or introducing the application of smart card technology for clearance.

In addition, the cross-boundary freight traffic is seriously hampered by the customs clearance procedures and the poor traffic planning at the boundaries. The SAR Government and the Shenzhen Government should streamline the customs clearance procedures for freight transport and ease the problem of traffic congestion in the areas affected in Hong Kong. This will help promote the free flow of trade and business between the two places.

Madam President, the policy address this year has laid down a development strategy on the use of our economic hinterland in the Mainland for the adoption by the industries and businesses, including the SMEs. The success or otherwise of this strategy will depend on the government policies and whether or not these policies will be realized in line with the strategy.

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

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, it can be said that this year's policy address is truly the Policy Address of TUNG Chee-hwa. I said so because on the one hand, it demonstrates his conservative political mindset and his intention to safeguard the interest of the business sector in his policies. On the other hand, while the Chief Executive has spoken at length to reaffirm the achievements made in the past two years and four months, his attempts to conceal the faults and play up the merits are only a reflection of his political character. Regrettably, this character has failed to cover up his inadequacies in resolving economic problems and those relating to people's livelihood. Given that the various policies introduced by him previously have made no achievement at all, he therefore resorted to focusing on some relatively neutral issues this time, namely, environmental protection and education, in order to evade the pressing problems which are of immediate concern to the general public. The painting of a rosy picture and creation of false impressions in an effort to shift the focus of attention have further manifested the "ostrich" mentality on the part of the Chief Executive. Madam President, I am afraid that this will further sow distrust in the public towards the Chief Executive and even the SAR Government.

In his policy address the Chief Executive made a review of the past two years, highly praising the accomplishment of the SAR Government. But regrettably, it finally turned out to be "the Chief Executive's new clothes" for the Chief Executive has come up with a policy address which can cheat nobody but himself. In fact, the policy address impressed the public that the Chief Executive is living in a world different from ours. I found that the Chief Executive respects and protects only the interest and views of the business sector. As a matter of fact, I can see that many of those in the business sector or Honourable Members of this Council are fairly happy. However, the Chief Executive has simply turned a blind eye to the plights of the grass roots. In fact, the livelihood problem faced by the 200 000 unemployed has not been resolved yet. Middle-aged workers are always subject to discrimination and many of the unemployed have even chosen "the road of no return" by committing suicide. Tragedies like this occur almost every day nowadays. I wonder if the Chief Executive is aware that many families are tormented by the economic downturn and it is very difficult for them even to drink a mouthful of Dongjiang water or take one breath of Hong Kong's fresh air. To these people, the Chief Executive's expired mooncakes or his depiction of "clear water, blue sky" are just castles in the air.

Madam President, with regard to political development, the Chief Executive's policy objectives are indeed a far cry from the expectation of the people. The Chief Executive must always bow to the wishes of the Central Authorities, constantly making an effort to hamper or repress political development in Hong Kong. Besides, he favours cronyism and seeks to consolidate his powers through undemocratic electoral and appointment systems, making the democratic camp virtually "a decorative vase" in the parliamentary structure. Given that the Chief Executive has been purging those who hold dissenting views and listening to public opinion on a selective basis, the policies cannot fully reflect the wish of the people. Nor can they meet the needs of the people. This has led to many instances of division in society. Also, the Chief Executive has failed to specifically tackle the existing problems relating to the economy and people's livelihood. For example, cases of retrenchment and salary cut which are commonly seen, and the exploitation of the labouring masses is still a problem unresolved. No specific solution has been proposed to address these problems and this has greatly disappointed the people. More disappointing is the fact that many policies introduced by the SAR Government over the past two years have not done any good to the people. A Chief

Executive as such has created numerous "Mr LEE". Social contradiction is increasingly intensified. The people are condemned to live in the abyss of suffering and the public support for the Chief Executive plummeted. In this policy address, the Chief Executive attempted to use environmental protection and education to evade the intensification of social contradiction and public criticisms. But as shown by the findings of many opinion polls, his attempt is nothing but a debacle.

Despite the effort that the Chief Executive has painstakingly made to promote environmental protection, he has only put forward proposals which cannot practically resolve the environmental problem and run counter to the concept of environmental protection in its true sense instead. For example, his proposal to construct roads and railways at a cost of \$240 billion is precisely detrimental to the environment. In pursuing environmental protection, we cannot solely focus on the protection of the physical environment. We should integrate human beings with the concept of environmental protection. But regrettably, the Chief Executive has not done so with his environmental policy. In fact, the idea of environmental protection and green concepts upheld by many western countries underscore a fair and rational share for the people, as well as public participation. However, it is regrettable that the whole of the Chief Executive's environmental concept merely represents his own wishful thinking in that he has raised only issues in which he is interested and taken no action for those he dislikes. For instance, just as many environmental groups have repeatedly stated, at a time when our society is faced with economic pressure and a high unemployment rate, and all that many people ask for is to have enough to eat and wear, environmental policy can indeed help solve the problem by promoting waste recycling for example. Unfortunately, the Chief Executive mentioned nothing in this regard, having no intention to consider tackling the problem along this line or developing these industries to provide more employment opportunities. We certainly hope that our future generations can enjoy an ideal environment. But when the general public is unable to maintain a living even at subsistence level, how can they be mindful of dealing with the environmental problem? Therefore, I very much hope that in pursuing environmental protection, the Chief Executive can listen more to the views of the people and interested groups. He must under no circumstances propose impractical policies based on his own wishful thinking.

In this connection, Madam President, the Chief Executive has repeatedly emphasized that we must learn from the strengths of other countries, particularly New York and London. While these places do have a lot of strengths worthy of learning, I am afraid that the Chief Executive would want us to even learn from the weaknesses of London and New York, including the existence of slums and the problem of the homeless becoming younger and younger. I am very worried about these problems, fearing that Hong Kong will learn from these weaknesses too. Why am I so worried? It is because in the whole policy address, I can see that the Chief Executive has turned a blind eye at the predicaments of the people and simply let the 200 000 jobless people stew in their own juice.

However, the Chief Executive still holds aloft the banner of "high technology". Let us not discuss for the time being his success or otherwise. But how can "high technology" be a relief to the middle-aged workers who are not well educated? In fact, these workers will very likely be sacrificed under the banner of "high technology". Now, when it is imperative to tackle the problem of unemployment, the Government plans to admit an unlimited number of talents, subject to no minimum wage requirements. These measures do not only bring heavy pressure to non-skilled workers, but also posing threats to students graduated from local tertiary institutions. How can anyone not have misgivings about the sincerity of the Government in tackling unemployment? Indeed, we are concerned about whether the so-called technological development will eventually become a new economic bubble, whether it will accelerate the widening of the gap between the rich and poor.

Moreover, the Government has proposed at the same time to impose more restrictions on the CSSA recipients by, among other things, capping the CSSA payments. This will only add to the burden of the grass roots and the impoverished, making it impossible for them to be relieved of the straitened circumstances.

The environmental policy brings us no hope. Notwithstanding the Chief Executive's proposal to improve the living conditions of the new immigrants, it is regrettable that in terms of the housing policy, his policy address did not expressly bring them hope. On the contrary, all I can see is that the Chief Executive has taken those in the real estate sector under his wings. Now, the Chief Executive still insists on the target of home ownership by 70% of the

people, continuously encouraging the public to buy their own homes. However, he has not addressed squarely the demands for public rental flats. In respect of urban renewal and resettlement, what specific measures has the Government put in place? He did not explain expressly the way to increase the provision of public housing to solve the problem. On the relaxation of the residence requirement, he did not propose measures to expeditiously arrange public housing for the 32 000 families without affecting the applicants on the existing Waiting List.

Therefore, Madam President, when it comes to sustainable development as stressed in the policy address, I very much hope that sustainable development will, as advocated by some green groups, really mean a fair share and particularly, public participation under a democratic system with the prevalence of the rule of law. Only in such a way can sustainable development be achieved. Nevertheless, the Government's attitude has all along been conservative. It has stated recently that it is going to review the overall political system only in the year 2001-2002, and this is hardly optimistic insofar as the development of our democratic system is concerned. Besides, the response of the Chief Executive during the Question and Answer Session of this Council showed that the Chief Executive does not respect the development of our political system. This is particularly evident as the Chief Executive did not undertake to meet with us more frequently to answer our questions when Members asked how he could improve the relationship between the executive and legislature and even the Chief Executive.

Madam President, recently I have written to the Chief Executive time and again asking for a meeting with him to discuss the Members' Bills sponsored by me, but regrettably, I have not heard from him so far. I wonder if his dedication to environmental protection has reached such a state that he simply ignores all letters addressed to him. Perhaps I should try to reach him by telephone. As a matter of fact, I have written to him for many times asking for a meeting with him but no reply has been received so far. Under the circumstance, how can I be convinced that the Chief Executive genuinely respects the democratic assembly system and the representatives of public opinion?

Recently, it has come to me that the Government seems to be thinking seriously on setting up a Press Council. This, coupled with the transfer of Miss CHEUNG Man-yea and the proposal for an independent Legal Aid Department being vetoed, has made me feel that our rule of law, democracy and justice appear to be withering away. If we wish that Hong Kong will become a fair society with sustainable development, I believe that the present circumstances offer no optimism or a promising outlook at all.

Therefore, Madam President, while the Chief Executive is now enjoying the magnificent scenery of the Motherland when we are here discussing this policy address, I hope that he can spare a little bit of his time to think about this place of ours, think about the way to ease the plights of the many "Old LEE" whom he created, and think about how members of the community can truly live in a fair and reasonable society which can develop sustainably. Madam President, I so submit.

MRS SELINA CHOW (in Cantonese): Madam President, after the Chief Executive had delivered his policy address in this Council, a discerning colleague said to me right away, "You people in the Liberal Party got it all right." Then, a journalist asked me if the Liberal Party had been "tipped off" beforehand. In fact, there is only one reason for their reaction, and that is the policy of "three Es" that we proposed to the Chief Executive happened to coincide with the key points of his policy address. While we think that the coverage of the economic aspect in the policy address is a bit too small, the importance attached to education and the environment is indeed comparable to the weight we give to these two areas of work. It shows that the efforts we made in exchanging views with the Chief Executive last month have not been wasted.

That said, we are of the view that on the economic front, the coverage in the policy address cannot fully reflect public expectation. This is indeed regrettable. In the meeting with the Liberal Party, the Chief Executive actually attached far more importance to economic issues compared to what was mentioned in the policy address. It is strange that he touched on this area so briefly in the policy address.

Anyhow, the Chief Executive is optimistic about economic recovery. We certainly hope that his prediction is right and I am aware that the Government has both the manpower and resources to collect and collate the necessary statistics. But as the spokesman for the retail and wholesale sector, I must express the concerns of my constituents. At present, there are still internal and external factors dictating a gloomy outlook for economic recovery. The financial turmoil has undermined consumers' spending power, sentiment and confidence. The linked exchange rate has also weakened our competitiveness. Furthermore, as the interest rates have remained on the high side, and given the mobility of Hong Kong people and their passion for travel, local consumption has been severely affected. As the people of Hong Kong are always the cleverest consumers, is there any reason for them not to go to Shenzhen, Bangkok and even Canada or Australia for cheaper goods? Cheap prices can no longer be a selling point of Hong Kong. All we can do is to attract tourists with other values. The strengths that we proudly possessed in the past, such as a wide variety of goods, a high standard of hotel services, and our smart and hardworking workers in the service sector, had won praises from visitors. But the problem is that in recent years, the reforms and open policy of the Mainland have come a long way and our neighbouring countries have been making progress steadily. While Hong Kong used to be a centre of famous brands which was the first choice of tourists from Asian countries, shopping malls full of famous brand shops are found in every major Asian city nowadays. A neighbour of mine, who loves Hong Kong very much, rings me up from time to time to share with me some of his thoughts. Last time when he called, he said, "Why do Hong Kong people keep on visiting Japan where the prices are higher than those in Hong Kong? The reason is simple. Despite the fact that goods in Japan cost more, one will be very happy to spend money there because the attendants serve their customers with unfailing courtesy and goods are packaged beautifully. Most of all, we never have to worry about being cheated by the people there. All these explain why Hong Kong people visit Japan again and again." Let us look at Hong Kong. While earlier on there were statistics indicating that Hong Kong was chosen as one of the 50 places that one must visit in a lifetime, there is no room for complacency. If a person visits Hong Kong just once, does it not mean that less and less tourists are coming to us? We must aim at increasing the number of returning tourists. Is it not the case that all kinds of well-established business are making an effort to attract patronage from frequent customers? To this end, it should be our strategy to provide quality services at reasonable cost and impress our customers with the warmest

hospitality. Let us ask ourselves whether we have done that and whether we are able to accomplish that. Claiming to be a first-class world city, Hong Kong remains a place where third-rate and unethical practices are found in business operation, such as the gimmick of "zero fee" for package tours, deplorable standard of services, unscrupulous business practices and so on. The boss of a famous chain store (many branches of which are located at tourists districts) told me that according to his shopkeepers, cases of tourists being assaulted by attendants of the shops nearby happen from time to time. This has infuriated his staff for they know that no matter how hard they have tried to leave a good impression on tens of thousands of tourists, their efforts will all go down the drain with a few assault cases to the disgrace of Hong Kong. We really have to ask ourselves if we are fully prepared to upgrade our service standard and implement the various measures in order to enhance the reputation of Hong Kong, and whether adequate remedial measures are in place to make up for the damages caused by the unscrupulous practices of the black sheep. In the past three years, the number of complaints from tourists lodged with the Consumer Council has increased from 741 in 1996 to 846 in 1998. While these figures do not seem to be significant, behind each of these complaints there could be many more dissatisfied tourists who do not have the time or the mood to make their cases known. They will tell their relatives and friends about the wrongs of Hong Kong when they returned home. Such negative publicity must be avoided.

Undoubtedly, the appointment of the Commissioner for Tourism by the Government has addressed squarely a pressing issue. The person appointed to the post is generally welcome by the trade. Although the Commissioner has devoted most of his time to the negotiations with Disney in the past few months, he has done a lot to consult the views of the trade. His efforts do merit our commendation and support. However, the progress in the tourism industry could have been made at the expense of other industries. The reason is that while Mr Mike ROWSE has been doing pretty good since he took office, the work of the Business and Services Promotion Unit originally headed by Mr ROWSE has been held up because the Administration has failed to identify a successor. I hope the situation can be improved as soon as possible because a business-friendly environment, which the Chief Executive and the Financial Secretary so strongly stressed, is vitally important to boosting investment. If the red tape in the Government can be overhauled to streamline the procedures, and a customer-based service culture can be cultivated in the public sector for services provided in an open and transparent manner, the public will be most

willing to pay for their share under the "user pays" principle. This is truly the strategy to create a business friendly environment and truly a means to incubate investment sentiments without intervention.

Madam President, one of the main factors contributing to the territory's economic boom previously was that the overwhelming majority of business undertakings are operated in the form of SMEs. In recent years, not only the Government has been concerned about these enterprises. They have also become the targets of political parties and political organizations which have made great play of their intention to provide assistance for the SMEs. It is always easier said than done. Try to think about how many industries are involved for these tens of thousands of SMEs? What are their difficulties? These simply cannot be explained in a few words. Every industry has its own problems and every enterprise has its own grievances. We cannot say that the provision of the additional \$2.5 billion as guarantee for loans is not helpful. But how far is it helpful to the SMEs realistically? Yesterday, Honourable Members asked what sort of assistance the SMEs actually require. We may need to do some research in this regard. In fact, it all boils down to money. Are banks really helping those small businesses which are most in need of assistance? The Chief Executive fully appreciates the need for the banking sector to give more consideration to the track record and business prospects of the enterprises, instead of taking property as the main form of collateral in granting loans. Yet, how is it to be put into practice? I think if the Government is genuinely committed to working along this line, it should start considering and studying the setting up of a development bank. I understand that a decision on this cannot be made rashly but we need to study this anyhow.

Other than the problem of financing, many proprietors of small business enterprises complained to me that they are also faced with the problem of their customers defaulting on payment. It is a convention in the trade to provide goods on credit. But given the present market conditions, whom can they approach for assistance if their customers defaulted on payment? The police generally do not take these cases. How can they be compensated for such losses? If the Government can think of a way to tackle this problem and share its thoughts with the SMEs to tide them over, then the Government is really helping them out. This is more practical than whatever research, whatever consultancy or whatever training.

In presenting our views on the policy address to the Chief Executive, we expressed the view that the Labour Department should be renamed the Labour and Employers Department because some officials of the Department think that their duties are to protect workers' interest and welfare. This is unfair to the employers, particularly the small employers. The Commissioner for Labour telephoned me the next day, promptly responding to our proposal. He opined that our proposal is not good and he considered it more appropriate to rename his Department as the Human Resources Department. His counter proposal is typical of the Government's neutralization tactics, but it is not really conducive to balancing the interest of workers *vis-a-vis* that of the employers. While the nomenclature is important, it is more important for the Government to deal with the conflicts between workers and employers in a really fair and objective manner. The Labour Department must pay attention to the stark fact that the commercial sector, and in particular the SMEs, is unconvinced that the Labour Department can resolve problems for both the workers and employers in an impartial manner. If this situation is allowed to continue and if no improvement is made, investors will only feel more and more disheartened and resentful.

There is another group of employers who feel aggrieved at being treated unfairly by the Government and they are the employers of close to 200 000 foreign domestic helpers. In 1997, the Liberal Party was the only political party which took up the cudgel for these employers, the majority of which are middle-class families. In this Council, we had urged Members to support separating domestic helpers from employees of local companies insofar as the terms of employment are concerned, but unfortunately, this was not supported by the majority of Members. The Government, however, undertook to study the feasibility of introducing separate provisions and the findings of the study should have been released in 1998. After repeated prompting, a conclusion was finally drawn this year. Regrettably, the Government only gave a frivolous account of its position, concluding that the proposal was impracticable without providing any detailed explanation or supporting data. Nor did it conduct any analysis on the results of public consultation. This is indeed baffling. In the meantime, we learned that the Government has decided not only to prohibit employers from taking on drivers from overseas, but also to remove driving duties from the description of domestic duties in the employment contract. In other words, with effect from 1 January next year, foreign domestic helpers will not be allowed to perform driving duties. The Liberal Party fully appreciates and supports the policy against the import of drivers from

overseas countries. But we strongly oppose the removal of driving from domestic duties. Many housewives rely on their Filipino helpers to send their children to school, take their children home after school and buy provisions in the market. Many of the employers have also paid for the driving lessons and driving licence for their Filipino helpers. The new measure is unfair to them and will cause them inconvenience. Furthermore, the policy is introduced by means of an administrative measure of the Immigration Department to add the restrictive provision in the new contracts. While its legality is open to question, it is grossly unreasonable by all standards. To sum up, given that small employers are faced with various policies which keep on paring down their rights, they will be doubtful about the determination or courage of the Government in protecting the interest of employers in Hong Kong. Our Government obviously paled in comparison with the Singaporean Government.

Many Members have raised concerns about unemployment. But as the saying goes, "one cannot get blood from a stone". The Government itself cannot create wealth and the ability to create wealth in society comes from the industrial and commercial sector. Where there is investment, there is employment. If the Government still cannot see this point and do nothing to support the small employers and the middle class or to abate their discontent, how can we expect them to take the risks of investment and launch a new venture, which will, in turn, provide job opportunities?

(In English):

Madam President, before I close, I feel I have to say a few words in English, firstly to demonstrate that we in the Liberal Party practise what we preach, and secondly, to say to our non-Chinese speaking friends, "You are not forgotten."

A few months ago, we launched a campaign to call out to the community to "Use English — Keep Hong Kong International". This is a translation of our strong belief into action that Hong Kong must preserve the invaluable quality of being cosmopolitan in order to cement our position as the business and tourism centre of the Asia-Pacific Rim.

We then conducted a survey to gauge the feeling of our expatriates. We found that 62% of the respondents believe that the Government is using less and less English to communicate with the public after the transition; 54% have come across government departments which have failed to provide information in English; 71% think that the Government has not done enough to communicate with our expatriates, and 80% think that the Government has not done enough to tap the services and talent of expatriates to serve on government committees to help promote Hong Kong.

In other words, barely two years after the handover, there is already the feeling among expatriates, who may be small in number but are nevertheless a valuable part of this community, that the Government is not doing its part to maintain the sense of belonging of our non-Chinese speaking people. There has to be some conscious efforts and resources dedicated to reversing this unwelcome and damaging trend.

MR LAU KONG-WAH (in Cantonese): Madam President, I would like to concentrate on the transportation and environmental aspects of the policy address.

Firstly, it is an irrefutable fact that the travelling expenses borne by the people of Hong Kong have remained high compared to other expenses despite the continued deflation. Although major providers of public transport services have frozen their fares in view of the economic downturn to ride out the storm with the people, does it mean that the Government can sit idly and remain indifferent? We are of the view that the Government should try to ease the burden on the people by other means. The DAB has proposed that the Government should encourage public transport companies to make good use of the Octopus system and study the feasibility of putting in place a sectional fare system. Given that such a system works for the Mass Transit Railway, why can buses not follow suit? Moreover, there was a case in which a bus company proposed to lower the fares for certain routes only to be rejected by the Transport Department. I do not understand why fare increase is allowed but not a reduction. I hope the Secretary can respond to this point later. In fact, as long as the principle of a level playing field is not compromised, the Government is in a position to negotiate with the relevant company to expeditiously give effect to a reduction in the fares. This is what the Government can do within its purview to alleviate the burden on the people.

Last week, the Transport Bureau released the findings of the Third Comprehensive Transport Study, in which it is stated that future transport policies will synchronize with environmental planning and that priority will be given to the development of railways. The DAB strongly supports this direction in the hope that the concept of a railway network can be realized. In this connection, priority should be given to the development of a number of railways. They include: 1. Ma On Shan Railway which must directly link to urban areas; 2. East Kowloon extension; 3. Kennedy Town spur line; 4. the new cross-harbour rail link. We expect that the Second Railway Development Study to be completed at the end of this year will provide us with further information, rather than one consultation after another. The public has actually made it very clear what their demands are.

The DAB reiterates that the planning of transport system must have regard for both the convenience of passengers and cost-effectiveness. Take the Ma On Shan Railway as an example. In February this year, the Government stated that according to the findings of its studies, the number of passengers travelling by railway from Tai Wai to the urban areas during morning rush hours will increase from the present 50 000 to 80 000 in 2011, while the passenger capacity of the East Rail will increase from 70 000 to 90 000 per hour. But the Government concluded that it is unnecessary to construct a second railway linking Sha Tin to Kowloon before 2011. However, these figures precisely show that in future, Tai Wai will continue to be the interchange for Kowloon-bound residents of Ma On Shan, which means that the carriages will be terribly crowded. As a result, residents of Ma On Shan may prefer to travel by other means of transport which directly link to Kowloon, in which case the Ma On Shan Railway will be wasted and the Government will be "doing bad things out of kindness".

Moreover, I would like to talk about the Intelligent Transport System. In fact, there is hardly any specific proposal on such in the Third Comprehensive Transport Study and everything remains at the study stage. Therefore, no explanation is given on how the Government will develop the system, the cost of investment, the scale of the future information market or the intellectual property issues. Given that transport services in Hong Kong are mostly provided by the private sector, coupled with the fact that driver-cum-owner operation is most common in the taxi trade, the implementation of a satellite-based positioning

system to provide comprehensive traffic information is bound to meet with difficulties. I do not know whether the current consultancy study commissioned by the Government will explore the access to the information retained by various companies. However, I hope the Government can provide us with more information as soon as possible to allow sufficient time for public discussion.

Madam President, in his policy address the Chief Executive has devoted 17 paragraphs to explaining the plans for improving air pollution, showing the Government's determination to improve the air quality in Hong Kong. Overall speaking, the DAB considers that the Government is moving in the right direction judging from the relevant proposals it has put forward but it still has to listen more to public views.

Last year, the Chief Executive formally announced the LPG taxi scheme in his policy address but only provided a timetable for the scheme. No proposal was put forward for the necessary matching measures and facilities, such as the assistance for taxi owners to convert to LPG taxis, the number of LPG filling stations, how oil companies can be encouraged to make the investments, training for maintenance mechanics and so on. At that time, the Government seemed to be hell-bent on implementing the scheme. This approach of the Government, that is "making a decision first and sorting out the details later", has caused a great deal of implementational problems and aroused public concern.

Again, this year's policy address proposed a trial scheme for LPG light buses but the light bus industry was not informed of it beforehand. Is it not a bit rash for the Government to adopt a radical approach by communicating with the industry only now? In fact, such vehicles are not readily available in the market. According to a local motor car company, manufacturers will not design a model exclusively for LPG light buses in Hong Kong for there is only a small fleet of 4 350 light buses here. Obviously, the position of the manufacturers is justifiable. At the present stage, the Government should learn from the initial experience of the LPG taxi scheme. It should formulate a range of feasible matching measures first and then proceed to consult the views of the industry and the public in order to ensure smooth operation of the scheme.

Madam President, in this year's policy address, it is stated that \$1.4 billion will be set aside as subsidies to assist owners of diesel vehicles to switch to LPG vehicles, and install particulate traps and catalytic converters. These proposals are commendable. But recently, I have received a letter from an association of taxi companies and owners, expressing the view that the taxi trade is very supportive of the Government's plan to subsidize owners to convert to LPG vehicles, which they regarded as a kind of incentive indeed. They proposed that no restriction should be imposed on the age of the vehicle in order to benefit all owners. Yet, they pointed out that even with a subsidy in several hundreds of thousands of dollars, the affected owners still feel helpless for they really cannot afford the cost involved. How can a few hundreds of thousands of dollars be enough for even the shell of a LPG taxi? Madam President, I think the Government must understand and sympathize with their helplessness. The DAB supports the government proposal because we know that the Hospital Authority has to spend billions of dollars a year on treating diseases caused by air pollution. In view of this, we fully understand that the subsidy to be provided for this purpose is value for money.

Given that diesel vehicles imported before the introduction of Euro standards in Hong Kong are technically backward and emit a higher level of pollutants, the DAB always believes that a total replacement of such vehicles is the only way to tackle the problem of pollution caused by exhaust emission. As an expedient measure, the Government plans to provide subsidies for the installation of catalytic converters and particulate traps in heavy diesel vehicles which cannot switch to other fuels. However, the Government's plan could be ruined by certain external factors.

Ordinary catalytic converters are only applicable to diesel with a sulphur content of 0.05% but currently, diesel from the Mainland or industrial marked oil with a sulphur content of 0.5% is used by many heavy diesel vehicles. This will do certain damages to the converters, making it very difficult to meet the standards on reduced emissions. For this reason, the DAB sincerely hopes that the Government can address this problem and consider providing more incentives to encourage owners of pre-Euro-standard vehicles to replace their vehicles with new ones which comply with a more stringent standard. Recently, I have received complaints from taxi drivers, telling me that they have been suffering a lot as a result of the police stepping up prosecution against smoky vehicles. But then I told them to take prompt actions to improve the emission level of their

vehicles because everyone has a role to play in protecting the environment. That said, the Government should also provide free inspection services for vehicles so that the owners know where the problem lies.

Madam President, our efforts to reduce the level of pollutants emitted from vehicles hinge on three indispensable elements, namely, upgraded engines, fuel and maintenance. The policy address has put forth a diversity of proposals complying to Euro standards on vehicle emissions and environmental-friendly fuels. But the DAB is disappointed that not a single word is mentioned on how the quality of the automobile maintenance industry can be improved in Hong Kong. In order to improve the quality of the automobile maintenance industry, the Government should positively consider putting in place a licensing system and providing assistance for industry workers to attain the up-to-date standard in their technical know-how so that car owners do not have to send their cars for repair over and over again. Efforts should also be made to improve the supporting facilities at garages. Lastly, industry workers should also be required to pursue continuing education specific to their trade.

Madam President, regarding the amendment proposed by Mr Martin LEE, it is just another instance of "opposing everything that Mr TUNG proposes" and it is not surprising at all. However, he made repeated attempts to seize the opportunity to play up yet another issue. He contended that Miss CHEUNG Man-yea was being "exiled to Tokyo". Indeed, this is unfair to Miss CHEUNG. By the same token, is Miss J A WILLIS being "exiled to Washington"? Can it be that Mr Bowen LEUNG is being "exiled to Beijing"? I think such rhetoric and assertion are already emotional and irrational.

Madam President, I sincerely think that the two important subjects stressed by the Chief Executive, namely, the cultivation of talents and environmental protection, are vitally important to the future of Hong Kong. I sincerely hope that insofar as these two subjects are concerned, Honourable colleagues from different political parties, despite their divergent views on other issues, can work together to throw weight behind the policies of the Chief Executive.

I so submit. Thank you, Madam President.

PROF NG CHING-FAI (in Cantonese): Madam President, although it appears that the Chief Executive's third policy address has not brought pleasant surprises to the public or commanded much instant applause, it is actually a down-to-earth and forward-looking policy address. I think there are a number of aspects worthy of discussion.

Firstly, the policy address is characterized by pragmatism. Hong Kong needs a pragmatic government these days so that we can consolidate our strengths in order to facilitate economic recovery in the wake of the financial turmoil. Last year, the Government introduced a range of relief measures. Some of these measures, such as the tax rebate, have produced instant results but some others do take a longer time to take effect. For this reason, we cannot expect the Government to be able to pull something out of its hat year after year, like a magician pulling out a handkerchief at this moment, a rabbit the next and a goldfish sometime later. This is very difficult. Moreover, the reforms part of the policy address reflect that the Government has gained experience in implementation and adjusted the pace of reforms with a view to making progress while maintaining stability.

Secondly, in his first policy address entitled "Building Hong Kong into a New Era", the Chief Executive had removed the pre-unification drawback of having no forward-looking and long-term planning for Hong Kong. Also, he had sketched out many development blueprints for Hong Kong. In his second policy address entitled "From Adversity to Opportunity", he came up with measures to tide over the economic crisis. I think the last two policy addresses have made commitments both in respect of long-term planning and short-term relief measures. Thus the third policy address can only give an account of the results of the measures taken in the last two years to tackle the economic downturn and unemployment. I agree with the analogy drawn by Mr TUNG, that is, unemployment is unlike a faucet which pours out water when we turn it on and stops once turned off. Instead, it takes time to implement the measures endorsed by us. In fact, the kind of unemployment in Hong Kong is structural unemployment brought about by economic restructuring. It is not an easy task to solve the problem completely. Therefore, I think the Government must consider unemployment an important standing issue and make ongoing efforts to find solutions to this problem. Meanwhile, it should constantly review their effectiveness and open up more employment opportunities.

Thirdly, there are comparatively few people who have commented on the positioning of Hong Kong as discussed in the policy address, and some of these comments appear to have been made out of a suspicious and satirical attitude. My view is that Hong Kong's positioning is one of the many aspects in this year's policy address that merit our recognition. In the advent of the new century, it is appropriate for the SAR Government to try to find out its position. It is because a correct long-term strategy can be formulated only with a clear positioning, and only with such that the way forward for Hong Kong can be identified. I consider the policy address analysis on the three momentous changes, namely, the globalization of the world economy, economic development of the Motherland and economic restructuring in Hong Kong, fair and appropriate. The proposal for joint development of the Pearl River Delta Region by Hong Kong, the Guangdong Province and Macau is timely, feasible and essential. Moreover, the policy address has established a clear positioning for Hong Kong, pointing out that Hong Kong should develop into a world class city apart from being a major Chinese city. There is the view that if Hong Kong should become a city of China, it will give cause for concern and even if Hong Kong is to become a major Chinese city, it will still be a sign of regression for Hong Kong. Such concerns are sometimes expressed explicitly as remarks like "Hong Kong is more and more like China". Some even hold that Hong Kong will cease to be a world city if it becomes a city of China. Therefore, in their opinion, if Hong Kong is to be positioned as a world city, it cannot possibly become a city of China, or we must resist anything that smells of China resemblance. Madam President, I personally do not consider these views sensible. First, it is already a fact that Hong Kong is a major city of China. What we should do is to maintain the importance of Hong Kong and give full play to the uniqueness bestowed on us by "one country, two systems". Second, while New York and London are major cities of the United States and England respectively, they are also world cities in their own right. Why can Hong Kong not be a city of the Motherland and the world concurrently? What is the logic of this? In fact, the reason for both New York and London becoming world cities is directly related to the power of their home countries. Therefore, should Hong Kong become a world city, one of the reasons is that Hong Kong is rising to be a major city of China. A failure to see this advantage of Hong Kong is tantamount to failure to see the potential of Hong Kong in developing into the New York and London of Asia. Certainly, the conditions in New York and London are different from ours in Hong Kong and this is why we have to employ different tactics to achieve the goal. To be honest, it is a tall order task and there is a long way to go. But in the final analysis, if our community lacks vision and lacks impetus, and if our community knows only grumbling but refrains from introspection, the ranking of

Hong Kong among Asian countries is bound to fall gradually, not to mention becoming a world-class city.

Fourthly, I would like to speak on the themes of the policy address, namely, cultivation of talents and environmental protection. The phrase "Cultivating talents for a knowledge-based society" in the policy address has summarized the fundamental objectives for future economic development in Hong Kong. Friends from the New Century Forum and I support the Government in attaching importance to talents and human resources. But I hope that attention is paid to the following areas.

First, as regards the source of talents, we should focus on cultivating local talents in the long run. For this reason, it is imperative that the education system be reformed across the board so as to provide more and better talents for the knowledge-based economy. This we should do with a sense of urgency. Meanwhile, the programme for enhancing the value-added content of the tertiary sector should aim at facilitating the development of higher education by positive ways and refrain from bringing about excessive negative implications. Recently, rumour has it that the Government is thinking about cutting the grants for the next triennium. I hope this is not true. As a matter of fact, the reduced funding for the current triennium has already made it utterly difficult for some institutions to conduct meaningful research projects. Here, I must solemnly state that the funding cannot be reduced any further. How can anyone be so hard-hearted as to further reduce the already meagre funding? Madam President, colleagues in tertiary institutions are already burdened with a heavy workload now. A further reduction in the grants will subject them to even greater pressure and affect their morale. The quality of teaching and the standard of research work will inevitably fall, thus defeating the objective of providing talents most needed by society. The Government should review afresh the reduction of resources for universities.

Second, it is impossible for any major city in the world to be self-sufficient in terms of the provision of talents. Since the 1950s and 1960s, the United States has extensively admitted students from Asian countries. The SAR has to put in place a mechanism to admit students on secondary and postgraduate level from the Mainland and even countries in Southeast Asia to pursue studies in Hong Kong. With these outstanding students from a diversity of origins learning together and competing with one another, they can in turn inspire and stimulate each other. This is a point already made by some Honourable colleagues.

Third, the talents to be admitted should not be confined to those from the

Mainland. We also have to attract talented people, in particular overseas Chinese, from the United States, Canada, Australia and Europe. On the other hand, we should bear in mind that insofar as innovation and technology are concerned, talents from anywhere can be useful to us and it all depends on the origins of the intellectual property right and where the market is. Therefore, in admitting the required talents, say for the Applied Science and Technology Research Institute to be set up in Hong Kong, we can set up divisional institutes in the Mainland, North America and also at other strategic locations in order to facilitate input from the talents there for the development of innovation and technology ventures in Hong Kong. As we all know, major enterprises in the United States very often set up their research and development centres overseas. A case in point is IBM's centre in Switzerland. It is a very famous centre which has produced a Nobel laureate in physics.

All in all, talents provide the impetus for innovation and serve as the foundation for technology. Without talents, our whole package for innovation and technological development cannot possibly take the first step. Without talents, there will be no realization of a knowledge-based economy to speak of. Therefore, we must make long-term plans in respect of the source of talents and their cultivation, refraining from holding a utilitarian approach for quick fixes with instant results. It is unrealistic to plough in resources today and hope for rewards tomorrow. Our society needs a consensus and to quote from GONG Zizhen, "May I entreat the heavenly God to bestow on us all kinds of talents for the purpose of enlightenment."

Lastly, I will turn to the environmental aspect. To recall, the first policy address of Mr TUNG only touched on environmental protection slightly, and this was criticized by a number of Members of the Provisional Legislative Council in the Motion of Thanks debate. Last year's policy address had more coverage of this aspect and began to pay attention to sustainable development. The policy address this year has gone further by making great play of the principle of sustainable development and proposing the setting up of a Council for Sustainable Development and a Sustainable Development Unit. This is very encouraging for it shows that the Government has listened to the views of the people. Indeed, as we pointed out in the two previous debates on sustainable development, the philosophy of sustainable development covers a broader scope than environmental protection. If the Government is genuinely committed to taking this policy forward, it has to take into account a wide range of aspects. I

hope that the Government can really try hard and catch up.

For many years the Hong Kong Government had failed to duly attach importance to environmental protection and lacked a macroscopic vision in carrying out extensive environmental projects. The sequela of this can hardly be cured in one go. I am glad to see that projects under the Strategic Sewage Disposal Scheme, which have been repeatedly criticized by environmental groups and the engineering sector, will be subject to a review. In fact, several Honourable colleagues and I have time and again proposed this before. This has reflected the new initiatives on the part of our new Secretary for Planning, Environment and Lands. I hope that insofar as environmental protection is concerned, the Government can learn from the past mistakes and treasure others' advice in future. In the meantime, I would like to take this opportunity to urge members of the community, particularly the education sector, to be concerned with the cultivation of an awareness of sustainable development. Hong Kong is our home. The Pearl River Delta Region and even the whole earth is also our home.

With these remarks, I support the original motion of Dr LEONG Che-hung.

MR MICHAEL HO (in Cantonese): Madam President, this year's policy address showed that the Chief Executive had indeed racked his brains, trying to put the focus on environmental protection and cultivation of talents against a policy address which lacks substance. The Chief Executive attempted to outline the whole blueprint for ruling Hong Kong and presented his ideas on it. But regrettably, behind his ideas there is not a comprehensive set of plans to realize his ideas. Looking at the policy address as a whole, we can see that the Chief Executive has displayed great ambition but puny ability. We can also see that there is actually not much difference between these proposals and a mouse thinking about tying a ring around a cat's neck. That is to say, there are brilliant ideas but not the way to really put them into practice.

Everyone knows that high technology can be a lucrative business and I

agree that we have to cultivate talents for this pursuit. Yet, if high technology is taken to be the only way for foreign exchange earnings, what about the large pool of workers with a low level of education and skills? Can we solve the livelihood problem of these workers simply by engaging in high technology? In response to the Honourable LAW Chi-kwong during the Question and Answer Session on 7 October 1999, the Chief Executive said, " While we may hopefully expect to see an over 2% economic growth in the second half of the year, the unemployment problem will still be with us until our economic growth regains its vitality. In this connection, we can see that our economy is showing signs of rebound. Having worked hard for such a long period of time, the harvesting season finally arrives."

Here, I must point out two fallacies of the Chief Executive. First, every one knows that when the economy has regained its vitality, it will certainly help alleviate the problem of unemployment. But can unemployment be "resolved" when the economy has regained its vitality? The Chief Executive's assumption is that the problem will be automatically resolved once the economy regains its vitality. I wish to remind Mr TUNG that when he was a Member of the Executive Council, did we not have considerable economic growth? But then, were we not still faced with the problem of unemployment? Our labour market is seriously mismatched and indeed, there are jobs not filled by anyone but meanwhile, there are also jobless people not being able to land a job. Having put forward a myriad of proposals such as the Cyberport, the Chinese medicine port and so forth, the Chief Executive did not seriously formulate plans to specifically resolve the problem of a mismatched labour market at the same time. Such being the case, we will continue to face with unemployment even after the economic recovery. We cannot simply assume that unemployment will be resolved automatically. Moreover, a 2% economic growth is forecast on the basis of last year's extremely bad performance. Therefore, the so-called improvement only means that we are moving from a "very bad" state to a state which is "not so bad". While it can be taken as a sign of our economy regaining vitality, it is still a long way from a real recovery. Furthermore, while economic growth has resumed, we still have to examine the actual rate of growth before we can tell if this can be helpful to alleviating the unemployment problem.

Second, the Chief Executive said that our economy is "showing signs of

rebound". Do we believe this to be the case? Many colleagues have cited a diversity of examples. We may have actually reached the bottom and we may only be getting away from it. But how can it be said that there are signs of rebound? The Chief Executive said that "the harvesting season finally arrived" after we have worked hard for a long period of time. This remarks is all the more astonishing. Is it that the Chief Executive has done everything he can possibly do and that he can no longer think of new measures? Is it that there is nothing more he can do? Is it that he can just sit and wait for the harvesting season to arrive? I think this remark of the Chief Executive, that is "the harvesting season finally arrived", reflected a very horrible mentality indeed. While Mr TUNG does not trust the Democratic Party, there are many people in Hong Kong who can read the economy very well. Can it be that the economists told Mr TUNG to sit and wait for the harvesting season to arrive? I think I have to ask Mr TUNG in the next Question and Answer Session which particular economist told him that "the harvesting season finally arrived".

Lastly, I would like the Chief Executive to look at the labour disputes at the Hong Kong Aircraft Engineering Company, which show that cases of workers' salary being slashed are still prevalent. How can we tell the people of Hong Kong amidst the spate of such incidents that the economy has turned the corner? I would like to remind the Chief Executive that truly we have worked hard for two years, but it is time for us to review our work, not to wait for the harvesting season to arrive. Now, we should further improve proven measures and revise the unsatisfactory ones. We should assess the current circumstances and introduce new initiatives. Never think that there is nothing more we can do and we can just sit and wait for the harvest time. This is the only way through which improvement can truly be made to the economy.

Then, I will turn to my line of work — the medical policy. As a colleague said just now, the policy address has devoted 300-odd words to the discussion on the economy but there are a mere 48 words for the medical aspect. It is because there are less than 50 words on the medical policy that I won a bet with a reporter who then owes me a meal. As we all know, medical matters invariably are a hard nut to crack anywhere in the world and any government will find it to be a headache. We know that a consultation exercise is being conducted on the medical policy but it is rather disappointing that no undertaking has been made by the Government for an overhaul of its medical policy. The last government document on the medical policy is the White Paper issued in

1974 (which is over 20 years ago). Since last year's policy address, the Government has consistently made great play of public consultation but it has not categorically made commitment for an overhaul upon the completion of consultation. Is this in any way different from the consultation paper on "Towards Better Health" issued by the Government in 1992? Insofar as that consultation is concerned, is it not the case that the matter was closed with no definite outcome after the completion of the consultation exercise? What about this consultation? I am not asking the Government to pledge to do anything after consultation. Nor am I asking it to decide on the actions to be taken after consultation. However, can the Government give the people of Hong Kong an explicit undertaking today that it will earnestly reform our medical system which is more than 20 years behind the times. If the Government fails to give us this promise, I would be very worried that this consultation paper may finally end up on the shelf of the library, similar to the previous consultation documents.

Recently, it has been speculated that the Hospital Authority (HA) plans to cut the salary and freeze the salary point of its staff. This is running counter to the "Enhanced Productivity Programme (EPP)" proposed by the Chief Executive last year. In last year's policy address the Chief Executive stated that government departments are required to achieve a 5% productivity gain from next year onwards. But I hope that the Chief Executive and his team of Policy Secretaries will pay particular attention to this. Imagine if the HA can translate the EPP into a programme of pay cuts and freeze, will other government departments simply not follow suit? Then, is it still a programme to enhance productivity? Is it not the case that the EPP proposed by the Chief Executive will completely turn into a salary-cutting programme? Can this be accepted as a means to implement the EPP?

Madam President, this policy address has certainly failed with a low grade. But I very much hope that remedial measures can be taken even after the delivery of the policy address.

Finally, I would like to respond to Mr LAU Kong-wah in respect of Mr Martin LEE's comments on the transfer of Director CHEUNG Man-ye to Tokyo. Just now Mr LAU Kong-wah asked what the difference is between this transfer and that of Miss J A WILLIS to Washington or that of Mr Bowen LEUNG to Beijing. I wish to draw his attention to the fact that both Miss J A WILLIS and Mr LEUNG are Administrative Officers, who belong to the general

grade, not departmental grade. They may be transferred from one department to another from the time they joined the Civil Service until retirement. They are always subject to such transfers and to whichever department. Therefore, it is only natural that they can be transferred to Tokyo, Beijing or the United States. This is always the case for Administrative Officers. In Miss CHEUNG Man-yeet's case, she joined the Radio Television Hong Kong (RTHK) as a Programme Officer and then became the head of channel, Controller, Assistant Director and Director of Broadcasting. She belongs to the departmental grade and she did not start out as an Administrative Officer. Departmental grade officers primarily stay with a certain department for a long period of time and they are not subject to frequent transfers. Furthermore, it is not common either for an officer to be transferred frequently within the Civil Service. If we equate the transfer of Miss CHEUNG to Tokyo with that of Miss WILLIS to Washington, does it mean that Dr Margaret CHAN, who joined the Department of Health as a Medical and Health Officer and worked all the way from Senior Medical and Health Officer, Assistant Director to her present post of Director of Health, can be transferred to Tokyo as well? This is precisely the typical difference between departmental grade and general grade to which Administrative Officers belong.

Madam President, I will not dwell on this matter any longer before you ask me to stop. I very much hope that I will have the chance to debate on this matter with Mr LAU Kong-wah on other occasions.

Thank you, Madam President.

MR HO SAI-CHU (in Cantonese): Madam President, I am not going to repeat the comments my colleagues of the Liberal Party have made on the policy address. In principle, we must support the policy address of the Chief Executive, the reason being that he has accepted everything we proposed. We naturally feel that there is room for criticism, but as my colleagues of the Liberal Party already made known such, I shall not dwell on it again. However, before I begin to talk about social services which is my portfolio, I also wish to touch upon the review of the achievements of the Government in the past two years that appears at the beginning of the policy address.

Hong Kong has doubtlessly maintained the principles of "a high degree of

autonomy", "one country, two systems" and "no change for 50 years" since its smooth reunification with China. Apart from the less than satisfactory position in which we now find ourselves as the result of certain economic factors beyond our control, I think that overall there have been very good achievements, particularly in areas concerning our relations with the Central Government. The policy of the Central Government on Hong Kong, I think, has been implemented in a perfect way; with the exception of defence and foreign affairs, the Central Government has firmly held the line of not interfering with any affairs of Hong Kong.

Nevertheless, when I listened to the discussions by Members over the policy address yesterday, I thought we had travelled back in time, to 10 years ago. What they said then was a bit different, naturally. At that time, they would say that after the transition, Hong Kong would no longer enjoy the rule of law, no longer have freedoms, and it was possible that democracy and freedoms would completely vanish from Hong Kong. I heard similar words again yesterday. They were saying that because of the interpretation of the Basic Law by the National People's Congress (NPC), the case involving the *Hong Kong Standard* and the recent promotion of Miss CHEUNG Man-ye, we would very soon lose the rule of law; and that because the Government did not talk about democracy, Hong Kong would have no democracy, we would gradually lose the various freedoms, and eventually we would end up having nothing at all. I wish to remind all Members that they began harping on such a theme 10-odd years ago, saying that after the transition, we would have no democracy, no freedoms. But their prophesies or fears did not materialize two years ago at the reunification. Now that somethings have happened, and they are stretching their imagination and saying that we are going to lose our democracy and freedoms and that the leadership of Hong Kong would be subject to grave interference from the Central Government; if we still believe their words, I think that we are a bit irrational.

In fact, the citizens of Hong Kong are most concerned about the economic development of Hong Kong, about lowering our unemployment rate. Such comments as I quoted above do not help Hong Kong in the least; on the contrary, they could gravely damage Hong Kong because if they are believed, there could be a reduction of foreign investment, could be another exodus of emigrants, another flight of capital, resulting in Hong Kong people not taking Hong Kong as an ideal place to live, not investing in Hong Kong, not regarding Hong Kong as

their home, nor contributing their effort in a pragmatic manner towards building a better future for Hong Kong. So, whether in economic, political, environmental or education sense, such comments could gravely hurt Hong Kong.

I do not wish to spend too much time discussing the interpretation of the Basic Law by the NPC or any other incidents. But without doubt, they have been hysterical over the promotion of Miss CHEUNG Man-yee, painting a picture that once she is transferred out of a radio station, the radio station will change its way of operation, or lose its editorial independence. This, I think, is open to question. I have been wondering, while those so-called democrats have placed great emphasis on not having the rule of man, and on having a system, why they have imagined that when one person leaves a place, the established system will collapse, something everybody accepts, something supported by the Government in particular, will change. I can hardly understand such logic. Do we hope to return to the autocratic era when a policy hinged on the person? Of course not. Therefore, I think that this is unfair to Miss CHEUNG. This capable officer has been in the field for so many years, and 13 of which as the Director, could we not let her go a step further? Should we not give her a higher salary? If this still appears incorrect, is that then a good management practice? On the other hand, we welcome Mr CHU Pui-hing who is taking over. We have absolute confidence in him, trusting him to maintain the direction of RTHK, to defend its independence and autonomy in a more neutral and more unbiased way, and to further develop the same. I have absolute confidence in him. We do not think there is any reason to connect this matter to any other incident, and to fabricate a conspiracy theory to say that our freedom of speech will surely suffer a grave setback in the future. System is important, and this is not a matter of an individual person. As to the suggestion that she should carry on with her job, as Mr Michael HO just mentioned, I do not agree. We all know very clearly that Dr E K YEOH was a Medical Consultant of the former Medical and Health Department, why did he become the chief executive of the Hospital Authority? Why was he recently promoted a Bureau Secretary? All these things are reasonable and sensible, and surely they must be. Only thus is good management. On this note, I shall turn back to what I should be saying.

In his third policy address, the Chief Executive mentioned nothing new

about the elderly policy. However from the Progress Report it can be seen that over the past one and a half years, the Government has started work on many aspects of elderly service, and certain of the work has been rather effective. There has been an increase of 3 500 subsidized residential care places for the elderly, thus shortening the waiting time from the previous 28 months to 18 months. The number of licensed private homes for the aged has increased from the 41 as in April 1998 to 242 as in August 1999, nearly sixfold. The increase in the number of licensed private homes for the aged reflects the rising standard of services of such institutions. However, the Government should tighten their supervision so as to ensure the operation and services of such private homes for the aged will maintain at a high standard.

With an ageing population, we cannot rely on building homes for the aged alone to solve the problem. The Liberal Party deems that the Government should encourage old people to live with their offspring, and spend their twilight years with their families. Though the Government has measures in place to encourage the elderly to live with their families, such as the policy to give preference to families with elderly members in applying for public housing, the progress in this respect has been very slow. It is the Government's plan to shorten the average waiting time for these families from five and a half years to two years by 2007. As the Government intends to encourage the elderly to live with their children, why does it need to take eight years to implement the policy? At present there are only two elderly day-care centres, and the number will be increased to seven only by 2001. The Liberal Party deems that, to implement the plan to have old people living with their families, it is necessary to strengthen support services to give adequate assistance to such families. We think that the Government should do its best to provide supporting facilities such as day-care centres in all the districts so as to ensure that old people will enjoy proper care in the daytime to lessen the pressure on their families.

The Government should also raise the standard of service of home helpers to ensure that the elderly living at home would receive proper care. This will further reduce the demand for elderly homes. The Liberal Party supports the Government in out-sourcing the meal service of home helpers by tender, and to transfer the home care services to non-governmental organizations (NGOs). This will not only reduce the service cost to the Government, but will also free valuable resources for other elderly services. The Government should expedite the relevant plans, to entrust the home helper services to private or NGOs. The

Government, however, should at the same time strengthen its supervisory role so that all out-sourced services will be of a high standard.

The problems of staff shortage and the uneven quality of health care workers in elderly homes must not be overlooked. In the past many homes for the aged complained that they had difficulties in recruiting adequate staff even in the face of high unemployment, some of them even resorted to importing foreign labour. The Liberal Party thinks that the Government should look at such issues seriously and come up with effective human resources policies to solve the staff shortage problem of the elderly homes. The Government has indicated that the relevant survey was concluded and has undertaken to put forward proposals by the end of the year. The Liberal Party will follow the development of the issues closely and will continue to make proposals to the Government.

Madam President, the elderly problem will become more acute the older our population grow. The Government must now adequately prepare itself to handle the increasing number of old people. At the same time as residential care places for the elderly are increased, other measures should also be considered to enable our senior citizens to enjoy their old age at home or in a familiar environment so that their dependence on elderly homes will be reduced.

I also like to make the following comments on the expenditure for the overall social services. Generally speaking, in the face of the present recession, more resources need to be put into social services because the demand for such services is bound to increase. In view of our present economic position, with a bigger fiscal deficit, however, the Government may find it difficult to meet the demand for more resources for social services. In such circumstances, we should ensure that those with genuine needs are given proper care. We should on the other hand crack down on those not with genuine needs and with the ability to afford such services who obtain money by taking advantage of the loopholes in the system. We must do our best to ensure all resources are properly used to give solid assistance to those with genuine needs.

With these remarks, I support the original motion.

MR ALBERT HO (in Cantonese): Madam President, the blueprint for the

administration of Mr TUNG Chee-hwa is clearly economy-based. He is looking at the difficulties confronting Hong Kong with his "bird-cage mentality" as an ordinary businessman, blaming the economic transformation and the Asian financial turmoil for every and all of our hardships. Once our economy revives and keeps developing, so it appears, everything will be solved. We shall leave any judgment on such a view for a while, but Mr TUNG has forgotten that while the Asian financial turmoil can be attributed to external factors, its onslaught is inseparably linked with the corruption and decadence given rise by money-and-power politics and the feudal culture of Asia. The economic development in Hong Kong in recent years which has been excessively dependent on, and too much restricted to, the real estate and the financial industries, together with the overheated speculation activities in the face of Hong Kong's own economy development and the "bubble economy" of the Asian region, have brought the economic setback we are facing today. All these have something to do with the shortsightedness of the former colonial government and the lack of democratic checks and balances.

The world-class city image envisioned by Mr TUNG Chee-hwa is: A concentration of talent, a prosperous economy, full of vitality, and continued innovation. Of course this is a picture of the future everybody wishes to see. We naturally accept the importance of knowledge and education, and agree with the principle of "cultivating talents for a knowledge-based society". As with the objective of "improving and conserving the environment in pursuit of sustainable growth", there is no reason for the Democratic Party not to support it. However, we think that the strategies and direction as espoused in the policy address for the achievement of such objectives are obviously somewhat misdirected and inadequate. Mr LAW Chi-kwong, Mr CHEUNG Man-kwong and some other Members from the Democratic Party have already spoken on this aspect, so I shall not repeat their points here.

What I wish to stress is that Mr TUNG seems to think that lofty economic objectives and ideals are sufficient to provide psychological relief with which the citizens can get through the current depressing difficulties to embark on a smooth and splendid great path of the future. But there is no tomorrow if there is no today. The 200 000-odd unemployed people and their families had eagerly awaited some strategies or schemes in the policy address of the Chief Executive to relieve their immediate hardships. But what we got are some remote and grandiose projects that are beyond our reach right now, and some sympathetic words. There are no measures whatsoever to deal with the present unemployment issue. How disappointing! In the many years in the past when

I worked at the district level, I met many people seeking assistance. But never had I seen such a vast number of worried and helpless citizens looking for help. Among them many are seeing a completely gloomy future and feeling depressed because of their unemployment and the tightening up of the CSSA policy. Has the Chief Executive attempted to understand how they now feel as well as their situation so as to lend them a helping hand?

As I just said, we think that the overall administrative direction of the Chief Executive is basically economy-oriented, lacking any care for people's livelihood, not to mention the establishment of a policy of administration that is people-based or that treasures humanistic values.

Looking back at the idea of government of the Chief Executive in the past two years, from the discussions on health care financing to the proposal to charge for emergency ward services, from the preliminary suggestions regarding the reform of the Civil Service to the launching of the EPP, from the tightening up of CSSA eligibility to the adjustment to the housing policy, we can see they all invariably take economic benefits as the paramount consideration. Even when the Chief Executive mentioned the urgency of urban renewal, he gave me an impression that he was more interested in the land of the old areas than improving the abominable living environment the inhabitants concerned have to put up with. Today in his process of going toward the "world-class city project", he has placed the emphasis on education and environmental protection which throughout the entire policy address have been taken for their value as means, and not for their intrinsic value as the end. We think that he has already made up his mind that over the issue of education, specialists come before generalists, technology supersedes science, science subjects prevail over humanity subjects, application beats theories, and economy is stressed at the expense of people's livelihood or all social policies.

Could such breadth of mind, such philosophy enable Hong Kong to become a world-class city? We doubt very much. We must be perfectly clear about a most basic philosophical issue, and that is, man is not merely an economic animal, man does not exist merely to service an economic objective. Each is an individual with his or her own independent value, personality and a meaning for existence.

Doubtless, his philosophy of governance could be traced to his value

judgment. The impression he has given us is that he is ruling Hong Kong in a feudalistic and patriarchal manner heavily tinted with an oriental flavour, the way he would manage a holding company. Let us just look at some of his performance in government:

First, he has doggedly resisted popular political participation. Since taking office, not only has he consistently and repeatedly ruled out any review of the political system and quicken the pace of democraticization, but he has also taken the retrogressive step of reviving the appointment system in district boards as well as abolishing the two Municipal Councils that carry historical significance and allow democratic participation, vesting all powers of the abolished councils in the Government. Such action has pushed back democracy and dealt a heavy blow to the force of democratic development. He has done so flying in the face of Article 25 of the International Covenant on Civil and Political Rights which provides that citizens of signatory countries are guaranteed to have the right of participating in public affairs through elections.

Mr TUNG further fully utilizes the advantage given him by the design of the political system in the Basic Law. Not only does he practise the "executive-led" way of government, but he has also high-handedly confronted the Legislative Council, continuously reducing the room for the Legislative Council exercising checks and balances on the Government. Members can see that the Government has repeatedly challenged the Rules of Procedure made by this Council. Even amendments we passed have been subject to repeated threats that they could be judicially challenged for possible violation of Article 74 of the Basic Law.

Second, insofar as the "big patriarch" in the Beijing Central Government is concerned, the Chief Executive has given outsiders the impression that he has been subservient to Beijing. Further, in order not to displease the Central leadership, he has been trying to second-guess the intentions of the leaders, resulting in many decisions that hurt the interests of Hong Kong, including:

- (i) Refusing a visit to Hong Kong by the Pope for religious activities;
- (ii) Refusing visas to certain people intending to come to Hong Kong for

academic exchange. Such decisions have greatly undermined the image of Hong Kong as an international free city;

- (iii) The Chief Executive has unreasonably refused to help the three-tier popularly-elected representative bodies of the Hong Kong Special Administrative Region to establish working communication and co-operation relations with local governments or corresponding boards and councils on the Mainland, making it difficult for the two to build up relations that can have any permanence in the system.
- (iv) Lastly, I cannot but talk about the transfer of Miss CHEUNG Man-yeet out of RTHK and her exile to Japanese. (We use the word "exile".) To many outsiders, this is a punishment for allowing Mr CHENG An-kuo to talk about the "two states" theory on RTHK. Though some Members have pointed out the transfer of Miss CHEUNG is a promotion for her, I think that such a claim is something aimed at deceiving people as well as themselves. People and history will pass a fair judgment on this incident.

Third, the Chief Executive and the Government have a weak sense of "high degree of autonomy", human rights, freedom and the rule of law. Over the issue of the interpretation of the Basic Law, in order to achieve his objective, the Chief Executive did not hesitate to undermine the cornerstone of Hong Kong's prosperity, that is, the rule of law (these are his words). The Government not only did not guarantee that the incident would not be repeated, but also through the mouths of officials pointed out to this Council that on any future case before the Court of Final Appeal that involves the power of interpreting the Basic Law, the SAR Government has, and also reserves, the power to approach the Standing Committee of the National People's Congress for an interpretation, whether before, in the process of or after the trial and judgment, and all articles of the Basic Law are so covered, including the stipulations relating to the "high degree of autonomy" of Hong Kong. Doubtless, such stand and policy have greatly undermined the entire judicial system of Hong Kong. Naturally, the case of the *Hong Kong Standard* mentioned by a number of Members has made the citizens of Hong Kong think that we have two sets of law, one for the employers and the rich, the other for the employees and ordinary people. How seriously our whole rule of law has been hurt!

Fourth, the Chief Executive does not have the courage to defend the "high

degree of autonomy" of Hong Kong under the "one country, two systems" arrangement; nor does he have the breadth of mind to let Hong Kong play the role of an intermediary to remove some of the tension in the relations between the two sides of the Taiwan Strait. The way the SAR Government handled the incident involving Mr CHENG An-kuo had blown away Hong Kong's previous function and capacity as a buffer for the two sides now having a very much strained relationship. The Chief Executive was as hesitant as the Central leadership, and similarly showed no genuine care, over the matter of disaster relief for Taiwan. Fortunately, civic organizations and NGOs in Hong Kong showed the sentiments that blood was thicker than water, thus drawing closer the Hong Kong under Chinese sovereignty and Taiwan, removing the estrangement in the relations between the two places. In the face of the big international trend of democracy and openness, and seeing the democratization of South Korea and Indonesia, the Chief Executive does not have the moral courage to urge greater democracy, openness and modernization for the Central and the Mainland. All he seeks is for Hong Kong and its citizens to drop the monkey of 4 June off their backs. He even strongly criticizes some of us for "opposing whatever China".

Fifth, in economic and administrative management, the Government has refused to enact a fair competition law, but instead protected and favoured the vested interests of big businesses. The Cyberport case has made people think that the Chief Executive is repaying a favour, violating the principle of fair competition.

The overall political situation that the Chief Executive "uses only those close to him" and "stresses business at the expense of the citizens" reflects that Hong Kong has sunken into the evil pit of "money-and-power politics". If Hong Kong develops with the governance culture and mode of Mr TUNG, can it eventually become a colourful world-class city like London and New York, with a concentration of talent, a prosperous economy, and full of vitality? Indeed, we would worry that Hong Kong will lose its past brilliance.

Our future way out hinges on the establishment of an enlightened

democratic system and a political culture that is people-based, that values popular participation. Such a free society will generate new creativity and vitality which will in turn focus the collective mind of all citizens of Hong Kong on the development of the future of Hong Kong.

I support the amendment moved by Mr Martin LEE. Thank you, Madam President.

MR AMBROSE CHEUNG (in Cantonese): Madam President, my speech today will mainly centre around three issues: The first is the Chief Executive's convictions on administering Hong Kong; the second is the tourism industry; and the third the privatization of the Mass Transit Railway Corporation (MTRC).

In para 172 under the Conclusion of his policy address, Mr TUNG put it in very explicit terms his convictions on the administration of Hong Kong in his platform entitled "Building a 21st Century Hong Kong Together" presented in 1996 when he was a candidate in the election for the Chief Executive. The platform covered four aspects, the first one being the emphasis on a free economy. No mention was made as to matters regarding democracy and human rights. We can also see from his past policy addresses that the Government is commendable for its free and open policies on the economic front; but it is indeed very conservative on the political front on such issues as democracy, political system and human rights. The economic train and the political train should run in parallel. But the political train has slowed down, or even halted and then engaged reverse gear. Now the two trains are going in opposite directions. There is no knowing when they will meet again.

Madam President, I also wish to talk about our tourism industry. We can see that the Government has implemented many policies to boost our tourism industry in the past few years. Resources and manpower have also been increased with the creation of the post of Commissioner for Tourism to co-ordinate its development. As a matter of fact, in the difficult economic circumstances of the past two to three years, the Government has been doing quite a good job in protecting and promoting our tourism industry. However, for the benefit of the continued development of the industry, I hope that the Government would consider a number of my proposals.

The first concerns mainly the role of the Government. There are

arguably countless proposals and concepts concerning the tourism industry, many of which are quality ones. The problem lies in co-ordination in the sense that how priorities should be set, and resources deployed. If it is facilities, such as theme parks which can be categorized as hardware, the Government could make some investment; but in respect of others, the Government might wish the industry itself or some private investors to make the investment. As I see it, it is very important that the Government should create an environment conducive to such investments. Therefore the Government must play a co-ordinating and leading role.

Secondly, I suggest the Government set up its own research centre, even an independent policy research centre, on the tourism industry. Why? Indeed, our tourism market has seen changes in the past decade and more: Visitors from mainland China and Asia account for 75% of our tourists, only 25% are long-haul and international ones. How long can this be maintained? Five years, 10 years? We really must study carefully because we hope that this 75%:25% ratio can evolve into a healthier one of 65% from the China and Asian region and 35% from the rest of the world. However, when our market develops in this direction, we must examine if our resources in terms of scenic attractions, facilities and service can match market changes in the three, five, seven and 10 years to come. Certain facilities for international visitors, for example, will only be completed after five or seven years, but by that time our market might have changed again, in that case we will be unable to catch up with the market trend.

Thirdly, I suggest that the Government should carefully consider the matter of priority. When we talk about tourism, we would talk invariably about scenic attractions, appeal, service, facilities, hardware, software and talent. But if we focus our attention only on the hardware, each item might involve huge resources, expenditure to the tune of several billions or scores of billion dollars might be incurred. However, should we in fact embark on such a path? I think that with our existing foundation, we are perfectly able to enhance our appeal without deploying that much resources. This foundation naturally includes our reputation as the Pearl of the Orient, the gourmet's paradise, a meeting place of the East and the West, culture and relics, and the convenience offered for shoppers; all these and some others add up to give us an edge. Tourism involves an integration of all the components. Some people have said that we are no longer a shoppers' paradise, and that insofar as shopping is

concerned, many other places are now better than Hong Kong. But I must stress that tourism involves an integration of all the components, and we must not merely look at any particular facility in isolation. With our existing foundation, the Government needs only to take certain short-term administrative measures and throw in a little resources, we do not have to spend \$3 billion or \$30 billion on every single facility, to produce the desired result in a short span of three, five or seven years.

My fourth proposal is to enhance the role of the Commissioner for Tourism. The Government might not wish to set up a policy bureau for tourist affairs, but I hope that the role of the Commissioner could be enhanced gradually along with the operation of the present setup. Otherwise insofar as co-ordination and leadership are concerned, the Government would not be able to achieve the desired objectives. Besides, I hope that a tourism strategy group could be set up under the Commissioner. With experience gained after some time of operation, the group could also consider co-opting more professionals and talents who know tourism, eventually having itself upgraded into an advisory committee; it might even be considered to have a bureau secretary or the Chief Executive himself chair the meetings of the committee to discuss the development of the tourism industry.

Madam President, the issue of a theme park must be mentioned along with the tourism industry. Here I wish to praise the Government. The *South China Morning Post* reports today that the Financial Secretary said two things when he talked about the negotiations for the theme park: the first is that the Government does not intend to extend the negotiation deadline of 31 October; the second is that we either have an agreement by 31 October, or there is no agreement at all. I think this is a clear stand; and such a negotiation strategy should win our applause. In the past month or more, we have seen a lot of information, a lot of data, including the report in the *Wall Street Journal* on the arrangements regarding the investment and various deals of the Disney theme park. Where does such information come from? As it is from the *Wall Street Journal*, I believe the leak is not at this end in Hong Kong. But if this situation continues, how long will the negotiations drag on? Indeed, are we out of choices? The answer is that we do have choices which we have already talked about, such as the idea of an entertainment city like Atlantic City and Las Vegas. I personally do not favour the suggestion for a gaming city. But apart from casinos, there are many other entertainment and recreational facilities the experience of which

we can borrow, such as the Universal Studios or the Warner Brothers Studio in Australia. These are our choices. With such choices, we can, in the process of such important negotiations, not only draw a clear line in terms of the timeframe, but also consider if we need to limit the negotiations to such a narrow scope.

The Chief Executive mentioned his hope that Hong Kong could be comparable with London or New York. From the point of tourism industry, London and New York are very much vibrant cities in the areas of cultural activities, the art, entertainment and sports, apart from their economic and financial sectors that bring them many business visitors. If we compare London and New York, we can see that both cities have a number of entertainment districts, such as the West End, or even the off West End of London, Broadway and off Broadway in New York. Apart from this, what are the similarities between these two big cities? Both of them have huge tourist areas not too far away. From London one can go to many tourist destinations in the British isles and continental Europe; two hours by car will bring you from New York to Atlantic City, or two hours by air to Disneyland, the Universal Studios and many others in Orlando, Florida. Thus we can see that both London and New York do not have their own theme parks. London's theme park is in Paris, France, and New York's in Orlando, Florida.

This is the experience we can draw on. However, when we consider the feasibility of having our own theme park, I hope that the Government would clearly know that we need a good agreement. I support its construction; I also support the Government as a partner in a joint venture when necessary because I believe that in a mere six months no private corporation can solve the host of planning problems relating to land, railway and road network, reclamation and financing, and yet at the same time negotiate with the relevant organization of the theme park. Under the circumstances, the Government needs to take the lead. I hope that soon after that the Government would list the project as an infrastructural item on the stock exchange to enable easy investment in it by citizens so that the required capital can be raised quickly. The whole project could also be handed over to a private corporation. In the present circumstances, we must stress that the controlling stake and decision-making power should rest in our hands, while the operation and management should be left to the professional theme park company.

If we really build this theme park, where will the third Asian theme park

be located? Of course we hope it will be in China. It is naturally impossible to bind the Disney company not to build another theme park, but we can encourage them to choose China when they do in the future.

Madam President, I would also like to briefly touch upon the issue of the public listing of the MTRC. I think that the main purpose of the MTRC listing is not to deal with the fiscal deficit. Indeed among government assets, the MTRC offers the best investment opportunity. If its public listing is successful, a host of other assets, such as the airport, the Kowloon-Canton Railway Corporation, the waterworks and postal service can similarly be listed. Such an approach is very important, and it can internationalize our stock and financial markets. At the present time, in terms of capitalization, Hong Kong's is the 10th biggest stock market worldwide. When the facilities mentioned above are all listed, the position of our stock exchange can be elevated to the fifth or the sixth position. I support the development in this direction.

Thank you, Madam President.

MR CHAN KWOK-KEUNG (in Cantonese): Madam President, the policy address has painted us a very beautiful picture. The Government plans to spend over \$30 billion in the next 10 years to improve the environment and air quality of Hong Kong, to emulate New York and London, turning Hong Kong into a tidy, comfortable and nice place we can proudly call home. By that time, we can enjoy ourselves on both sides of the Victoria Harbour day and night.

This wonderful scene, however, can hardly be enjoyed by the citizens right now because they see quite a different picture: the unemployment rate in Hong Kong tops 6.1%, with over 220 000 people out of a job; unemployed young people roam the streets as street sleepers; many families are retrenching, leading real hard lives.

The citizens find it difficult to relate their current situation to the future scenario. The policy address tells us that we can have both wealth and the environment. However, on the current problems in the economy and employment, the Government has mentioned not one word. How can it instill confidence in the populace? If the Government is still unable to do anything in employment, even the two pictures can be linked and we shall have a beautiful

city tomorrow, we remain in our difficult straits today.

We hope Hong Kong can become a pollution-free city. That the policy address devotes considerable space to environmental protection shows the degree of importance the Government attaches to this issue. However, the Government's focus is on how to address the various existing pollution problems, without mentioning any specific preventive measures. Thus it can be seen that the environmental protection policies of the Government are passive, remedial, without going to the root of the problem and without any active initiatives in prevention. Its entire philosophy of environmental protection is still single-tracked and narrow, and not a diverse and broad one. I say this because the Government has failed to combine its policies on environmental protection with those on employment in that it has failed to abide by the principle of implementing measures to protect the environment on the one hand, and to protect the employment opportunities of local workers on the other.

The Government should not talk about environmental protection in isolation. It should combine its policies on environmental protection with those on employment. This not only serves to find a way out for our economy, but is also an important approach towards balancing our economic structure. For the past 20 years or so, our economy has depended mainly on the financial and real estate sectors when the manufacturing industries withered abysmally, resulting in conspicuous lopsidedness in our economic structure. Came the financial turmoil, and our economy was obviously set back. To balance our economic structure, we must have our own healthy manufacturing sector.

Are environmental protection policies totally unrelated to those on employment? Absolutely not. If the two are optimally combined, investment would be spurred, so would economic growth and creation of job opportunities. Right now the environmental protection industry has enormous potentials. One or two years ago, the total turnover in the environmental protection market worldwide exceeded US\$400 billion. It is anticipated that by 2000, the amount would reach US\$600 billion. The development of the environmental protection industry has provided huge employment opportunities to other industries like construction, environmental engineering, environmental protection products and services.

Protection of the environment is the inevitable trend in our future life. It

affects our life and habits, changes the way we live, and also results in the replacement of some of our consumer goods. For example, washing powder previously contained phosphate which polluted the seas; zeolite has now replaced phosphate to produce non-phosphorus washing powder. China is a major source of zeolite and so has become a major exporter of non-phosphorus washing powder, and zeolite production has become an emerging industry on the Mainland.

The majority of Hong Kong citizens do not know about non-phosphorus washing powder. If promotion can be given to this environment-neutral product, I believe many citizens will buy it. If a product turns out a profit, it will bring new development to the manufactories. Washing powder is not alone that needs replacing, many things like building materials need substitutes. Environmental protection raises the citizens' demand for a better living environment, this in turn moves the manufacturing industries to produce new products to replace old ones, thus creating many job opportunities. In view of this, the Government should take positive measures to encourage local manufacturers to produce environmentally-friendly products by way of, say, tax concessions.

In respect of the environmental protection industry, the Government should not only link environmental protection with employment and give assistance to the industry, but should also assist the recycling industry. The Government is now simply embarking on environmental protection, but at the same time it allows the continued damage of the environment. Mammoth quantities of waste have not been recycled every day, but dumped at landfills. This is a huge waste.

We suggest that the Government should assist the recycling industry. This will reduce the waste of the resources of planet Earth on the one hand, and on the other hand, the environmental protection industry, as an emerging industry, will provide big low-technology employment opportunities to low-skilled workers. According to a survey conducted by a magazine, there are over 70 000 recycling undertakings in the whole of the United States, employing about half a million workers. At present, Hong Kong has 1.6 million workers with a Form Three education level. They are low-skilled, less educated and thus less competitive, how can they be provided with job opportunities while we are developing high-technology industries? By assisting the recycling industry, the Government can offer them a good chance.

The Government should copy the approach employed in foreign countries

and grant a certain amount of subsidy to the local recycling industry. It is indicated in the policy address that the Government will supply land to the waste paper recovery and recycling industry. However, land alone is not sufficient. Recently, the Government has leased the old airport to 20 waste paper recovery undertakings at nominal rents; but inadequate electricity supply there has compelled the operators to resort to manual instead of machine operation, affecting the volume of paper recovered. Can the Government do something in this respect? Can the Government provide adequate basic water and electricity supply when large area of land is made available? Secondly, the Government should supply information and technical assistance to the operators so that they can acquire timely market information in respect of recycled products in China and overseas countries, and also the necessary technical know-how. Thirdly, tax breaks should be granted to operators in the environmental protection industry. Further, the Government should take the lead in using the merchandise produced by the local environmental protection industry so as to support and boost the local environmental industry.

Lastly, an effective system of recovery helps recycling. The recycling rate in the British city of Bath is very high because of the active participation of the residents. If the Government enhances publicity and provides sorting facilities in public places and homes to separate paper, tins, glass and plastic bottles, it will help recycling and will also increase job opportunities. I believe citizens would be happy to participate.

Let me now turn to the issue of civil service reform. Although the issue is mentioned only briefly in the policy address, it does give us a message. Mr TUNG Chee-hwa, the Chief Executive, promised that in the process of the reform and productivity enhancement, the Government would do its best to avoid staff redundancies as far as possible. This message is conducive to smooth reform of the Civil Service and it also goes a long way to stabilize the civil servants' confidence in the Government.

I remember the considerable repercussions in the Civil Service when in

last March the Government published the consultation document entitled "Civil Service Reform" without adequate prior consultation with civil service organizations. At that time, civil servants took to the streets every week to express their unhappiness. I stressed time and again that before such significant reform the Government must first consult the whole community, let the people discuss the issues among themselves. Things must not be hastily done, nor should any attempt be made to achieve a *fait accompli*. I moved a motion last June asking the Government to consult civil service organizations and to implement any reform only after it was supported and accepted by the civil servants. Now it is pointed out in the policy address that when specific proposals are formulated, the affected staff will be extensively consulted, and the views of the various central staff consultative councils will be carefully listened to. So the Government has amended its past way of making no consultation, I welcome this change of attitude. However, I hope that the Government will abide by its words and really let civil service organizations take part in the reform process, respect and accept their opinions, with a view to jointly working out a reform scheme that is acceptable to both sides and has a stabilizing effect on the long-term administration of the SAR.

I am also very much concerned about the privatization and corporatization of certain government departments. The policy address indicates that the Government would focus its effort first on the privatization of the Housing Department and housing estate management, while those involving other departments will be deliberated in more detail. The Federation of Trade Unions thinks that now is not the opportune time for the Government to implement privatization and out-sourcing of services, particularly when our economy is yet to emerge from the bottom of the recession, with a persistently high rate of unemployment, weak consumer spending, and when our various industries and businesses still await an upturn. Privatization and corporatization will not only create destabilizing factors in the Civil Service, but also result in mass redundancies in the process, adding to the huge army of the unemployed. Therefore we think that the Government should shelve any privatization scheme for the time being so as to avoid social instability.

On the issue of privatizing the Housing Department estate management

work, the Government should consult the staff concerned. The Housing Authority has set up a special group to study the proposal, and staff representatives have been invited into two sub-groups (the "Staff Company" and the "Sixth Self-Reliance Scheme" sub-groups). However, while the staff are most concerned about the job transfer arrangements and the compensation package, they are not involved in the work of the relevant sub-groups. We think that staff representatives should be allowed to take part in all discussions to make staff-side views known. The doors should not be shut on them.

Apart from the Housing Department, I am also concerned about the privatization of the Water Supplies Department. This idea has long been brewing within the Government. Not only was it mentioned in this year's Budget speech, consultants were also commissioned for a feasibility study. However, in the whole process so far, the staff of the Department have not had any opportunity of participation. Their concern has not only been about how their jobs will be affected, but also about whether there is any need to let private companies take over the water supply service. As privatization is not a fairy tale, and it may result in sharp increases of water charges and difficulties in ensuring water quality, I hope that the Government would listen to more views of civil service organizations when handling these issues, and would consider the timing of and support for the proposal, putting the overall interest of the community first.

Madam President, I so submit.

DR YEUNG SUM (in Cantonese): Madam President, Members from the Democratic Party made a lot of criticisms and suggestions yesterday in respect of the Chief Executive's third policy addresses. Today, I mainly wish to look at the policy objectives of the past two years. I believe Members will all remember that when the Chief Executive first took office, he often stressed that issues were overly politicized in Hong Kong to its detriment. That was why after taking office he wanted to de-politicize Hong Kong.

In the past two years, we witnessed the Chief Executive deliberately

reducing the frequency of his appearance before the Legislative Council, allowing only three Question and Answer Sessions each year. He also seldom entertains media interviews, resorting to using the Information Co-ordinator to make known his stand over individual incidents.

Apart from the low profile of the Chief Executive, we also see that in formulating policies, he has also deliberately restricted the scope of development for a democratic political system in Hong Kong. No sooner had he taken office than he hinted that the framework and functions of the Municipal Councils would be reorganized; this was soon followed by his explicit indication that the two Municipal Councils would be abolished, with all their powers being reverted to the SAR Government, thus stripping the citizens' elected representatives of their right in the management of local municipal, cultural and recreational services.

The Urban Council is the first regional organization to have elected representatives. The Regional Council contained elected elements upon its inception. Later developments resulted in the two Municipal Councils being fully returned by elections, their members also elect their representatives to the Legislative Council. In Hong Kong, the two Municipal Councils are paradigms of elected councils with both executive powers and financial independence; they are also an important component of Hong Kong's constitutional framework. When the Chief Executive said the two Municipal Councils had to be scrapped, then the two Councils will be scrapped; when he ruled that the citizens' right to elect their Municipal Council members be revoked, that right will accordingly be revoked. No consideration has been given to deciding the continued existence or otherwise of the two Municipal Councils by way of a "one-person, one-vote" referendum. This is evidence that the Chief Executive has been acting in a way completely ignoring public aspirations.

The two Municipal Councils provide a very good channel for public participation in the management of local affairs. The citizens elected their representatives to the Urban Council and the Regional Council which provide municipal, cultural and recreational services to the people at the regional level, exactly in the same manner other democratic and open places have their local councils, signifying delegation of powers by the central and giving the citizens an opportunity to take part in politics. To abolish the two Municipal Councils is to deprive the people of their opportunity of participation in the management of local services, to kill popular participation in politics.

The abolition of the two Municipal Councils is the elimination of the right

and opportunity of the citizens to participate in public life, in contravention of Article 25 of the International Covenant on Civil and Political Rights stipulating that the right and opportunity for citizens to take part in public life should be protected. The two Municipal Councils are to be abolished on the words of the Chief Executive, this, obviously, is designed to reduce the citizens' opportunities of participation in political development, so as to dovetail with his policy of de-politicizing Hong Kong.

Having made the proposal to abolish the Municipal Councils, the Chief Executive immediately revived the appointment system for the district boards, attempting to use appointed members to constrain, or in the terminology of the Chief Executive, to balance, the views of elected members, and to further reduce the opportunity of democratic political participation. The Chief Executive has not honoured his words to expand the functions of the district boards which will stick to their old consultative framework without any executive authority over local management. This shows that the Chief Executive is not willing to share powers. His intention of having the Government to monopolize all the powers is just too apparent.

At the level of the Legislative Council, the Chief Executive has been reluctant to review the political system. His aim is to slow the pace of development towards a fully and directly elected Legislative Council so that the clique and faction of loyalists elected through coterie elections can form an unholy alliance in the Legislative Council to defend and support him.

The Chief Executive only uses people close to him when appointing representatives to public bodies and consultative organizations, filling them only with yes-men as far as possible so as to have less opposing voice, fewer people with dissenting views within the consultative system of the Government in order to reduce divergence of opinions to achieve a political environment of unanimity. For this purpose, even Miss CHEUNG Man-ye, Director of Broadcasting, is "to give way".

What undesirable consequences have been resulted from the series of

measures and policies implemented by the Chief Executive in the past two years to de-politicize Hong Kong?

De-politicization results in concentration of powers in the Government; in government officials not having to heed the opinions of the citizens; in the likelihood of public policies being out of tune with public aspirations; in possible favouritism and back-room deals; in lack of transparency in government operation; and in lack of supervision. These undesirable results will breed their own undesirable results which include incompetence on the part of the Government to solve problems and less public confidence in the Government. With such a vicious circle, the citizens will not actively support government policies, and the Government will meet difficulties in launching any policies to initiate economic and social reforms, then social problems will gradually deepen and worsen.

We see that the third policy address of the Chief Executive has totally failed to respond to the aspirations of the citizens, nor has it addressed issues of public concern. This is obviously one of the consequences of the deliberate de-politicization instituted by the Chief Executive.

A depressed political environment can easily breed confusion in society which in turn will make it harder to create good conditions for economic transformation, make it slower to carry out social reforms. Everything will produce the opposite effects. How then can he lead us into a new era of making Hong Kong an ideal home?

Therefore the Democratic Party has always stressed that Hong Kong needs to have a political framework whereby the general public can get involved, including the election of the Chief Executive, the Legislative Council and all levels of representative bodies by full direct elections. On this solid democratic cornerstone should be built people-based economic and social policies to meet social needs so that the entire citizenry can go forward in unison.

The Democratic Party has been fighting for full and direct elections to the

Legislative Council since an early date. A fully and directly elected Legislative Council is also a promise in the Basic Law. Unfortunately the motion proposed by the Democratic Party in the last Session to amend the relevant legislation to enable full and direct Legislative Council elections was disallowed by the President, and was not moved in the Legislative Council. The method for forming the next Legislative Council has already been decided.

Nevertheless, the Democratic Party is of the opinion that the Government is duty-bound to conduct an overall review, an extensive consultation and a public opinion survey in respect of the future development of Hong Kong's political system, including the method for forming the third-term Legislative Council, and that for selecting the second-term Chief Executive, so as to win public support. The Government should also allow as soon as possible universal suffrage to elect the Chief Executive as well as full and direct elections to the Legislative Council.

I repeat, with public approval, the Government should as soon as possible activate the mechanism to amend the Basic Law to allow "one-person, one-vote" universal suffrage to elect the second-term Chief Executive and third-term Legislative Council so as to establish a democratic political system for Hong Kong at the earliest possible date.

Madam President, I would like to turn to the elderly services. At the time of reunification in 1997, Hong Kong was doing magnificently economically, and the Chief Executive in his first policy address set his mind in shaking up the elderly services, promoting a sense "of security", "of belonging" and "of worthiness" for the old people. However, a review of the affairs in the past two years has shown that better elderly services and elderly welfare remain mere lip service and there has not been much improvement to the quality of life of our senior citizens. I would try to give a few examples to illustrate this.

First, after the reunification, the Comprehensive Social Security Assistance (CSSA) for old people has been increased by \$380, but at the same time the \$550 of new year gratuity and recreation allowance was eliminated. Come this year, the Government has further tightened the CSSA Scheme, requiring applications by old people to be examined in conjunction with an assessment of their family members; CSSA will be suspended if their family members refuse to be assessed or to apply for CSSA at the same time. Many

old people applying for CSSA live with their children whose income can "just feed" themselves; while such children are not willing to apply for CSSA, they cannot afford to support their parents. Under the new regulation, these old people have no choice but to give up CSSA and depend on the meagre income of their children. Hong Kong owes its present prosperity to the contribution of our senior citizens in their prime years. Now they have aged and are leading a hard life. This is the time we paid them back. The Government should not ignore the hardships of the elderly merely for the purpose of cutting public expenditure.

Secondly, the present elderly policy is to let the old people spend their twilight years in their own community as far as possible. This is a good policy direction. But the Government has not deployed sufficient resources for community care, and so far has only set up two support centres for elderly care, elderly activities centres and multi-service centres, to provide various community care services to the elderly. Full subsidy has not been given despite a promise by the Government in 1998. The policy address suggests that a uniform assessment mechanism will be in place at the beginning of 2000-2001 to gauge the needs of the elderly. Under the new mechanism, the eligibility of old people for residential care service might be tightened, possibly resulting in more old people being assigned to live in their own communities. If community support is inadequate, then the new measure will mean consigning the elderly to neglect in their respective communities. I hope that the Secretary for Health and Welfare would provide sufficient matching services, particularly community support services, so as to realize the objective of community care.

Time has turned once fine buildings into derelicts, out of tune with social development. The latest policy address signifies the Government's intention to set up an Urban Renewal Authority (URA) to speed up urban renewal. Old buildings can be pulled down for rebuilding, but old people must be doubly cared for and protected. We know that in the old buildings in old urban districts there live a large number of old people whose support networks are bound to be weakened by urban renewal. Rehousing will further create for these senior citizens adaptation difficulties as well as psychological predicament. I hope that the Government would not, in its drive to develop our economy, forget those elderly people who contributed to the prosperity of Hong Kong, instead would consider their well-being and to give them local rehousing — I stress, local rehousing. Proper social services should be put in place to help them adapt to the changes in the community and to maintain their original community networks.

Therefore, I ask the Government to inject capital into the URA, and task the Housing Authority with rehousing the people in the same district.

The United Nations has designated this year as the International Year of Old Persons, and in his policy address the Chief Executive told us that hundreds of activities are being organized with government support to promote respect and care for the elderly. However, if the Government does not do anything to improve the quality of life for the old people, whatever more publicity gimmicks will still be fruitless.

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

MR MA FUNG-KWOK (in Cantonese): Madam President, if we look at the third of Mr TUNG Chee-hwa's policy addresses with a broad sense of the idea of "culture", one sentence is applicable: Face the new culture of a 21st century Hong Kong. "Cultivating talents" is a cultural issue, "building an ideal home" is even more of a cultural one. What the concept of sustainable development "concerns" is exactly how to create on planet Earth a new ecology of civilization. When we discuss environmental protection measures, we must inevitably touch upon in a direct way the spending pattern and the consumption culture. On the one hand we need to stimulate consumption to generate economic growth, on the other we have to promote consumption restraint, to protect the environment and conserve resources. This is the cultural paradox we have to face, and the Government has to strike a balance between the two.

I think that the first two policy addresses of Mr TUNG stressed on the economy, on development and growth, and the present should set its focus on cultural quality, on green gospels of the environment. Therefore, I support this effort of the Government in balancing economic development with environmental protection.

Here I only wish to add one point, and that is, the direction is correct for the policy address to incorporate environmental protection as an important element in the endeavour to build an ideal home; this means making environmental protection part of all levels of everything, from the life of individual citizens, to government policies, to economic activities and the operation of society, hoping that more of this green element will find its way into

the social culture of Hong Kong. This objective very much hinges on successful education to instill a sense of environmental protection. I hope that the Government would ensure its full implementation.

Reduction of pollution and conservation of resources should not be confined to any particular place. For example, if a passenger on a bus wishes to enjoy fresh air, he can do so only with all other passengers working together refraining from smoking. The major pollution issues we now face, such as air pollution, pollution of the oceans, water source and waste management, are all closely related to neighbouring regions. Therefore at the same time when the SAR Government is willing to shoulder greater responsibility in environmental protection, there can be effective results only if it is also prepared to throw in huge amount of resources, and to fully co-operate with our neighbours.

The focus of the policy address is on environmental protection and cultivation of talents. There are some views that the policy address has failed to cover other issues. I believe that the Chief Executive hopes to concentrate on the new planning ideas about environmental protection and talent nurturing; it is not that he has neglected the other issues.

In the future development of society, information technology (IT) is the main engine driving a knowledge-based economy. And in IT development, we must talk about speed, and the race has in fact already begun. It is a bit inadequate that IT development, such as e-commerce, has not been reviewed in the policy address. I would therefore raise two points for consideration by the Government:

Firstly, when e-commerce policies are formulated, they should cover the establishment of e-commerce trading platforms, their reliability and security as well as protection for the rights and interests of Internet consumers. Also, attention should be paid to anti-trust activities in goods supply, methods for tax collection in respect of "out-of-territory" e-commerce as well as the protection of Internet intellectual property rights. Among all these things, I would specifically talk about Internet-related piracy. At present, many people use the Internet to download pirated products with intellectual property rights, such as movies, music and computer software. In the past couple of years, the Government has been working vigorously to protect intellectual property rights; and certain bills have been drafted to enhance our law-enforcement capability.

However, regarding piracy from the Internet, the Government has obviously been lagging behind development. I expect that government officials would not merely pin their hopes on the creation of global rules by the international community, but would rely on themselves by taking the lead in drafting a perfect set of rules and regulations against the trend of Internet piracy. Incidentally, a recent survey has revealed that Hong Kong's ability in protecting intellectual property rights is weakening; and the same survey also points out that Hong Kong is now flooded with software pirated from the Internet. Effective crackdown on piracy has become a matter of urgency at the same time when we find ways to develop e-commerce.

Another issue that is closely related to e-commerce is the long-term planning of e-commerce, including ways to utilize Hong Kong's traditional advantage as an entrepot and duty-free territory with superb container terminals and airport facilities, so that Hong Kong can be turned into an international logistics management centre as soon as possible. Vibrant development of e-commerce depends on a transport network that is perfect, speedy, and with sufficient number of transfer points as well as 24-hour customs clearance service. Therefore that was why, during the motion debate on "Enhancing Hong Kong's status as an aviation centre" last June, I pointed out that a logistics management centre was of vital importance to the development of e-commerce. I now wish to reiterate that the SAR Government must make strategic plans in respect of the re-export freight industry, abolish the principle of "one route, one airline" as well as the restrictions regarding the fifth freedom right; even the provisions based on the principle of "main commercial base" should also be considered for adjustment. Amendments to the franchise of the airport cargo handling facilities should be considered as well.

The Government has to plan for the full-swing development of e-commerce. At the same time, ways to benefit from the development potential of e-commerce on the Mainland, obstacles to its development as well as necessary counter-measures should also be studied at an early day.

Madam President, the Chief Executive touched upon issues in respect of

cultural policies in both of his policy addresses in the last two years. I had expected that the Chief Executive would, in view of the imminent dissolution of the two Municipal Councils, put forward better defined cultural policies and framework in this present policy address. Culture here means, of course, culture and the arts, much more specific than the general-sense culture such as human civilization. I have all along asked the Government to formulate a clear policy direction in respect of the physical aspects of culture and the arts. After the dissolution of the two Municipal Councils, the new framework for culture and arts should be early established. Paragraph 164 of the policy address lays down the principles regarding Hong Kong's culture and the arts. However, one or two principles are unable to realize the Chief Executive's vision of developing "Hong Kong into an international centre for cultural exchange".

Indeed the aims of the culture and arts sector in asking the Government to lay down policies are but the following ones: Firstly, it is to ensure that the resources for culture and arts development are distributed and used in a rational way; secondly, it is to protect the space for the free development of culture and the arts in Hong Kong, and to recognize the importance of culture and the arts in social development; thirdly, it is to set out a clear direction for development. What is the Hong Kong culture with its own characteristics? Is pluralism the desired direction for Hong Kong's cultural development? These are academic questions, and are also policy issues.

From the policy outlines we know that the Government plans to set up a new department by 2000 to take over the functions of providing arts, culture, sports and recreational services from the two Provisional Municipal Councils. I hope that these arrangements are only transitional and that a definite and long-term framework and department for culture and the arts would be further instituted after the Culture and Heritage Commission, soon to be set up, has studied the state of Hong Kong's culture and our culture and arts services in their entirety. In this way, the Culture and Heritage Commission, when considering the overall cultural policies of Hong Kong, can be free of any existing influence or structure, thus can chart a cultural course that suits the long-term development of Hong Kong and bring about more vibrant development for culture and the arts in Hong Kong, making the cultural atmosphere of the whole society healthier which is better conducive to nurturing higher moral qualities in our young people. From another angle, cultural policies can be regarded as a strategy for human-centred sustainable development, having a relationship with the conservation of the humanity environment.

Incidentally, I also wish to refer to the very important issue of freedom of

the press which has been much discussed lately. We note that there are really problems with media ethics. Whether the press can exercise self-discipline to protect the mental development of our young people and personal privacy generally is also an issue that brooks no delay. I wish that the Government would conduct extensive consultation, and would have the courage to face the realities, but at the same time proceed in a prudent way.

Madam President, cultural development does have its economic contents. I have just attended a seminar of the cultural industries on the Mainland. The mainland government and the industries have already promoted the idea of making long-term development strategic studies, with a view to "marketizing" the cultural industries and to instituting important reform measures. The cultural industries of Hong Kong made extraordinary achievements in the past mainly on their own; but in recent years they have withered seriously. It is worrying that the opening up of the Mainland has not brought about better development. This is perhaps because of the grave infringement on intellectual property rights, and also because of the long inadequate support and attention from the Government. It is only recently that we see that the Government is seriously paying attention to the related industries, such as certain measures for the movie industry. But such measures have yet to provide the desired impetus as they should. I hope that the Government would in future take steps that meet the needs of the industries so as to restore the previous lustre to our cultural industries of movie, television, music and publication, to dovetail with Hong Kong's economic development.

Lastly, I note that on the issue of civil service reform, the policy address has obviously fine-tuned the original steps into pragmatic and prudent measures to avoid any excessive repercussions. This is an appropriate approach.

With these remarks, Madam President, I support the motion of Dr LEONG Che-hung.

MR LEE WING-TAT (in Cantonese): Madam President, the Democratic Party opines that the new policy address neglects people's livelihood; and the housing policy makes it obvious that the Government ignores the right of the citizens to housing. Firstly, the Chief Executive has indicated that the construction of Home Ownership Scheme (HOS) flats would be scaled down, any shortfall thus

created would be made up for with more housing loans. Though private property prices have fallen, and the over-subscription for the latest phase of HOS is at the historical low of a mere four times, the Democratic Party thinks that reduction of HOS construction is not in the interest of the public. The reasons for the smaller number of HOS applications are the more competitive prices of private housing and the more pessimistic views than before of many people about their financial capacity in the future. If we look at the position of those people who are paying for the HOS flats they purchased by monthly instalments, we can foretell the effect of the reduction of HOS production on society.

According to the information supplied by the Housing Department (HD), in the year 1998-99, the median household income of HOS families was \$21,750. In the last two years, the percentage of the median income of HOS families spent on their monthly mortgage payment has been at a 10-year high, close to 26%, a lot higher than the average of 19% recorded before 1997. This reflects either a bigger amount of instalment or a lower current income. If a four-member household with such a median income now purchases a private residential flat of only 600 sq ft for around \$2 million, with an amortization period of 20 years and after the government loan, it will have to service a monthly instalment of something between \$10,000 and \$20,000. The reduced HOS production will compel these families with \$20,000-odd income to pay high rents, or to borrow several hundred thousand dollars to buy a 400-sq-ft flat by instalments. With household income generally coming down, reduced HOS production will only force more families to use 40% to 50% of their household income to pay for a flat, resulting in more people sacrificing other aspects of life for their flats, in more people going through the nightmare of working frenetically, just for a flat.

Further, when the production of HOS flat is reduced, the Government is going to sell the land so made available to property developers. But how is the Government going to ensure that the property developers will be building sufficient private housing? Even flats must be built on the newly-available land, will the property developers put a hold on their other housing projects scheduled on the agricultural land or industrial land in their reserve, so as to slow down the pace of urban renewal as a whole? Has not the Government often said that it cannot control housing production by property developers? The citizens have long suffered from unstable housing supply and fluctuating property prices, I believe the Government does not want to see a repeat of the situation. If at the end of the day there is insufficient housing supply and by that time there is no

way to turn out immediately additional HOS flats, has not the Government suffered enough the dire consequences of irrational fluctuation of property prices?

Another group of victims of the reduced HOS production are the families on the public housing waiting list. At present, two thirds of the HOS flats are reserved for green form applicants. Taking the minimum number of 25 000 HOS flats produced annually for the last five years, two thirds work out to be about 15 000 each year. The Government might argue that increasing the number of housing loans will help more tenants to vacate their public housing units, but it is doubtful if this is really so.

Another fact that makes me think that the Government neglects people's livelihood is that with 120 000 families on the waiting list and with the Chief Executive promising in his policy address last year that by 2005 the waiting time would be shortened to three years, they now instead have to wait six years, six long years for those families with subsistence-level income to pay high rents or to live in board-partitioned rooms, with no hope of getting out of deprivation. That the Government rather sells the land originally earmarked for HOS flats to property developers to build private homes, without at the same time building more rental housing to lessen the burden of those abjectly poor is blatant "collusion between the Government and the businessmen" and "fleecing the poor to feed the rich".

Mr James TO of the Democratic Party will later speak on the issues of land resumption and bargaining by landowners in urban renewal. I would only like to talk about the problem of the Housing Authority (HA) rehousing tenants affected by urban renewal projects. Shortening the timeframe of urban renewal from 30 years to 20 involves huge rehousing resources. In his policy address last year, the Chief Executive proposed to give this task to the HA. The HA has now 120 000 families on its waiting list to house, and in rehousing those affected by urban renewal, the HA must not resort to the expedient measure of using the resources earmarked for those on the waiting list to rehouse those affected by urban renewal. Doing so will mean urban renewal at the expense of the low-income families on the waiting list. Therefore over the question of rehousing tenants affected by urban renewal, the Government should stick to the principle of giving land to the HA or any organization responsible for the task.

Madam President, the Democratic Party thinks that the "first-time buyer

housing loans for single persons" scheme will rectify the HA's long-standing neglect of single persons' housing needs. In our community there are single persons with income between \$10,000 and \$20,000 who are neither eligible for public housing nor for HOS nor any of the various loan schemes. However, we think that the single persons scheme is the first step towards remedying the long-neglected issue of housing for single persons. We still have many single persons with low incomes waiting nine to 10 years on average for a rental unit. We should not forget the disputes and fatal brawls among the single unrelated old folks who have been accommodated in the same public housing units against their will. We have been criticizing the HD for separating such single elderly co-tenants only after having actually witnessed such brawls, or even bloody ones. This is not a joke, but was a real-life tragedy handled by me. The Government should not deprive the single persons of their housing right only because the higher cost and less economic sense of accommodating them in public housing units with separate kitchen and toilet facilities, should not let low-income single persons wait for 10 years before eventually getting a unit, or separate the old people only after they fought each other until blood spilled. To do so is very much inhuman.

Lastly, on the housing policy, I wish to talk about the quality of HA flats. A series of serious construction and supervision blunders came to light recently, including the incidents of subsidence of piles in Tin Chung Court and the Yau Tong redevelopment site, they have exposed the inadequacy of the HD in many aspects. Firstly, if the consultant firms did submit work supervision reports to the HD, is the HD guilty of negligence for not having spotted the problems earlier on? HD front-line works supervisors did not even bother to get the least involved in the supervisory function of the consultant firms monitoring the relevant works, and only discovered the subsidence and instability of the piles after the buildings were completed, are they not finding it out too late? There are rumours that many piling companies reaped huge profits by using inferior or inadequate material as well as poor workmanship. The most horrible thing is that after such incidents, the Director of Housing then said the HD was deceived over those problem projects. But why is the HD the only one to be deceived, and repeatedly, by contractors? Could the HD still think that they are completely competent in works supervision? Has the HD been guilty of dereliction of duty? To our surprise, when buildings lean to one side because of uneven settlement, no officers have to be held responsible. This will only make people lose confidence in the SAR Government. Further, the tendering system

of the HD for piling and construction works, and its standards for quality requirements and supervision are yet to be perfected. The matter is made worse by the sub-contracting practice under which the third or fourth-tier sub-contractors will have to resort to skimping in order to make a profit.

These series of incidents have exposed the fault-riddled housing construction system. With half the population of Hong Kong living in buildings under the management of the HA, how can the people enjoy comfortable accommodation in the cracking buildings or buildings like the Leaning Tower of Pisa? The HA must initiate the most drastic reform to restore public confidence in the quality of its buildings. A Member said yesterday that professional people were having a hard time nowadays in their operation, therefore we should help them survive the present hardships while criticizing their professional ethics. We do not argue that professionals might meet difficulties in their work and operation, just like salaried people in many other trades; but for a guaranteed quality of our buildings, society relies on the professionals abiding by their professional ethics and on the reform of the long-practised multi-tier sub-contracting system and the practice of engaging casual workers. I opine that severe penalties should be meted out to the guilty contractors so as to achieve a deterrent effect.

In the tendering system for piling and construction works, we suggest an approach that stresses equally both the price and quality. Besides, the HD must improve the procedures whereby the various stages of work are supervised and inspected for approval, must increase the number of random checks on the supervising consultant firms and strengthen the regulation and supervision over them. What is more, the HD should set a limit to the number of tiers of sub-contracting and specify that the appointed contractors can only sub-contract the work to the first-tier sub-contractors approved by the HD, that is to say, the HD should keep a list of various types of contractors so as to assure that the first-tier sub-contractors are of the required standard. Lastly, the HD must require the contractors to hire more "direct labour", that is, to increase the proportion of workers on monthly salary, and to encourage the contractors to employ more workers who have obtained trade tests certificates.

Madam President, lastly I would stress that there must be a big overhaul of

the system and culture of the construction industry with their decades-old bad practices and outdated quality requirements that do not meet the needs of modern times. All the black sheep in the construction industry should be weeded out through this reform so as to prepare the construction sector of Hong Kong for a new step forward into the 21st century.

Madam President, I would now say a few words about the development of political system and other issues. The Chief Executive still sticks to his old tune, saying that he would proceed according to the pace prescribed by the Basic Law. However the aspiration of the citizens of Hong Kong for speedier democratization and earlier review of our political system has become clearer. Mr Jasper TSANG, chairman of the Democratic Alliance for the Betterment of Hong Kong, also approved an earlier review of our political system at the recent briefing session for the policy address. We can see that it is very difficult to maintain the existing political system and arrangements. At present, the Government has the power, but not the votes, while Members of the Legislative Council have the votes, but not the power. This phenomenon is ridiculous because an effective government cannot be developed under such a system, and the Government has no way to tell if it can get sufficient support from public opinion and the Legislative Council when it plans to launch any policy.

Nowadays whenever the Government wishes to introduce a new policy or table a new bill, it relies on various forms of lobbying, or gets what it wants by trading favours. The toll increase of the Cross Harbour Tunnel at Hung Hom is a good example. I reckon that there would be another round of political scandals when it comes to the issue of the land departure tax. This practice is bound to make government policies fragmented when they reach their final hurdles, and will also turn the Bureau Secretaries, who are responsible for the implementation of policies, into political salesmen. If this goes on further, there will be all sorts of wheeling and dealing including under-table deals or even more dirty political means, just to win support for policies and bills. The Chief Executive should note that even if the Basic Law is not amended, the number of directly elected seats in 2000 and 2004 will increase, thus the number of the coterie representatives whom he can more easily control will keep dwindling. If he waits until that time to institute political reform, I believe that the contradictions by that time will be more acute, and it will be doubtful if things can be worked out then. There is no time to waste to allow full universal suffrage and to establish a responsible government. I am aware that many

countries and regions worldwide are going in this direction; this is a tide that cannot be stopped. Early discussion of the matter will enable the citizens, political parties and the Government to come to an earlier consensus, so as to minimize the contradictions in the political system.

Thank you, Madam President.

MR RONALD ARCULLI: Madam President, I rise to speak in support of the motion. I shall divide my comments into three parts. In the first, I shall deal with three major areas: development and environment, housing and public works. In the second, I shall offer my views on constitutional affairs, financial services, public finance, public services and the rule of law. In the third and concluding part, I shall deal with changing our mind-set.

Over the last four decades, Hong Kong's development has been meteoric so much so that one can say that it has had its toll on our environment. But the environment is not the only casualty, and some of our planners, architects and engineers will say that the lack of strategic and long-term planning and the lack of vision have brought about the urban decay we now see. But who among us would have been bold enough to foresee 40 or 50 years ago that Hong Kong would become a metropolis that it is? Today, we stand on the eve of a new millennium and the two major areas highlighted by the Chief Executive for reform are environment and our education system. Whilst one can understand how a developing community may not have the protection of its environment as a primary objective, I cannot understand how our education system got to its current state. We as a community only have ourselves to blame.

I am happy to note that the Planning Department may increase the plot ratio in new town developments. I hope that they will do so in areas where other community facilities would support such development or if not, at least examine whether planning standards could be varied without sacrificing a quality environment. In his briefing to this Council, the Secretary for Planning, Environment and Lands has painted a Hong Kong with blue sky and clear water. Madam President, I have no wish to muddy the Secretary's clear water but I do have several caveats: one is the proposed new Town Planning Ordinance and the other, the proposed new Urban Renewal Authority (URA). Another may well be the desperate need to modernize the Buildings Ordinance and perhaps, a

change in some curious requirements of the Environmental Protection Department. As for any compulsory resumption, we also need to ensure that both compensation and resumption procedures are fair and reasonable. Owners, big or small, must not just be treated fairly but should feel that their rights and interests have not been sacrificed for the greater good of the community. Madam President, another word of caution on the formation of the new URA. So far, no detailed explanation has been given as to why it is considered inappropriate to reorganize the Land Development Corporation into the proposed URA.

Before I leave the environment section, I welcome the creation of a waste separation facility. The construction industry has pushed for one for a long time and awaits details of the scheme with interest.

Madam President, much has been said about public and private sector housing and I do not intend to dwell on the issue. What is important though is the stability of the property market so as to ensure stability of our banking sector. The continued reunion of mainland family members with their families in Hong Kong will increase demand for housing and other services, thus creating additional strain on our limited resources.

Madam President, our public works programme is probably the most direct way that the Government can make its contribution to the economy. Another direct benefit is the creation of jobs in the construction industry. There is, however, room for improvement both in terms of advancing programmes as well as separating them into digestible parcels so that we can avoid limiting qualified bidders to a handful of international companies. This has been a bone of contention for some time and applies not just to our public works programme but also the public sector works by which, I include the Mass Transit Railway Corporation, Kowloon-Canton Railway Corporation and of course, the Airport Authority.

Madam President, the construction industry has been on the receiving end of many legislative changes over the past decade. The industry has supported most measures but taken serious objection to the wholesale criminalization of the simplest of measures. Recently, the trend has been extended to make management personally liable to criminal sanctions. There was only one occasion when the Administration withdrew a measure when this Council

threatened to extend such sanctions to civil servants. I find the Administration's position quite astonishing.

Madam President, I now turn to the second part of my observations. On constitutional development, the Chief Executive has devoted five paragraphs of his policy address. I confess disappointment particularly in Mr TUNG's statement that the Administration's two top priorities are to prepare for the District Council elections in November and the Legislative Council elections next September. Surely, the top priority must be finding a formula to work with the Legislative Council. An executive-led political structure does not mean that the Legislative Council has to either accept or reject government policies or proposals. The Legislative Council must have input to such policies or proposals and the right to propose amendments. The difference of opinion between the Administration and the Legislative Council over Article 74 of the Basic Law is well-known. How we got to and are still facing this impasse frankly baffles me.

On reform of the financial services sector, we received a briefing from the Financial Services Bureau and the Securities and Futures Commission (SFC) over the composite Securities and Futures Bill. The merger and demutualization of the stock and futures exchanges and the clearing house seems to be proceeding on target. We, of course, have not yet seen the Bill that is a necessary part of this process, although the issue of governance will be of keen interest to the industry and the public. The composite Bill, which seeks to consolidate existing laws regulating this sector as well as introduce new powers and rights, promises to be not just complex but also controversial in some areas.

I would only mention two of my concerns: the first is the right of third party action and the second, the right of the SFC to intervene in litigation between two private parties. Madam President, on the one hand, the Administration would like to see independent non-executive directors to be on boards of listed companies but, on the other, their responsibilities and consequences of mistakes, even without fault on their part, will fall on their shoulders. I am concerned that if the Administration persists, the day may come where responsible individuals will simply not be prepared to serve as independent non-executive directors, let alone as members of audit committees or the proposed remuneration committees.

Madam President, I would also like to deal with managing our public

finance and the public service together. I hope that the connection between the two will be obvious. Mr TUNG announced in his 1998 policy address the Enhanced Productivity Programme (EPP) which calls for a reduction of operating expenditure by 5% by the year 2002-2003. We are told that for 1999-2000, there is a gain of \$800 million and that for 2000-2001, a gain of \$1 billion. Whilst congratulating on our public servants on their efforts, I must reiterate the position we took when the EPP was announced. The target was and remains modest, and is borne out by the statement in this year's policy address material that the Administration is confident that the 5% target will be achieved. I hope that savings will exceed the target.

I will now turn to the investment of our fiscal reserves. These have risen substantially for two reasons, Madam President: the first was the change in policy over the management of our fiscal reserves; and the second, the windfall profit over the stock market intervention last year. The first will enhance our investment return as we no longer just place our fiscal reserves with the Exchange Fund as a passive deposit. The second will reduce as the shares are sold down but the proceeds will nevertheless increase our fiscal reserves, thus producing a greater investment dividend. This change of investment policy has increased revenue for the government without cost saving reforms. But Madam President, one core question is the cost and management of the Civil Service. Over the past two years, the adjustment in the private sector has proceeded at a faster pace than in the public sector. There is no doubt that the purchasing power of the dollar today is greater than it was two years ago. When can we expect to see sizeable public sector cost saving benefits to the community? Will Honourable Members of all political persuasions support these efforts or are we still objecting to changes? If the Administration tackles these issues in earnest, the savings of the EPP will be a drop in the ocean. After all, the 189 000 strong civil servants and 140 000 employees of government-subsidised sectors account for two thirds of total public expenditure. We should not debate the matter but press the Administration to get on with it.

Madam President, stating the obvious does not by itself engender confidence that the Administration will fearlessly uphold the rule of law. I would have hoped that by now, the leadership within the Administration understands that one mishap does more damage to the rule of law which a

thousand statements of upholding the rule of law may not be able to repair. One example is the Administration's handling of the right of abode issue. Speaking as a supporter of the Administration's submission of the issue for interpretation by the Standing Committee of the National People's Congress, I still cannot explain when asked why the Administration did not state clearly and plainly to the Court of Final Appeal (CFA) that its case was that the matter must be referred to the Standing Committee. If the CFA agreed, that would be the end of the matter, but if not, the Administration could proceed with justification. To this day, we have no explanation.

I will now conclude by dealing with what I call changing our mind-set. After two years of economic deflation from the many that I have spoken to, I believe that we have not yet changed our mind-set. Many are still hoping that the good old days will be back again. But I believe that we owe it to the community to give them a very clear and unambiguous message. We are not competitive, the premium of doing business in Hong Kong is too high, the prospects of making good profit is less attractive, the financial burden of public sector services is getting too big a burden, the subsidy of health services to the community is too high, the cost of tertiary education is likewise too high and I could go on. Madam President, we need to review urgently the allocation and application of public resources to ensure that those who cannot help themselves receive help. We need to address unemployment problems not just in the short term but on a long-term sustained basis, particularly with that part of the work force which may have difficulty in adapting to the new Hong Kong. Madam President, it is time for those who say that they are leaders to lead a change of our mind-set, for without change, we will neither have quality people or quality homes.

MR JAMES TO (in Cantonese): Madam President, every year in the policy address debate, I began my speech with the main theme of law and order, and usually went right to the part on law and order. This year, however, since I received the Urban Renewal Authority (URA) Bill just a few hours ago and as this material is fresh and something I have been concerned about, I would like to adjust the order of my speech to discuss the Bill for the URA first.

Today is 22 October and the consultation period ended on 2 October which

I think was far too short and could have been sufficient only if the Bill prescribes a *modus operandi* quite similar to that of the Land Development Corporation (LDC), or even with certain minor changes. However, if this is major revamping, involving fundamental changes, in particular, significantly enhanced powers, such as the power of the URA to resume land, I think that the consultation period was too short. Mr ARCULLI just now asked why the LDC could not be improved and why a new URA had to be recreated. Of course, you only know there are considerable changes after you have finished reading the Bill. Lately there have been discussions on and citizens have queried, why there could not be some improvements instead. Mr ARCULLI also asked this question just now. Some have asked if this is a way to change guards, because the Government has all along not been too happy with the LDC. Or are new positions to be created, such as executive directorships, to provide the opportunity to accommodate somebody's bedfellows? These we wait and see. As a matter of fact, the urban renewal as referred to in the consultation document involves changes to important concepts: First, let me quote, amendments can be made without prior discussion with the people concerned. Mr Stephen FISHER, the deputy secretary, clearly pointed out during an earlier interview that the concept came from the *modus operandi* of the Kowloon-Canton Railway Corporation, which can institute land resumption direct. In other words, 90 days after a proposal is gazetted, the property concerned is no longer the original owner's; he wakes up the morning 90 days later to find his property no longer belongs to him. This approach will practically give rise to frontal and direct confrontation with the affected residents and landlords, pushing them into vigorous opposition. Why in the past did the railway corporation resort to this way of resuming land? There are in fact many historical elements. At that time, most of the land resumed was agricultural land whereon the trees and houses would not protest, and many of the houses involved were actually deserted ones, and few tilled the land concerned and the number of people to be accommodated was small. A mere several hundred people would be affected by the construction of a railway. However, now that large scale redevelopment will involve say buildings in several city blocks and that the buildings become government property 90 days after the project is gazetted; we can imagine how enormous the resistance, and resentment, will be. I would even look at this issue from a law and order perspective, and would say a word of caution: please proceed carefully. Would it not be a more moderate approach for the URA to specify a period of time at the beginning, either to bargain with the landlords about a price, or to propose a buy-out? From the experience of the LDC, with

the current buy-out terms, using only 10-year-old buildings as the benchmark for compensation, 40% to 50% of the landlords normally accept the buy-out proposal in several months. So, would it not be better to have such an added step?

The second key point is, while landlords will be compensated when buildings are resumed under the Lands Resumption Ordinance, we cannot but ask, what is the benchmark for compensation? The present practice is to take 10-year-old buildings as a reference. But what I want to ask is, if the Government is to increase the pace of work on basis of the current procedures so as to reduce interest payments, enhance the certainty of individual renewal projects, so as to increase their attraction to the people concerned, such as property developers, and if the cost can be properly worked out, can this benchmark, set at present against 10-year-old buildings, be raised as an added incentive to the residents, making them feel that while the Government is speeding matters up, their interests are also considered. On the other hand, resumption of land by the Government under the Lands Resumption Ordinance will produce the immediate problem of lack of flexibility. For example, when the LDC comes across an elderly person who rents out the street-facing room which is one quarter the floor area of his flat, the LDC should at its discretion give him a replacement flat, that is, give him an allowance to enable him to buy a whole flat for his own; in other words, he can use the money and does not merely depend on the rental income from that one quarter of his flat, and can "cash in" the whole of his present flat as an equivalent of a 10-year-old one. Under the Government's present rigid criteria, he can receive a replacement home allowance for three quarters of his flat, the remaining one quarter is not eligible for such payment because it is rented out. So eventually what he gets can only buy him a flat that is 15 or 20 years old. In this way, we might ask, is it a good arrangement to force the citizens giving up their 30-year-old accommodation for a 20-year-old one? Another example is those flats having particularly small actual usable floor area. If actual usable floor area is used in the calculation of compensation, is it very harsh?

The third issue is rehousing, which Mr LEE Wing-tat just briefly touched upon. If at the time this consultation document was published, the details of rehousing arrangements agreed with the Housing Authority (HA) or the Housing Society (HS) could not be released at the same time, that is in fact a big shortfall, because compensation and rehousing are the two significant issues. With the

compensation package unclear, it really looks bad if the rehousing arrangements are also uncertain. I remember the Chief Executive said a year ago that he would ask the HA to consider. Now, one year later, he is still talking about asking the HA, and also the HS this year, to study the details of the problem. I cannot help but ask, with the consultation period lasting only five to six weeks, if the rehousing schemes of the HA or HS could not be published at the same time, how could the citizens put forward their views within this consultation period? How could the citizens be convinced to support the creation of the URA?

Fourth, the whole consultation document of the Government, and the policy address of the Chief Executive, have not talked about financial arrangements. Of course, government officials have recently offered some explanation, such as waiving land premium for redevelopment, or subsidizing money-losing projects with money-making ones so as to even out profits, so that, overall, a group of projects would become viable. Therefore, I would ask the Government, the Bureau Secretary in particular, when explaining this consultation document, to also better illustrate these ideas using some sites as examples, say taking a number of dozen of sites, some money-losing, some money-making, to calculate if the waiving of land premium or the evening out of profit and loss makes economic sense. The Government has not mentioned equity injection, does this mean that this avenue is closed? However, it appears not the case because the Secretary for the Treasury seemed to have said that \$85 billion was reserved for railways and urban renewal. But she refused to divulge the details. So I think that the Government has an estimate in its mind: what will the outcome be if the current property prices are taken as the base; what is the worst-case scenario; what will happen if there are changes, and so on. How big in reality the estimated cost is, whether calculation shows if the projects are viable, whether it can convince the citizens that the plan proposed by the Chief Executive to lower the average age of buildings from 30 years to 20 years can be realized without any equity injection by the Government, whether all these projects are feasible; I hope that the Government would particularly note, and give us a reply to, all these questions.

Turning to the issue of law and order, I discovered after reading my speech in last year's policy address debate that almost all I said the last time is still applicable today. As far as crime is concerned, last year was the best year in 25 years, this year the second best. Second best means that things are worse now, in other words, they are not getting better. In fact, the general public are

worried that the economic downturn could touch off a drastic deterioration of our law and order situation. Nevertheless, this in fact will not happen. The so-called rise in the crime rate is the result of an increase of mainly money- or debt-related cases, such as debt collection activities, intimidation, blackmail, and so on, and not because we have hungry culprits resorting to robbery. I believe that if the Government can cautiously handle assistance applications, such as those for Comprehensive Social Security Assistance (CSSA), as things at present stand, there might be, as some Members observed sarcastically, people using the CSSA grants to buy drugs, but there will not be people robbing other people because they cannot feed themselves. Therefore as far as this issue is concerned, our safety net can guarantee that our crime rate will not turn significantly bad.

For the Police Force, I believe it is imperative to turn technology-based. I advocated this five years ago, but I think that the process of any actual change is very slow. The Police Force can improve its efficiency, but in the view of the Financial Secretary, this could be done without any significant increase of police strength, or even could be achieved with a staff reduction. Further, I said several years ago that the new challenge in crime-busting was that crimes would turn intelligent; and in this one year, as I predicted, an intelligent breed of criminals emerged. People have worked out ways to commit crimes via the computer, with forged instruments or certain micro-network invisible to us. Therefore in crime prevention, I believe the current thinking of the Police Force is rather outdated. I believe that in crime prevention, the police should teach the citizens to follow closely the scientific advancement in order to guard against crimes.

Indeed the pattern of crimes in the private sector might be more advanced. But the police seems to be less than fully equipped for the new challenge. I have noted recently from the detail version of the Policy Objective booklet that in the year ahead facilities will be put in place to specifically crack down on computer crimes. But such measures appear to be a bit too late, particularly when some Members have said that the Government was so reminded several years ago; so such actions seem to have come really too late.

The crackdown on organized crime is the subject of my speech for the

fourth year in a row now. Laws are enacted, but the fact is, no result is evident. In fact, the Government has been given the powers, for example, to break the so-called "the wall of silence" which means nobody is talking any more. As we have given special powers to the Government, the Government can then act accordingly. But does it has to wait? We have been waiting year after year. It might claim that undercover agents and informants need time to begin to function. But we have waited over four and close to five years and still we see no results. Is the Police Force too complacent, or simply tired of the drawn-out war? Or as some people have said, could it be a so-called appeasement policy of the Government? That is to say, as long as a certain level is maintained, then let peace prevail. In any case, to put it a bit vulgar, just do not "spoil the party", it will be fine as long as no particular scene is created. Just leave the triads alone, and we should be happy as long as they are under some sort of effective control and things do not run out of hand as in Macau.

The several recent cases of deaths while in detention should provoke us to think about how to initiate improvements, such as improvement to the monitoring system. I think one recent case is quite bizarre. The coroner's court has already given an open verdict, meaning that the cause of death was unknown, in other words, it was not possible to tell if the deceased was a victim of some people's harmful acts, or the deceased died of natural causes. All the Government did was to hand the case back to the police for a new investigation. I think that the way this case was handled is not satisfactory. I think that if the case should be investigated anew, the Government should at least recommend to us to engage some relatively independent and experienced people to head the investigation. We sought for instance the service of international experts to help investigate some civil aviation accidents. In this case, in order to win bigger credibility, could we ask the FBI of the United States, or the Scotland Yard of Britain, or some other comparable agencies, to send their officers here to form an independent team to conduct an independent investigation? Why is this not possible? Are we still bound by the system in which even when the coroner's court handed down an open verdict, we can still have no way to conduct an independent investigation?

For supervision, I hope that the Government would introduce the Police Criminal Evidence Act as recommended by the Law Reform Commission. In this respect, the Government has introduced a bill to increase powers in line with the Police Criminal Evidence Act, such as DNA tests. However, for the

supervision aspect, the Government has been talking about it for the past eight years, and still has done not a thing. I have raised this for discussion time and again. This is the third time I do so. Further, a bill giving an independent statutory status to the Police Complaints Committee is also for the third year raised by me. But no such bill is in sight. Naturally, I hope that the complaints section can be made independent, or at least as suggested by the Committee, the head of the section is independent of the Police Force. Only thus can the whole system enjoy public credibility.

Regarding the Independent Commission Against Corruption, I wish to specifically observe that though the number of corruption reports received is the highest since the inception of the Commission 25 years ago, but I judge that this year is not a year when corruption is most rampant. Of course, a suitable judgment can only be made after having understood the situation. Nevertheless, in any case I hope that while the Government is initiating the so-called aggressive investigations, there could be in place a better monitoring mechanism. Aggressive investigations involve many informants, undercover agents. But in selecting the targets, could there be any influence of some bias? Or should those concerned be the targets? Can the investigations meet the requirement of the current situation? Will credibility be undermined? In any case, all these actions must be monitored discreetly, and not openly. I further hope that the Operations Review Committee would at least be involved; I also hope that the Secretary for Justice would play a more active part in this respect.

Lastly, I would make a special point about crime. Nowadays, we note many of the so-called street-corner fraud cases, particularly those involving London gold. I hope that the Government would seriously study if laws can be made to plug the loopholes, otherwise the hundreds of victims, whether elderly or not, may each lose several hundred thousand or even several million dollars, and the resulting plight is really not for the faint-hearted to see. Therefore, I hope that the Government could pay special attention and to study this.

MISS MARGARET NG: Madam President, I wish to pay tribute to the Director of Broadcasting, Miss CHEUNG Man-ye, for her strong leadership in defending the most widely supported policy of editorial independence, truthful and balanced reporting in the most popular department of this Government. She has led the Radio Television Hong Kong (RTHK) according to the highest

standards of professionalism not just in the past year, but for the past 13 years. She has upheld the morale in her department whose dedication to professionalism, unchanged by the change of sovereignty, had contributed hugely to the maintenance of confidence in Hong Kong.

It is not a policy of her invention. The policy expresses the conviction of her colleagues in the RTHK, and the expectation of an open and free society such as Hong Kong. She is only the standard-bearer. But she has been the most fearless standard-bearer there is, going into the thick battle with grace and dignity, without regard for consequences to herself. In removing the standard-bearer, the Government has not only removed the best person for the job, but has also sent a clear and negative message to the world, that what she has stood for is now regarded as an obstruction to the Government's purposes. This unsurprisingly has provoked widespread concern and indignation.

I wish to put on record my unreserved support for the staff in the RTHK to continue to follow their dedicated policy. I have no doubt that the going will be tougher now but as long as they uphold their professionalism and editorial independence, I and the whole of Hong Kong will be with them. I and numerous others will attack without hesitation any departure from the policy and the betrayal of the public's trust. The public has given its hard-earned money not to fund a mouthpiece of the Government, but a channel for information and expression of public opinion.

Madam President, let us remind this Government that independence in professional practice is a key element of Hong Kong's success. Only an independent press, including the RTHK, can safeguard the freedom of information and freedom of speech. The so-called "press council" proposed by the Law Reform Commission and held up by the Government as some kind of threat over the free press cannot be supported. The credibility of the whole exercise, particularly because of the one way the report was written, has now been tarnished with suspicion. In the report, opinions are quoted out of context. Legal authorities, for example, on American law, have been cited selectively, omitting highly relevant restrictions which do not favour the Commission's recommendation. This may have been done unintentionally, but as a consultation document, the report is as flawed as its central proposal is suspect.

In a policy briefing last week, the Director of Administration announced

the Government's categorical rejection of the recommendation for an independent legal aid authority. This is a bad start for the year.

The Government's reasons are unconvincing. Without casting any doubt on the integrity of the Director of Legal Aid and his colleagues, it is plain that those in need of legal aid will have far more faith in the fairness with which the application will be dealt if legal aid is protected by institutional independence.

It is argued that the quality of service comes first with the public. This is true indeed, but where is the basis for saying that services will deteriorate with independence? The very suggestion goes against common sense. It is then said that if legal aid goes independent, the Government will have to put a cap on legal fees. But where is the proof that the present way of running the Legal Aid Department produces the most cost-effective legal aid services to those in need of them? It is now a well accepted fact that greater flexibility in financial management produces the highest efficiency. Where is the Government's evidence for saying that the legal aid services is an exception to the rule?

In any event, is the Government prepared to give the assurance that legal costs will remain uncapped so long as legal aid remains to be run by a government department? Is the Government prepared to guarantee that government control does not mean restricting legal costs in any way? If the effect is the same as capping legal costs, why should we not have an independent legal aid authority? How is the applicant going to have the confidence that his application will not be rejected because the department is susceptible to pressure, or will act more like government officials than professionals responsible only to an independent authority?

Madam President, the legal profession has fought hard and for many years for an independent legal aid authority. This Council may be sure that the issue will be probed in the Panel on Administration of Justice and Legal Services. For legal aid is key to the access to justice, the control of legal aid controls access. Any lack of independence there, actual or perceived, will harm confidence in the protection of the rights and freedoms of the individual.

Madam President, the past year has been a year of great turmoil for the rule of law. One controversy followed hard upon the heel of another. I have addressed each of them as I perceived my duty to require me to do at the time. I have no wish to revisit them on this occasion. But this I do want to say. I have found it extremely disheartening that however sincere the critics, however

well-qualified they are to voice a view, and however meticulously and conscientiously they support their views with reason and learning, which would win the respect anywhere in the world, they have not been allowed to make the slightest difference to the Government's decisions. Worse, they are regularly dismissed and belittled, and even attacked as wilful adversaries of the interest of the Special Administrative Region (SAR). This is unfair to the critics and unhealthy for the SAR. For the sake of Hong Kong's future development, I hope that the Government will find a way to modify its attitude.

Madam President, together with the whole community, the legal profession has endured a year of severe economic hardship. But we are determined to survive. There are already new efforts to build up stronger institutional safeguards of the highest standards which will compete favourably with the rest of the world. Yet, without our independence and integrity, our services will be valueless. So, even as the Government is irritated by our independent view and insistence on speaking out, it must realize that Hong Kong will be much the worse without these values.

Madam President, I support the motion.

MR DAVID CHU (in Cantonese): Madam President, "farsightedness" or "shortsightedness" should not be used as a criterion to assess this year's policy address which should, instead, be judged whether it can clearly identify the source of the current hardships we are experiencing in Hong Kong. The policy address focuses on education and environmental protection, highlighting the keys of "cultivating talent" and "facing the community". The problems of people and community living environment are the issues Hong Kong faced, is facing and will face.

Education can increase the citizens' marketability in the job market and reduce the training cost of the business sector. Hong Kong is now seeing a dichotomy of having "people without work" and "jobs without workers". One of the reasons is the lowered quality of university graduates in Hong Kong makes employers hard to hire them, and the over 25 000 school leavers failing every subject they attempted in the Certificate of Education Examination. This is a waste of social resources. It lowers our overall productivity, and ultimately makes the already bad unemployment problem continue to aggravate.

Investment in the environment will stimulate the Hong Kong economy.

If the work of protecting the environment is done well, it will certainly reduce the pollution-induced demand on public medical services, hence enabling the Government to use the resources thus made available to spur the economy. Further, after the Asian financial crisis, Hong Kong has been lagging behind its competitors, whether it is in operating cost, cost of living, or in employment prospects. If Hong Kong cannot even maintain the quality of its living environment, what more reasons do overseas investors and professional experts have to choose Hong Kong as the place for investment and habitation?

Madam President, what I am most concerned about is whether the blueprint on education and the environmental protection as drawn up in the policy address will see its implementation. For example, the Government had originally hoped to have 60% of all primary schools turned full-day by September 2002. But the progress report of the Government instead shows that since last school year, the plan for going full-day was shelved. If our students fail to receive adequate basic education training, just how are we going to guarantee the quality of our university graduates?

Take another example. The policy address announces that the SAR Government would enter into full-scale co-operation with the provincial government of Guangdong over air quality, standards of diesel fuels, forestry conservation, the quality of Dongjiang water and town planning. However, the progress report of the Government instead shows that the project jointly undertaken with the provincial government of Guangdong to study the cross-boundary air pollution problem in the Pearl River Delta Region has been going more slowly than anticipated. If even one joint study cannot be completed as scheduled, when, may I ask, will cross-boundary environmental protection work be fully implemented?

I hope that while the Government has shown its determination, it will throw in adequate resources to implement the relevant reforms.

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

MR GARY CHENG (in Cantonese): Madam President, I stand up only to

indicate I wish to speak. I shall, on behalf of the Democratic Alliance for the Betterment of Hong Kong (DAB), give our views on the section of housing in the policy address.

This year's policy address makes improvement of the environment as one of its key notes. The DAB thinks that this direction is correct. However, we are somewhat disappointed because while emphasis is put on the environment and "Quality Home" made part of its title, the policy address has not addressed the quality of housing units and elderly housing, two issues of great public concern.

Since the reunification, the Government has made many promises and introduced many measures, including the production of a minimum of 50 000 public housing units each year and the flexible land sale mechanism, both of which we believe can help balance future housing demand. This notwithstanding, as the aspiration of society is forever increasing, the concept of housing should not be restricted to the basic requirement of a place to live, that is, simply "having a roof over one's head". The issue of housing could be a matter of dignity and right. Therefore, we hope that the future focus could be placed on the improvement of the quality of housing.

The policy address makes little reference to housing, that could be because the Chief Executive thought that all the relevant work is in progress and there have been results in the past two years. However, with the title "Quality Home", this latest policy address talks only about what is outside the home, and nothing is mentioned as to the interior of the home. The DAB earlier asked the Government to draft as soon as possible a housing charter, setting out in detail the standards of the people's living environment, including the minimum average living space and all the ancillary facilities that go with it. In fact, in economically advanced countries and regions, the standards of housing are not purely confined to the living space, and other aspects such as lighting, ventilation, facilities and even privacy are also considered. I do not doubt the flats newly constructed by the Government meet such standards, but should not the Government raise the standards also in respect of those at present living in board-partitioned rooms, or sub-divided housing units, or of those elderly strangers living together in a unit? At the same time, the basic rights and obligations of landlords and tenants should also be written down so as to reduce disputes regarding the tenancy and living environment. The charter we have

proposed should serve as a starting point for the Government to evaluate the effectiveness of its current housing policy and the long-term one. If the Chief Executive really has the vision for the standards I just mentioned to materialize in 20 years, we must begin today.

Another issue is the living environment of our senior citizens. According to the Census and Statistics Department, in the coming nine years, the number of our elderly people will increase from the 920 000 as in 1997 to over 1.1 million; so the problem of the ageing of our population is getting more serious. But we think the way the Government takes care of the elderly is not satisfactory. At present, close to 10 000 single elderly persons are still waiting for public housing, and many of them have complained to us that when allocated units, they often have to move to districts farther away from their existing homes, thus cutting their personal connections as well as their social network, creating quite a number of adaptation problems in their daily life. On the other hand, the Elderly Commission has also estimated that in the coming nine years, there will be a shortfall of 5 710 subsidized elderly units. The policy address has not put forward a solution to these issues. For this reason, the DAB urges the Government to work for a satisfactory local rehousing programme, to expand and improve the scope and arrangements for the scheme of continued Comprehensive Social Security Assistance (CSSA) payments for the old people who have opted to live on the Mainland, and to allow those elderly people who moved to other parts of the Mainland also to apply to join the scheme. Discussions should be initiated with mainland authorities to provide accommodation to these old people in a number of ways. The relatively better living environment and lower cost of living on the Mainland can allow them to spend their twilight years in comfort.

Madam President, on the issue of public housing supply, it is generally known that it lags far behind the demand. Applicants have to wait years for their turns to get accommodated. The average waiting time is six years, and probably as many as 10 years for single persons. One of the reasons leading to this shortfall is that the Housing Authority (HA) has sold a far too big proportion of new units as Home Ownership Scheme (HOS) flats. The DAB has always thought that our public housing policy should be one with "public rental housing as the backbone, supported by HOS, giving the applicants a choice to rent or to buy". We propose that the HA must redeploy its housing resources to increase the supply of rental units. In encouraging the citizens to buy their own homes,

the DAB opines that the Government should mainly do this through the various housing loan schemes, and to give the beneficiaries more choices. The policy address indicates that the Housing Bureau would study the feasibility of reducing HOS production, and the DAB requests that while reducing HOS production, the land thus made available should be used to increase rental housing production. We of course welcome the proposed addition of 6 000 rental units in the next five years for single persons so as to shorten their waiting time to three years by 2005. Indeed the Government should also carefully study if the reduction in HOS production will have any stimulating effect on the private property market that may result in price fluctuations; and also if the construction projects of the HA, with its correspondingly reduced revenue, will be delayed, or will the HA have to resort to rent increases.

The Chief Executive indicated in the policy address that he has asked the HA to consider reviewing the seven-year residence eligibility criterion for public housing. This has the support of the DAB. We hope that we can have fairer and more reasonable arrangements so that all eligible people will be treated equally.

Madam President, we are disappointed that the policy address does not address the issue of the quality of Housing Department (HD) projects. That the incidents concerning HD projects are increasing rather than decreasing does not help. Indeed, the recently surfaced construction blunders have greatly undermined public confidence in the quality of public housing. The DAB conducted an opinion poll between 15 and 18 October, asking 437 respondents to compare the quality of public housing with that of private property, because we could not say the quality of private buildings would perforce be better than that of public housing, and whether that is a fact we were not sure. The respondents who deemed that public housing was of a quality inferior and much inferior to private buildings accounted for over 50%. To the question whether buying HOS flats was value for money if there were no discount, 60% of the respondents did not think so. And an overwhelming 80% of them said that their confidence in public housing was affected by the recent spat of construction-related news. The DAB met HD officials recently to put forward a number of reform proposals, including an early review of the HA's criteria for awarding consultancy contracts, an end to the current practice of engaging the lowest bidders, a stipulation in the contracts of the minimum number of qualified site staff the consultancy firms must have, a review of the present multi-tier sub-

contracting, the introduction of a system of approved sub-contractors (that is, sub-contractors must be on the HA's list of approved contractors), and also an early review of and improvement to, by the HA, the building designs and material specifications. Besides, we also proposed that the graduates from the Vocational Training Council and the Construction Industry Training Authority courses be given more front-line job opportunities so as to provide the base and conditions for a gradual change to the culture in the construction industry.

The policy address devotes considerable space to urban renewal; this shows that the Government attaches great importance to this work and also shows its determination to improve the living environment for the citizens.

However, we still think that more specific arrangements should be made.

We think that the Urban Renewal Authority (URA) should not operate according to commercial principles so as to avoid giving up individual renewal projects that are not profitable.

On compensation, a lenient principle should be adopted so as to give adequate compensation and proper rehousing to the affected citizens, including:

- retaining the practice of the Land Development Corporation of using five-year-old buildings in the same district as a reference for compensation;
- providing a number of cash compensation packages to the tenants;
- studying anew the benchmark for compensation to shops and roof property title holders; and
- setting a deadline for negotiations, allowing landlords to bargain with the URA; introducing a mechanism for landlords to appeal against the compensation offered.

On rehousing, we have insisted that the HA should assign units to offer the affected residents local rehousing as far as possible.

We think there is a need to amend the Building Management Ordinance.

The legislative intent of the Ordinance is to protect the rights and interests of individual flat owners. However its operation over the years has revealed more and more loopholes which often push the individual owners into the depth of the abyss. While the Chief Executive hopes to have more citizens buying their own homes, he has not mentioned their plight as owners of negative assets; nor has he acknowledged the pain of many of those who own their flats, but not the power, paying the big landlord, that is, the developer, to wage legal battles against themselves. We think consideration should be made with a view to amending the Building Management Ordinance along the following line:

- lower the number of owners and the shares of ownership required to terminate the contract with a management company;
- disqualify those having the title of common areas from voting;
- introduce deterrent clauses to punish management companies that commit unlawful acts or make major mistakes;
- clarify procedures and arrangements for the convening of general meetings for owners;
- study the circumstances that warrant amendments to the deed of mutual covenant; and study the relationship between the deed of mutual covenant and the Ordinance; and
- define the liability of owners in the case of the liquidation of an owners' corporation.

The above are my response to the housing section in the policy address.

I shall use the remainder of my speech to talk a bit about security matters. I can find no significant reference in the policy address to security matters, other than paragraph 84 which is on admission of talented people from the Mainland and paragraph 165 on protecting intellectual property rights. I wish only to talk about the latter.

Over the matter of cracking down on pirated goods and piracy activities,

we understand that the Customs and Excise and other enforcement agencies have done their utmost, and with results. This precisely demonstrates that if we have the will, the required measures and the resources, these type of piracy activities can be stamped out. This also amply illustrates that more manpower and resources must be invested so as to achieve further results in the crackdown. We now appeal to the Security Bureau to let the police take an active part in intellectual property rights protection.

Madam President, "having a correct direction, but not sufficient measures" is our verdict on the policy address. Many Members of this Council have dismissed this policy address as not worth the paper it is printed on. But doing so does not give us a better tomorrow. It is all too easy to criticize. If the Chief Executive had proposed lots of handouts in this policy address, people might get some short-term relief; but then there would be criticisms that the Chief Executive lacked a long-term vision, that he only resorted to small favours and petty benefits. Therefore, irrespective of whether we agree with the ideas and measures put forward by the Chief Executive in the policy address, the most important thing is we have the opportunity to pragmatically understand the real state of Hong Kong and where our difficulties lie, so that we can deal with these difficulties properly and work together for a solution in a solid and practical manner.

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

MR LEE CHEUK-YAN (in Cantonese): Madam President, when the Chief Executive was reading his policy address, what conjured up in my mind was Mr TUNG, the Chief Executive, roaming in his world-class city, and ordinary citizens walking their way back to Guangzhou; another thing that surfaced in my mind were the words at the beginning of the Dickens novel *A Tale of Two Cities*, "this was the season of Light, this was the season of Darkness".

Light and darkness appear at the same time in Hong Kong. This is because, as I can see, to some people who have a bright future, their future will be brighter, and will remain bright. But these are only a handful of people. Recently, we all witnessed certain cases that are very bright to the people concerned. Take the Star East for example, it is worth \$800 million as soon as it was listed, how bright it is! The future of big businesses is very bright; and

with the exception of Secretary YEOH who has had his remuneration reduced, the future of our high officials is also very bright. Now the Government has indicated that talented people would be admitted, so those talented people will have a very bright future. But what about the other group of people? What about Old LEE? What about the millions of people belonging to the non-elite masses? They may see utter darkness in front of them. And what the SAR Government has let the people see is that its blueprint for future administration is about the accumulation of wealth by the elite, without any concern if the masses should live or die. You may think that I am exaggerating. Will the Government admit this is what it has done? If it denies, I will then ask the Government, if it has done anything for the masses who are not members of the elite. Has it done anything practical for them? Anything for the unemployed, the elderly, the single parents or the wage earners? We might as well name what the Government has done for them one by one.

The Chief Executive told Old LEE two things in clear terms: First the Chief Executive would buy him moon cakes; second, the children and grandchildren of Old LEE would see better times. To buy him moon cakes means Old LEE was hungry, so moon cakes for him. Is this not the same as the French empress who told her hungry subjects to eat cakes if they had no bread? As to the children and grandchildren seeing better times, when poverty passes from generation to generation, will our offspring, and theirs for that matter, really see better times? I hope that our younger generations will have a better future through hard work; I also hope the children of Old LEE and their offspring will open up for themselves a road through struggle. But this does not help us now. What has the Government done to address the immediate problems of Old LEE, of the unemployed?

The Chief Secretary's second message in his policy address to the unemployed is that Hong Kong will in future become another New York or London. What meaning has this to them? In fact, the trend in New York and London is economic polarization with the educated elite getting all the jobs and money-making opportunities, while many in the low-wage group, unable to live on the meagre pay or even to land a job, might have moved to other states or cities to look for work. It is true in the United States, it is also true in the United Kingdom. But if Hong Kong becomes New York, we will have a problem, Hong Kong people do not have geographical mobility, we can only stick with Hong Kong. So there might be a serious unemployment problem,

unless we return to the Mainland to look for work, as Mr Antony LEUNG suggested, that is why I said people would be "walking their way back to Guangzhou". In 10 or 20 years from now when society becomes fully polarized, do you tell the group of people without a job and trapped in Hong Kong to go to Guangzhou to make a living? Is this their only way out? This is what we are most worried about, and that is Hong Kong on a par with the Mainland, and going back to the Mainland to live the life of mainland citizens becomes the way out for Hong Kong people. Is this a future we wish to see? Mr Joseph WONG, Secretary for Education and Manpower, might say, "It will not come to that, the Government will give them retraining; and after retraining, they do not have to walk back to Guangzhou." I support training, it is very important. But just think, how much can be taught in the several weeks of training, reduced now from nine months to three months, to make the trainees adapt to the new knowledge-based economy? We are human, not computers. If people were computers, things would be simple; we could handle new jobs after our central processors were replaced and RAM increased. But humans are not computers, how can we train the million wage earners with a Form Three education level into talented people with a short training course? Intelligent as our Chief Executive is, how many years of training has he had? How are his political skills? To talk about buying people moon cakes! Can training so easily hack a way out? I do hope that the Government can give it serious thought.

The Government has failed to deliver over the problem of unemployment. What can it do to address the problems of low wage and unstable income confronting the wage earners now? Is there a minimum wage like that in London and New York? No. The Government just could not care less if the workers should live or die. London and New York have set a minimum wage, why does the Government of Hong Kong not follow suit? Has our government put in place the collective bargaining mechanism that exists in London and New York? No. Wage earners suffer under the high-handedness of the big businesses: wage reduction, redundancy, transfer of risks, or even layoff. The wage earners take them all. What has the Government done for the wage earners? Well, to civil servants and employees of government-subsidized organizations, what has the Government done? Corporatization and privatization have spawned worries and uneasiness. Is this good for them? Here the Government also fails to deliver.

Let me recount to you a little tale about a subsidized organization. Once

on board an aeroplane an employee of a subvented charitable organization told me that he was not enjoying his pleasure trip to Japan. Why? Because his bosses in the organization were to transfer him, and if he refused the transfer, he would receive his salary at a 25% discount. Why was this so? That was the result of the need to enhance productivity. The Enhanced Productivity Programme has now begun to "cut" into the basic ranks of employees, asking them to accept only 75% of their salary. This is the so-called enhanced productivity. What is the Government trying to deliver? The result is reduced salary for the employees.

What has the Government done for families with single parents? The Government has cut their allowance for after-school care. Mothers pin all their hopes on their children, they hope their children can receive good education, enjoy good learning opportunities. But the Government has broken their hearts because all the Government has done is to cut the after-school care portion in the Comprehensive Social Security Assistance (CSSA) grants, thus dimming their hope for the future of their children.

For the elderly, what has the Government done? All it has done is to tell them, they will not have old-age pension, they can apply for CSSA if they so need; the mandatory provident fund has nothing to do with them; but if they live with their children, they are not qualified for CSSA because the family as a whole must be assessed. For the millions of ordinary Hong Kong citizens, what has the Government done? To the vision of a world-class city of the Chief Executive, Old LEE said, "Beat it". This really a heartbreaking reply, it represents the collective voice of millions of people — grass-roots citizens, workers, the elderly, the underprivileged, and the handicapped in society — now facing all I just said, namely, unemployment, low income, low education level, unstable income. What they have is a collective worry. The economic express named Knowledge as designed by the Chief Executive makes them feel that they utterly do not stand a chance of getting on board, of having any room for their own development, that they are completely excluded. This, I think, is the area with the biggest problem. The feeling now prevailing at the grass roots level in society is: There is nothing in it for us.

There is a saying in the Holy Bible, "The Sabbath is made for man, and

not man for the Sabbath." Why do I quote the Bible? Because I hope that the Government of Hong Kong and the business sector know that the economy is for the people, and not the other way round. But the present concept is that people are a commodity, serving an economic end; and that the economy does not exist for the people, but for the purpose of accumulating wealth; whether the wealth so accumulated will eventually trickle down to you, well that, you have to depend on your good luck. Therefore, people have become an appendage to the economy, and eventually Darwinism will rule in the whole society, which would then turn into a complete jungle where the law of survival of the fittest prevails. I fear enormously that the whole world, the whole society will also reach a stage when humanity no more counts, when all and everything serves only an economic purpose, when man loses his human "flavour", how can we not be chilled to the bone?

As the saying goes, when the administration runs smoothly, there will be popular harmony. If the Chief Executive precludes popular participation in government, he can be sure his administration will not run smoothly, and there will not be popular harmony. Without popular harmony, society cannot stay cohesive and will find no common goal. In this way, how can we build a future for our society? This is a problem we must face. To the Hong Kong Confederation of Trade Unions (HKCTU), the development of our entire economy must take account of the following important principles: Firstly, society must share the risks as a whole; secondly, society must be cohesive, there must be a social consensus on the direction of development; thirdly, the economy should be employment-based. Nowadays many people often talk about globalization, and so has the Chief Executive. Globalization brings businesses more opportunities, keener competition and greater risks. This is a fact. When risks increase, how do businesses respond? They do so by laying off workers, and with some flexible ways such as hiring contract, temporary, or part-time staff and out-sourcing, so as to adapt to the global market. But the result is turning the labour market into one of casual workers, lower wages and lacking job security. In other words, after globalization, businesses transform all their risks into employment risks for the employees. There is no sharing of risks; they all have been borne by the wage earners.

The Government might say that the great trend is towards a flexible

employment regime. But I wish to ask the Government, can it consider the issues not solely from the perspective of the employers? Has it ever occurred to it that economic risks can be reasonably shared through various policies? The right to collective bargaining, the social safety net (including unemployment insurance) and the minimum wage we in the HKCTU have been talking about together constitute a mechanism whereby the entire community share the risks, so that it will not be the wage earners alone who will take all the risks. This is that simple.

Another major principle is that employment must be, we hope, a dominating consideration. We hope that the Government could conduct suitable manpower demand surveys and develop a serious training system, genuinely do some thinking about how to seriously implement in Hong Kong a system of life-long learning, instead of the current training of a mere few weeks.

On the other hand, if Hong Kong really makes employment its dominating consideration, we must maintain our public services and increase public expenditure, only this can be employment-based. Regarding small and medium enterprises, we have always agree with the Government in supporting them. But "bricks and mortar" must not be the sole consideration. The Chief Executive also said that small and medium enterprises are an important component of his employment-based policies. We hope that the Government would provide a suitable support system for the long-term unemployed, to the handicapped, the elderly, the underprivileged and wage earners mentioned by me, so as to guard them against falling down the poverty trap. They can integrate into society only with the implementation of a suitable support system.

Madam President, the policy address has not given the general public adequate and equitable development opportunities, nor has it introduced any measures for the sharing of risks. Therefore I can only express my regret. Thank you, Madam President.

MR ANDREW WONG (in Cantonese): Madam President, before the release of this year's policy address, I conducted an opinion poll within my constituency, namely, New Territories East, between the end of August and the beginning of September, in which a total of over 400 citizens were polled. The objective of the poll is basically twofold, to see what people think of the performance of the

Chief Executive in the past two years, and what they expect of the policy address. I regret to say that from these 400-odd responses, the performance of the Chief Executive in these two years has been lousy, failing on every count. Of course, I used a five-mark system, and the average score was 2.55 marks. But all responses gave less than three marks for all specific policy areas. The first portion is about his performance in the past two years, that is to be judged by the three policy objectives promised last year, namely, the elderly services, education and housing. In all three, the scores are below three marks, 2.46 marks for the elderly services, 2.43 for education and only 2.23 for housing. Members' speeches in the present policy address debate have often gone beyond the policy address to the past performance. Members wanted to compare and see if this year is any better than the last.

As to public expectation of the policy address, my opinion poll reveals that 43% of the people stressed that the economy should be put in the first place, while 18% on having decent homes and jobs. I put decent homes and jobs together because it was really difficult to separate those who were only concerned about their employment opportunities from those who stressed only an environment for a decent home. However the obvious inclination is clear. Therefore, the policy address released on 6 October is arguably a disappointment to the citizens. This could be the reason behind the talks about "farsightedness" and "shortsightedness". The survey conducted by the University of Hong Kong on 7 October showed that only 35% of those interviewed were satisfied. Though the percentage has increased by 12 percentage points as compared with last year, 1998, when only 23% were satisfied, the score is not a pass.

Further, the Home Affairs Bureau also commissioned the Chinese University to conduct a survey, the results of which were released yesterday. This survey found that 47% of the respondents were satisfied, and 53% dissatisfied, still the negative views outnumbered affirmative ones. However, this particular survey was conducted with considerable skill, because it sought answers only on many of the specific matters in the policy address, and therefore it can be claimed that 35% of the interviewees supported all the recommendations in the policy address, in other words, three quarters of the citizens supported this policy address. Putting it that way, it can also be said that the citizens thought that this year's policy address represented an improvement over last year. However, those who were not satisfied remained the majority. Is this due to packaging, or the contents? Or is it a matter of

literary flourish, or oratory skills, or even of image? All these are worth some in-depth thinking by the Chief Executive himself and officers of his office.

I have a very little proposal, and this very little proposal concerns me.

I have myopia, and also presbyopia, presbyopia is farsightedness, a certain type of farsightedness; I also have astigmatism, but nothing serious, only a matter of 100-odd degrees, as we call it. Therefore I sometimes wear glasses, but my glasses do not slip down my nose because they have spring-action arms that keep them in place. So I have avoided the sarcastic comments that I keep looking lower and lower down. The presbyopia that makes you looking lower and lower is farsightedness. Of the 1997 policy address, the theme of which was to build a new era for Hong Kong, my appraisal was that it was rather non-specific. I said that it embodied falsehood, exaggeration and vagueness because I felt that that policy address had a philosophical flavour. From an angle of philosophy, it was to change the small government management philosophy to which Hong Kong owed its success previously to a philosophy of big government. Last year's policy address with the theme of turning crisis into opportunities still, I thought, showed traces of the falsehood, exaggeration and vagueness. Though in the midst of the financial crisis, many vague and exaggerated words could not be said, so quite a number of pragmatic proposals were made. Therefore, I gave it a passing mark. The present policy address carrying the title of "Quality People, Quality Home" is arguably more practical because it has put forward two major policy objectives, namely, education and the environment which make the whole document more down to earth. Therefore in my five-grade marking system of outstanding, very good, moderate, passable and poor, I give it "moderate", one grade above "passable", so it is worth our support. The reason I have rated it as "moderate" instead of "outstanding" could be due to certain problems with its overall presentation, or packaging. With such presentation, all we have is a vision of a beautiful future. However on the immediate issues such as the high unemployment the people are facing right now, it can be said that the policy address has completely failed to address them.

Last year I said that the policy address should stress on problem solving. I said that this was a matter of doing things. When doing things, you have to seek solutions, therefore an administration should govern by way of solving problems. The future is of course important, but what is more important is to solve the immediate problems. My philosophy of government is very simple.

Though I do not hold any government office, I teach political science. I think it is always better to relieve the pain of the people than to increase their happiness. I believe and also hope that the Chief Executive would agree with this one point. So, I believe if he so agrees, then the problem with the policy address could probably be one of presentation. If he had presented the two main themes of education and the environment as means to stimulate the economy and to create jobs, and that both the means and the end could be achieved at the same time, he would not have been ridiculed for wearing a pair of presbyopia glasses, that is, one for farsightedness, that made him look lower and lower down.

Madam President, on these two specific proposals of the policy address, I would like to put forward some of my personal views. These views are closely related to the traditional philosophy of government in Hong Kong. Education is an issue that must be addressed. But I think that many of the reforms now in progress do not begin with the "root" of the problem. In 1997 when the Chief Executive just took office, I said in the "Letter to Hong Kong" that the education system of Hong Kong needed reform, the element of competition needed to be restored. This competition is one among students, among schools. They should not be made all equal. Obviously, education must be made universal, and universal and egalitarian education must be provided in the fundamental education stage. But some students are better naturally endowed than the other, for those with lesser intellectual ability, there must be adequate training and adequate facilities to make up for their inadequacy. After their fundamental education, which I suggested in 1975 should last eight years, there should be a secondary school entrance test. This should not be some aptitude test which would divide the students into five bands, before mixing them together for random allocation to various schools; many students could and still can manage to evade this system of mixing all students for place allocation. I thought that with resources never going to be sufficient, there had to be a reasonable and fair selection system so as to create competition. So after the students completed "Primary Eight", I assumed that grade would be so called, and through competition, they entered different schools according to their different abilities. Schools could also admit students according to their own requirements; they could decide to admit students with a talent in music, or in sports, or in mathematics, or in literature. It would be all up to the schools. Then schools would compete among themselves. Hong Kong mainly owes its success to education, without the system I just described, we would be beaten by our own education system. Then where come talents? This is impossible. Talk about

the Certificate of Education Examination for Form Five students, I started to oppose the moderation of results by "drawing the curve" a long, long time ago, for this leads to relative and not absolute scores obtained by the students. Nobody ever knows what subjects actually got a pass and what failed. Therefore, it is possible that a student's language ability is quite low even he has got a "distinction" in English or Chinese. I insist on absolute scores and think that only thus can schools get added value in education. When schools teach the students the right ways, and students make improvement, the schools will have a sense of achievement.

On environmental protection, I think that we should insist on the principles of "user pays" and "polluter pays", and should severely punish "fare-free riders". There is no need to give money for people to switch to LPG vehicles. Even if we raise the penalty to \$1,000, with the old way of inspecting motor vehicles, it is completely useless. Apparatus similar to breathalysers should be used. Once vehicles are seen emitting smoke, they must be subject to a test and be towed away. The current practice of asking the driver to turn in his vehicle for a test at some time in the future is useless because he will fix it before submitting it to the test. Therefore they will never get punished. So it is useless even to raise the fine to \$1,000 or \$10,000. We can only create a nuisance to them, make them lose some business. Therefore any action must include an on-the-spot test, on-the-spot fine, only such a measure will give the owners an incentive to properly maintain their vehicles. Further, high maintenance expenses can also serve as an incentive for them to modify their vehicles into electrical or LPG ones. This, only, is the way to eradicate the problem.

About environmental measures for incinerators, the then Director of Environmental Protection put forward some suggestions over 10 years ago to the Finance Committee and the Works Programme Sub-Committee at meetings that were still not open to the public. Only that he pointed out at that time the high costs would make them not feasible. In fact, that was not true. At present, many small incinerators are completely enclosed, and the energy produced can even be used to bake bricks. This was so 10-odd years ago, but nobody was willing to adopt such a design. At that time, the emphasis was on ways to create big landfills. If the 18 districts of Hong Kong could be divided into smaller divisions with small incinerators, refuse collection trucks, still driven by diesel fuels, would not need to travel long distances.

Therefore, there is no need to consider big things. I do not know whether

the incinerators under consideration are big or small. But there will be major problems if we are to depend on incinerators to generate electricity. I think that it is important to know "small is good". I also think that we should adhere to the principle of "user pays", and should severely punish law-breakers, that is, polluters.

"Small is good" reminds me of things relating to work. If the district boards remain consultative bodies, they have utterly no part to play. After the two Municipal Councils are abolished, the 18 district boards will stay, but if they remain consultative bodies, they can do nothing. It would be more appropriate if some of the functions and powers of the Municipal Councils are transferred to the district boards so that they can manage the affairs in their respective districts. I do not mean they should be allowed to make decisions over all matters, but at least some of the things could be left to their management, such as the frequency of street sweeping. As the environment in each district is unique, we could let people of the districts decide how their district boards should function. One particular district might prefer cleaner streets, while another might prefer using the money for other purposes, leaving the district not so clean. This should be allowed. All I have said is but one example.

Therefore insofar as the two Municipal Councils are concerned, I think that apart from considering abolishing them, there should also be a complete overhaul. I think it too many to have 18 districts, but then again too few to have only two. If we are to combine the two tiers of representative bodies, I think eight or 10 districts might be a more suitable way. But these district boards must have real powers. And this leads me to another issue, that is, the sharing of powers.

If local governments or local councils do not have powers, with the central government holding all the powers and the role of local authorities limited to merely expressing views, the local authorities would only become more and more irresponsible. They would say what is right, but also what is not right; they would criticize what is wrong, but also what is correct. This is because they can score marks by criticizing. After criticizing the Government, they score marks if the Government heeds their criticism; they will score even a few more marks if the Government does not, because they then have the opportunity to level more criticisms at the Government. So it is bad not to share powers. If this is practised at the Legislative Council level, how then is the relationship

between the executive authorities and the Legislative Council to be improved? To achieve improvement, the Legislative Council must be made to have teeth which can really bite, and not some teeth made of soft bone. Right now, it is impossible for the Legislative Council and the executive authorities to co-operate because when the latter come here, we cannot use our hardest teeth. That is tantamount to asking us to shut up and do not eat. So there is no way for the two sides to converge. When we cannot bite, there is no way things will get done. Nutrition will come out only if we can chew slowly and hard. Therefore, in this respect, I completely support what Dr LEONG Che-hung said in moving this motion, we must consider introducing the ministerial system under which ministers hold political appointments. Only in this way, a relationship that demands true accountability can be established between principal officers so appointed and Members of the Legislative Council. Though Mr TUNG Chee-hwa, the Chief Executive, has not mentioned in his policy address that such a review must wait until 2007, it can be carried out before 2007. What is more, it is clear that major political parties and Members of this Council seem to think that the matter can be reviewed. On this basis, I am more inclined to supporting the constitutional convention proposed by Miss Christine LOH. Could we have a constitutional convention comprising representatives of the executive authorities, of the community and of the Legislative Council to jointly study what in direction our political development should be heading?

Madam President, I have no time to explain why I oppose the amendment proposed by Mr Martin LEE. I would like to refer Members to what I said last year, that is, to my speech in the 1998 debate as recorded on pages 1889 and 1890 of last Session's Hansard. In my said speech I explained why I could not agree with the amendment moved by Mr Frederick FUNG in 1997. In 1998, Mr LEE Cheuk-yan, Miss Christine LOH and Mr Martin LEE moved amendments, and I did not support any of them. The reasons? I think they were recorded clearly in the Hansard and I do not wish to repeat them today.

With these remarks, Madam President, I support the original motion of Dr LEONG Che-hung, and oppose the amendment moved by Mr Martin LEE.

PRESIDENT (in Cantonese): Fifty-eight Members have spoken in this debate.

I now invite Dr LEONG Che-hung to move a motion to adjourn the debate on the Motion of Thanks.

DR LEONG CHE-HUNG (in Cantonese): Madam President, I move that the debate on the Motion of Thanks be now adjourned, and be resumed on 27 October 1999.

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

(Members raised their hands)

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

(No hands raised)

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

Public officers will speak in response to Members' speeches at the Council meeting on Wednesday, 27 October 1999.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourned the meeting until 2.30 pm on Wednesday, 27 October 1999.

Adjourned accordingly at twenty minutes to Nine o'clock.