

OFFICIAL RECORD OF PROCEEDINGS

Friday, 17 January 2003

The Council met at half-past Two o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE MRS RITA FAN HSU LAI-TAI, G.B.S., J.P.

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

DR THE HONOURABLE DAVID CHU YU-LIN, J.P.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE ALBERT HO CHUN-YAN

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

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 FRED LI WAH-MING, J.P.

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

THE HONOURABLE NG LEUNG-SING, J.P.

THE HONOURABLE MARGARET NG

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

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHAN KWOK-KEUNG

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, J.P.

THE HONOURABLE CHAN KAM-LAM, J.P.

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI

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

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE WONG YUNG-KAN

THE HONOURABLE JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE HOWARD YOUNG, J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE YEUNG YIU-CHUNG, B.B.S.

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH

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

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

THE HONOURABLE AMBROSE LAU HON-CHUEN, G.B.S., 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.

DR 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.

THE HONOURABLE ABRAHAM SHEK LAI-HIM, J.P.

THE HONOURABLE LI FUNG-YING, J.P.

THE HONOURABLE HENRY WU KING-CHEONG, B.B.S., J.P.

THE HONOURABLE TOMMY CHEUNG YU-YAN, J.P.

THE HONOURABLE MICHAEL MAK KWOK-FUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE LEUNG FU-WAH, M.H., J.P.

DR THE HONOURABLE LO WING-LOK

THE HONOURABLE WONG SING-CHI

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE IP KWOK-HIM, J.P.

THE HONOURABLE LAU PING-CHEUNG

THE HONOURABLE AUDREY EU YUET-MEE, S.C., J.P.

THE HONOURABLE MA FUNG-KWOK, J.P.

MEMBERS ABSENT:

THE HONOURABLE JAMES TIEN PEI-CHUN, G.B.S., J.P.

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

THE HONOURABLE HUI CHEUNG-CHING, J.P.

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

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE DONALD TSANG YAM-KUEN, G.B.M., J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE ANTONY LEUNG KAM-CHUNG, G.B.S., J.P.
THE FINANCIAL SECRETARY

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

THE HONOURABLE HENRY TANG YING-YEN, G.B.S., J.P.
SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.
SECRETARY FOR HOUSING, PLANNING AND LANDS

PROF THE HONOURABLE ARTHUR LI KWOK-CHEUNG, G.B.S., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

THE HONOURABLE JOSEPH WONG WING-PING, G.B.S., J.P.
SECRETARY FOR THE CIVIL SERVICE

DR THE HONOURABLE PATRICK HO CHI-PING, J.P.
SECRETARY FOR HOME AFFAIRS

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, G.B.S., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE STEPHEN IP SHU-KWAN, G.B.S., J.P.
SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR

DR THE HONOURABLE SARAH LIAO SAU-TUNG, J.P.
SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

THE HONOURABLE FREDERICK MA SI-HANG
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE STEPHEN LAM SUI-LUNG, J.P.
SECRETARY FOR CONSTITUTIONAL AFFAIRS

PROF LAU SIU-KAI, 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

MEMBERS' MOTION**MOTION OF THANKS****Continuation of debate on motion which was moved on 15 January 2003**

PRESIDENT (in Cantonese): Council will now resume and proceed to the fifth debate session.

The policy areas for this debate session are "administration of justice, legal services, constitutional affairs, public service and security.

MR CHEUNG MAN-KWONG (in Cantonese): Madam President, the Government of the Hong Kong Special Administrative Region (SAR) is facing a critical crisis of governance, a crisis of not only public discontent and grievances induced by the economic downturn, but also the inappropriate remarks and attitudes of accountability officials responsible for the legislation under Article 23 of the Basic Law (Article 23), which intensified the people's distrust of the Government.

Article 23 is the most controversial political provision of the Basic Law and it touches the most sensitive political nerves of China and Hong Kong. For five years, the Central and SAR Governments have not enacted legislation under Article 23 to avoid awakening the hidden political fears of Hong Kong people. Hong Kong people fear that the rule of man and draconian laws in the Mainland will slip into Hong Kong by way of Article 23. Historically, the national security of China very often became a tool for the suppression of dissidents. The profound historical scar is stamped on the mind of older generation Hong Kong people and that of the younger generation after the 4 June suppression. They do not wish to recall the incident. Nor do they dare forget about it.

The accountability officials of the SAR responsible for Article 23 legislation must understand the minds of Hong Kong people and be politically sensitive, they must listen calmly and have a grasp of the supportive and opposition opinions in the community. Besides, they must seriously address the worries of the people before they can deal with the most controversial issues related to Article 23. The worries of Hong Kong people are not sheer conjecture, but vivid worries that even carry sad remembrance of relatives.

The pro-China tycoons and the grassroots alike still remember vividly the bitter experience and pains of themselves or their predecessors in the Mainland. Although China has embarked on a road of reform and opening, the road is still long for the transition from the rule of man to the rule of law, and it is a wrong timing to erroneously make legislation to implement Article 23 at this moment.

The accountability official of the SAR responsible for Article 23 legislation has rudely and proudly challenged the genuine worries and objections of the people with violence, arrogance, prejudice and through tinted glasses. In the past, she once belittled taxi drivers, restaurant waiters and stewards at McDonald's, saying that they would not read the legislation and therefore it is not necessary to introduce a White Bill. Her criticism of university students being too radical and irrational won her catcalls. She also said that the revolution by the Communist Party of China was magnificent and forgot the persecution of people for decades since the establishment of the nation. She even cited the history of HITLER killing the Jews to say that democracy is not a panacea, which caused her reproach by the international community.

She has recently scolded Mr Alan LEONG, the former Chairman of the Bar Association, for exaggerated and untruthful comments. She has scolded people who joined a procession against Article 23 legislation as a flock of sheep, the reporters of the Chinese press for not reporting objectively and the reporters of the English press for translations that are far from the facts. She has scolded the Bar Association and the Law Society for employing negotiation strategies and a Chinese newspaper for the headline of "heaven and earth will not tolerate (天地不容)". Whenever this accountability official attends a forum, she will give rise to disputes and division, making Hong Kong people more worried about and fearful of Article 23.

Taking an overview at the consultation process of the Article 23 legislation, we have every reason to doubt that this accountability official has lost her sense of calmness, impartiality and fairness, turning the consultation in respect of Article 23 legislation into a farce, intensifying the division of the community and making the consultation meaningless.

Madam President, the impact of Article 23 legislation is so significant that a White Bill must be presented, precise provisions must be made and the public must be consulted again. In view of the unpleasant experience of the consultation in the past, we think that the original accountability official should

be relieved of duties in respect of Article 23 legislation to enable a new round of consultation with a new person in charge and a new style of work.

With these remarks, Madam President, I support Dr YEUNG Sum's amendment.

MS LI FUNG-YING (in Cantonese): Madam President, I will focus my discussion on the public service.

The Budget by the Financial Secretary last year made an assumption and unilaterally announced that civil servants would have a 4.75% pay cut, which gave rise to an enormous controversy. The subsequent legislation on a one-off pay reduction pushed the relationship between the Civil Service and the Government into an abyss. The financial pressure faced by the Government this year is heavier than that of last year and a civil service pay reduction has once again been mooted. I wish to give a warning in advance that if the Financial Secretary acts wilfully again and follow the same old disastrous road, he will definitely damage the ongoing negotiations between civil service unions and the Government and widen the crack between the Civil Service and the Government, and certainly induce stronger reactions from the Civil Service. I explicitly request the Financial Secretary to act prudently; otherwise, he will jeopardize the effective governance by the Government.

I admit that the Government is sincere in making amends with the Civil Service, at least in form. As we can see, after the passage of the legislation on a pay reduction, Mr Joseph WONG, the Secretary for the Civil Service, took the initiative to meet various civil service bodies and negotiated with civil service unions over future adjustments to civil service pay and remuneration levels. The Chief Executive has clarified in the policy address this year that the Civil Service has not caused the fiscal deficits, and the Civil Service has made enormous commitment in the past few years in cutting expenditure. I welcome the Chief Executive's saying something to do justice to the Civil Service, and I believe it is helpful to easing the tensed relationship between the Civil Service and the Government. However, it is not easy for the Government to re-establish mutual trust with the Civil Service and I wish to repeat the expression "honest government" in the introduction of the policy agenda. Now that it has been admitted that civil servants are willing to tide over difficulties with the public, the Government can only be honest and fully respect the views of civil

service bodies by taking substantive actions before mutual trust can be gradually restored and the administration by the Chief Executive's team can get twice the result with half the effort.

The whole discussion on civil service pay involves the pay arrangements for over 300 000 staff of statutory and subvented organizations that are linked to the civil service pay. Just like civil servants, there are also effects on their pay and remuneration. However, their voices are not heard in the existing review. Two years ago, the Government implemented a lump sum grant funding arrangement with significant effects on the basic rank staff of subvented organizations. If fundamental changes are made to the existing civil service pay adjustment mechanism, we must consider the impact that they will have on the staff of subvented and statutory organizations who almost double the number of civil servants. Only when their views are heard can the resistance to changes be minimized.

Madam President, I am still concerned about the attitude of the Government towards civil servants for it will not only affect effective governance by the Government, but also affect labour relations in the community significantly. As the biggest employer in Hong Kong, if the Government deals wilfully and arbitrarily with matters such as benefit and pay reductions that are closely related to the staff, it will only rub salt into the wounds of the working class who have already lost their bargaining power in society.

I feel uneasy about the target stated in the policy address of cutting the civil service establishment by 10% by 2006-07 through natural wastage and normal retirement. I am not sure about how confident the Government is in achieving the target of a 10% reduction if it only relies on trimming by the Civil Service on its own. The Government announced the second round voluntary retirement scheme on Wednesday, but the scheme attracted more criticisms than praises from civil service unions. If it cannot successfully lure civil servants to join the scheme by the promise of gain, and if the progress in reducing the civil service establishment is unsatisfactory, will the Government coerce or even lay off staff by other means to force the achievement of its target? A more serious contradiction is that the population keeps growing and the public has increasingly higher requirements for public services, how can the Government continuously reduce manpower while assuring the provision of quality services?

Madam President, I so submit.

DR RAYMOND HO (in Cantonese): Madam President, during the first debate session on revitalizing our economy, I said that the policy address this year had concisely focused on the future policy objectives of the SAR Government and this change was very good. Under the new arrangement, the relevant initiatives should have been set out in the policy agenda that was published together with the policy address. It is a pity that we can only find brief information in the policy agenda on the policy measures of the SAR Government for the next 18 months.

Given a lack of information, colleagues of this Council and I believe that it is very difficult to effectively perform the relevant functions specified in Article 73 of the Basic Law and monitor the Government. The principal officials of the SAR Government have also chosen to brief the press on the policy agenda covering the policy areas under their charge before briefing colleagues of this Council, and they have come to this Council to conduct briefings for two and a half days only upon the invitation of the House Committee of this Council. The arrangement is very inappropriate. I hope that this is not a demonstration of disrespect by the SAR Government for this Council, but it has more or less exposed that the first accountability official team in Hong Kong is not politically sensitive enough and has failed to appreciate the importance of expeditiously establishing a good relationship between the executive and the legislature.

The SAR Government has clearly shown its intention to increase taxes in the policy address and the middle class is often made to bear the brunt of every tax hike. The middle class has all along been the mainstay of our community and played an important role in stabilizing society. They have also paid the most and benefitted the least insofar as public finance is concerned. Even so, they have borne their fair share of social responsibility according to their abilities. However, the Government has not given them suitable assistance when they encounter difficulties.

Under the impact of the Asian financial turmoil and the continuous economic downturn, many members of the middle class have become negative equity asset owners and many of them have been dealt a blow by wage reductions and layoffs, yet, they can only sigh about their lousy luck. Though the Chief Executive has recently stated that they are not the major targets of tax increases by the Government, I believe his remark still fails to dispel the worries of the middle class about such increases. I really hope the Government will not wield its axe at the middle class again; otherwise, it will certainly intensify the

contradictions between the Government and the middle class and alienate them even more from the Government.

Now, I would like to talk about the Civil Service. The Chief Executive has clarified in his policy address that civil servants have not caused the fiscal deficits today and in doing so he has done justice to civil servants after all. Under the pressure of fiscal deficits, I believe the pay level of civil servants and the reduction of their numbers will still be one of the important agenda items of the Government in the next 18 months. I hope that the SAR Government will first consult civil servants before formulating any policies that will affect the civil service pay and conditions of service, and I am referring to positive and sincere consultation. As to the establishment of a mechanism for the adjustment of civil service pay, the SAR Government must consult civil servants with a view to finding a mutually acceptable solution.

Madam President, the above are my opinions on the policies related to effective governance in the policy address and the policy agenda. I so submit.

DR YEUNG SUM (in Cantonese): Madam President, governance by the Chief Executive in the past five years has been ineffective mainly because he was not returned by election and lacks the people's mandate and support, therefore, it has been very difficult for him to implement policies. To change this situation, the Chief Executive has to conduct a constitutional review as soon as possible and establish a democratic system under which the power of the Government comes from the people. Only then will the Government respect public opinion, sense the people's urgency and achieve effective governance.

The Democratic Party urges the Government to conduct a public consultation on the constitutional review as soon as possible so that the Chief Executive and representative assemblies at different levels will be returned by universal suffrage. Mr TUNG as the Chief Executive should also set a good example, face the public and be accountable to them for he is duty-bound to do so. Actually, the Chief Executive as the head of the accountability officials failed to attend the phone-in radio programmes to listen to people's views and evaded the audience after delivering his policy address now that the accountability system has been implemented. How can he be accountable to the people and give them an account?

Lastly, I have to reiterate that as long as the people do not have confidence, economic recovery is difficult. People who have money are unwilling to spend because they are not sure about the Government's administration. The Government has been swaying, made discussions but not decisions and it has not sensed the people's urgency. I believe the prerequisite for effective administration by the Government is getting people's trust and it should expeditiously conduct a constitutional review and present a White Bill on the legislation to implement Article 23 of the Basic Law, thereby practically answering the people's appeals and restore their confidence. If a White Bill can be presented expeditiously, I believe it will certainly be conducive to strengthening social cohesion. Thank you, Madam President.

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

MISS MARGARET NG (in Cantonese): Madam President, at the opening ceremony of this Legal Year, Chief Justice LI of the Court of Final Appeal said that the rule of law and judicial independence has seen continuous development in Hong Kong since the reunification. But he also said that the rule of law is still upheld because we have maintained our vigilance and never relaxed it. In saying this, he also affirms that people from all sectors have no fear or hesitation all along in making criticisms issues in connection with the rule of law.

The rule of law situation in the SAR since the reunification has set off the alarm time and again and aroused grave concern on each occasion. Is it because a small group of legal professionals have been excessively nervous and even intentionally opposing and misleading the public? Or, have there really been problems with the rule of law in Hong Kong? Mr Alan LEONG, the Chairman of the Hong Kong Bar Association, strongly criticized the SAR Government at the opening ceremony of this legal year for destroying the rule of law. The Secretary for Justice later questioned whether he had made those criticisms on behalf of the Bar Association, and the Government made a statement that evening, refuting him for exaggerating and quoted the remark made by the Chief Justice to prove the continuous development of the rule of law. That particular statement resorted only to authority and quoted out of context, overlooking the real meaning of the remark made by the Chief Justice.

The legal sector and the Secretary for Justice should stand in the same position and are equally duty-bound to uphold the rule of law. They should

rarely have serious discrepancies in respect of the fundamental principles of the rule of law, and this problem should not have become so serious that it cannot be reconciled and developed into an open confrontation. Nevertheless, why have such cases arisen again and again since the reunification? There were such problems as the right of abode, interpretation of the Basic Law by the National People's Congress, the Public Security Ordinance earlier on and now the consultation on the legislation to implement Article 23 of the Basic Law. Does the Chairman of the Bar Association of every term have ulterior motives and intend to achieve political objectives by discrediting the Government? What are their political objectives? The truth is precisely the opposite and everybody knows that the three Chairmen of the Bar Association before and after the reunification do not have any political background or inclination and they have only performed the duty of upholding the rule of law. Yet, none of them can avoid conflicts with the Secretary for Justice in the course of events. Yesterday, the Bar Association elected the fourth term Chairman after the reunification. He is a senior barrister who used to be disinterested in politics, but will he be forced onto the same path in the future?

Should the Government not ask itself if it may be inadequate in understanding the rule of law and the criteria and standards in its pursuit of the same? Has it not fully listened to the views of professionals outside the Government with an open mind? If the Secretary for Justice also thinks that open criticisms by the legal sector will affect people's confidence in the rule of law in Hong Kong, should the Secretary not review where the problem lies and conduct more genuine discussions with the two professional legal bodies about the fundamental principles of the rule of law?

The legal sector is also worried about the fact that the Department of Justice has belittled its role in the government structure. In our view, the Secretary for Justice has the significant constitutional responsibility of obliging the Administration to observe the principles of the rule of law. It means not only ensuring that no laws and regulations should be breached in terms of provisions or technicalities, but also defining that a law-abiding government cannot do certain things even without the restrictions of provisions. We worry that the Department of Justice may think that its role is only to provide technical legal services to the Policy Bureaux and try its best to enable the Bureaux to reach their targets as requested without breaching the law. Even if it cannot do so, it will not take any action to stop such actions but will conversely try its best to defend the policy. The consequence is that it will facilitate the executive authorities that are unwilling to accept the restrictions of the rule of law and turn laws into tools of governance.

Many Members of this Council have spent a lot of time and energy considering bills and we have repeatedly expressed our concern about the quality of law drafting. We are not criticizing the Government Counsels of the Law Drafting Division for not being diligent or poor standard, but if the Department of Justice becomes an auxiliary to the Policy Bureaux and if it cannot help making its best efforts to meet the requests of policy officials, it will draft bills that have significant problems in terms of principles due to a lack of thorough consideration and the time constraint, and the bills so drafted will certainly be far from satisfactory.

A live example is the Article 23 legislation. According to the normal procedures, the Policy Bureaux concerned would only give detailed drafting instructions after adequate consultations on policies and all details have been officially finalized, specifying the contents required and the effects that should be achieved. Upon receipt of the drafting instructions, the Drafting Division will first carefully consider any ambiguities in points of law and clarify them one by one before getting down to drafting. Bills are not drafted in one go because we have to carefully consider all cases that may give rise to problems. LI Bai could boast that "he could write tens of thousands of words very quickly (日試萬言，倚馬可待)" but bills drafted in a hurry may give rise to a lot of adverse effects. Therefore, it is very important to accord drafting ample time.

The Article 23 legislation has far-reaching effects and is a complicated process because less than a month has been put aside for drafting according to the Government's schedule. Although the Secretary for Justice told the Panel on Administration of Justice and Legal Services the day before that they had not received the drafting instructions, the Secretary for Security has determined to publish the bill in February. I cannot help doubting how the Secretary for Justice who is professional and independent and defends law drafting can accept such instructions in a case that is not urgent. If she can substantially compromise on the quality of law drafting, how can we have confidence in the Secretary working as a gatekeeper for the rule of law? The SAR has no practical needs or urgency to pass the legislation in such an indecent manner. The compromise only represents the rule of law yielding to political objectives.

Actually, the existing laws of Hong Kong have adequately covered the requirements of Article 23 and the major problems evidently lie in legal reform and adaptation, therefore, the whole legislative exercise in respect of Article 23 should be put under the charge of the Department of Justice but not the Security

Bureau. When the Secretary for Justice explained to Members this arrangement, she said that it was because the article involves spy catching and the Security Bureau is therefore the expert. In fact, we have almost not touched upon any issues of security expertise in our discussions so far. Thus, the explanation is basically untenable.

Madam President, I have just quoted the remarks made by the Chief Justice. Although he did not directly mention the Article 23 legislation, he especially emphasized legislation when he touched upon the rule of law this year. Firstly, in saying that we should be vigilant in respect of the rule of law, he referred not only to enforcement and the interpretation of the law but also the drafting and formulation of new legal provisions. Thus, the Article 23 legislation actually seems ready to come out at one's call.

The reminder set down by the Chief Justice has deep meanings and echoes Sir David WILLIAMS and Prof Jack BEATSON, a professors of law of the Cambridge University and experts on the Bill of Rights. Facing the concern of all sectors about the restrictions of the proposed Article 23 legislation on basic rights and freedom, the Secretary for Justice and the Secretary for Security employed the best trick — just like GUO Jing's "Arrogant dragon will have cause to repent (亢龍有悔)" — when they said that legislation by the SAR could not violate the Basic Law; the Basic Law has provisions that sufficiently protect human rights and once a case is taken to the Court, the judicially independent Court will certainly declare provisions that violate human rights null and void. This hasty attitude is very problematic. Sir WILLIAMS has stated that national security legislation made out of haste will very often have problems and may infringe upon human rights. Prof BEATSON has also said that the human rights issues should be clarified at the stage of legislating to avoid leaving them to the Courts as far as possible, lest there should be the adverse effect of politicizing judges. Do the authorities appreciate, or simply disregard this point?

In this year's policy debate, it is impossible for us not to discuss the consultation on the Article 23 legislation not only because of Dr YEUNG Sum's amendment but also because an important area for debate is effective governance. The Chief Executive has also stated in his policy address that a major goal is to restore the people's confidence. The consultation on the Article 23 legislation is precisely the strongest negative example of effective governance. It is evidently the most important issue of legislation and the consultation conducted

on the most significant subject of the implementation of "one country, two systems" by the SAR Government has become more and more vigorous, and the authorities that proposed the consultation have adopted an attitude of refuting, doubting and even discrediting the critics. They have said that the professional advice tendered by the Law Society and Bar Association is no more than a negotiation strategy to enable them to have a more favourable position during negotiations with the Government. The Law Society and Bar Association have respectively responded accordingly. The Law Society of Hong Kong issued a statement this morning that it has frankly responded to the Government's consultation paper on the implementation of Article 23 but noted with regrets that the Secretary for Security has regarded its response as a negotiation strategy. The Law Society is a body comprising legal professionals but not a political body. It emphasizes that it has only given advice for reference by the public and the Government and it refutes accusation that it has any other motives. That this is what happened to those who have sincerely given the Government professional advice inevitably makes people feel disgust at the Government.

Indeed, the most pressing task for the SAR Government is to establish itself as a government that can command the confidence of the people, a task which is even more pressing than solving the fiscal deficits. It is because the success of the long- and short-term policies required for solving the fiscal deficits depends entirely on the people's confidence in the Government and in the future under the leadership of this Government.

I think that a successful and efficient government must have a clear grasp of the facts, understand the social needs and the needs of people, formulate correct and specific policies and reach the best consensus while formulating and implementing policies. Let me take the topic in this policy address that the Chief Executive feels the proudest of as an example for illustration, that is, the integration with the PRD.

Though the business and the economics sectors take a keen interest in the integration with the PRD, is this integration a public consensus? Of course, not. The speech by Dr YEUNG Sum has already touched upon this point. Most people are not sure about the specific details of the integration with the PRD as suggested by Mr TUNG Chee-hwa. In fact, there is no unanimous definition of integration. Some say that it only refers to the better and faster development of the flow of cargoes and passengers, of infrastructure and of tourism between Hong Kong and the Mainland. But some others say that the more

comprehensive the integration the better and a merger of the two places will be best.

The public including quite many civil servants is very doubtful about where integration should be achieved. Does the framework of integration include consistency of the institutions and style of Hong Kong with that of the mainland Government and cadres? Some Members have suggested that civil servants of the SAR should step up communication with mainland personnel. Does it mean frequently mixing with them? Does further integration mean encouraging the continuous northward movement of investments and job opportunities? The Government only focuses on publicity about integration and tells the people not to oppose integration for fear of losing their jobs or a decline in property prices. It might as well honestly analyse and carefully restrict the areas of integration that need to be promoted to the full, the areas that should be clearly defined as outside the scope of integration and the areas that have regard for the people's livelihood. They should also consider how the benefits of integration can be moved southward and the extent to which they would benefit the public. Yet, the Government only regards people who are worried about integration or "being melted" as opponents to correct government policies and asks them not to refrain from doing something for fear of a slight risk. How can it make people identify with the concepts of administration and have confidence in the Government?

The integration with the PRD is a fact but not a policy. When investing northward can reap profits, businessmen will naturally invest in the north one after another. Do they have to be led by the SAR Government? However, while the natural tendency of integration brings Hong Kong benefits, it also creates various social problems in Hong Kong. The Government should openly undertake to practically consider the social problems that will be created by the integration and consider suitable policies to solve or alleviate them. How can the Government say that it has fulfilled its obligations by merely telling the people in extreme difficulties that that is what economic restructuring is all about and organizing some training courses.

The Chief Executive, Mr TUNG Chee-hwa, attended a luncheon meeting jointly organized by several trade associations the day after he attended the Question and Answer Session in this Council last Thursday and discussed his policy address. He said at the outset that he felt as if he was back home. It is incorrect for him to say so because he has never left home! Mr TUNG Chee-

hwa has not left the business sector in terms of his state of mind and he has never left the business sector nor entered the community after all. While he represents the overall interests of the SAR, he cannot represent every class and sector and simultaneously transcending the state of mind of any sector. Just like many people from the business sector, he thinks that the interests of the business sector are the interests of Hong Kong and being nice to the business sector will benefit the public after all.

Madam President, I am afraid businessmen governing Hong Kong may not be interested in my remarks at all, which are a significant obstacle to effective governance. I can only encourage Members of this Council who really represent the people to compel the Government to clarify, study, explore and formulate correct and specific policies.

Another obstacle is that the governance of the SAR by businessmen so far has put emphasis on the rule of man, despised institutions and regarded them as straitjackets. Actually, good and reasonable institutions are the foundation of a fair society and conducive to people's living and working in peace and contentment and confidence in the Government. Since we will be able to know in advance what the Government is going to do, we can make arrangements according to our plans. The adjustment of the civil service pay and establishment must be made by way of a sound mechanism built rather than arbitrary legislation on pay reductions. The legislation on a pay reduction last year created a very big ghost and that is a very important lesson for us to learn. The policy address of the Chief Executive seems to have noted this point, but we have to wait and see as far as the genuine effects are concerned.

Nevertheless, the Government has not learnt a lesson at all in respect of the important issue of the relationship between the executive authorities and the legislature. A good working relationship should embody at least respect, and tender of notices and provision of sufficient information as soon as possible to enable this Council to make preparations and handle matters in an orderly manner, thereby truly discharging its functions under the Basic Law. Nevertheless, the executive authorities have intentionally overlooked this Council time and again, and the accountability system, anti-terrorist legislation and the legislation on civil service pay cut are some of the examples. The Chairman of the House Committee and the Chairman of the Committee on Rules of Procedure have mentioned all these issues and made criticisms of the policy address in this debate, and I identify with their views.

Madam President, unfortunately, the above situation can hardly be changed within the existing government framework. The ruling coalition defends the Government not only to ensure that it can force the passage of any proposals but also stop the passage of any proposals in opposition. The only way in which Hong Kong can get out of the plight and achieve effective governance that can command the confidence of the people is expeditious democratization and one-person, one-vote election of a Chief Executive who the people can trust and the return of all seats of the legislature by direct elections, a legislature which can really represent public opinion and take public opinion as the criterion for assessing the standards of policies. I call upon the people not to allow the Government to intentionally waste time insofar as a review of the political system is concerned. They have to directly request the Government to take all steps to implement the democratic targets promised in the Basic Law.

Madam President, the amendment of the Democratic Party is excessively gentle. How can we thank the Government for a policy address that has intentionally been impolite to the legislature and arbitrarily trampled on its critics with a mild reference to regrets?

DR PHILIP WONG (in Cantonese): Madam President, I wish to talk about my views on the political system.

First, I said the day before yesterday that the most important and pressing task nowadays is to overcome the economic difficulties. Besides the co-operation of various places, we have to rely on our own efforts. To pace up economic development this year or next, we have to boost confidence and actively face the reality, pool the community into a consensus and all our efforts together and take actions in all directions. We should not find fault with everyone and everything, unduly humble ourselves or waste precious resources on pointless political arguments and miss opportunities. We should be able to recall that Mr DENG Xiaoping delivered many important speeches in Shenzhen in January 1992 and promoted the speedy and healthy economic development of Shenzhen. I seldom cite the remarks of famous people in debates of this Council, but I always think that the comments "development is the concrete truth" and "no to arguments" made by Mr DENG are full of wisdom and merit deep thoughts.

Second, democratic development calls for orderly progress and balancing the interests of various classes. I have very carefully observed the

constitutional development in Hong Kong since the mid-1980s. In this pluralistic society, I think we have to consider history and the present situation practically and advocate mutual respect and accommodation, which is the essence of democracy. Some people advocate that democracy is "one-person, one-vote", but democracy is not as simple as that and cannot be weighed only by popular election. I have discussed this issue many times, and I only wish to review the facts about the enactment of the Basic Law.

During the period when the Basic Law was being drafted, the Basic Law Consultative Committee and the Basic Law Drafting Committee studied the elections of the representative assemblies in Hong Kong. An absolute majority of the people thought that the principles of orderly progress and balanced participation must be followed in the course of constitutional development according to the actual situation of Hong Kong to ensure that various trades and industries would have a voice in this Council. As everybody recognized the importance of this at that time, the proposal of the bicameral model was made. The proposal was consistent with the opinions of the majority and respected those of the minority. Eventually it became the mainstream public opinion after repeated discussions and extensive consultation, and was adopted by the National People's Congress and incorporated into the Basic Law.

This electoral system specified by the Basic Law fully complies with the Hong Kong Bill of Rights Ordinance and the International Covenant on Civil and Political Rights, and is affirmed by Hong Kong courts and generally accepted by the international community. After being tested over the years by fair and impartial elections, it has been proven that this system comprises the essence of democracy, tallies with the actual situation of Hong Kong, concurrently looks after the interests of various classes and reflects the views of various trades and industries. It is helpful to pooling the centripetal force of the people and enhancing governance by the SAR Government, and so it is recognized and supported by most people. Actually, Members of this Council returned by the two methods of election can fulfil their duties with their respective merits and play active roles in balancing the overall interests of Hong Kong and the interests of various classes.

Third, it is not necessary for endless arguments to be made. If the constitutional system that has been well-tested over the years is rapidly changed and the voices of various trades and industries are smothered, thus turning Hong Kong into a bloody political battlefield again, what good will it do to the solution

of the existing difficulties and the development of our economy? Taking the "promotion of economic integration with the Greater Pearl River Delta and the establishment of mutually beneficial and complementary relationships with the adjacent regions" as stated in the policy address as an example, it can definitely not be achieved easily, by the unilateral efforts of the SAR Government or a few large companies, or by individual parties or politicians. Yet, numerous people from various trades and industries must make efforts to co-ordinate market operation in the two places.

Madam President, while supporting democratic development, I think it is essential for me to point out that we can definitely not abolish the executive-led principle or abandon the principles of orderly progress and balanced participation, otherwise, we will deal a blow to our economy and the people's livelihood. Therefore, I urge the Government to prudently consider the matter and listen to the views of various sectors. It cannot hasten to shake the people's confidence, the roots of Hong Kong or the foundation of constitutional development.

Madam President, I so submit.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, the theme of this year's policy address is "Sharing Responsibility". The Chief Executive requests the people to jointly share the responsibility for the financial hardship and other social problems caused by the ineffective governance and the inability to revitalize the economy of the SAR Government. Unfortunately, it seems Mr TUNG has failed to appreciate, nor has he realized that the people have already taken up the heavy burden for five and a half years. But Mr TUNG appears to think that the burden borne by the people is not heavy enough and their complaints not strong enough, for he wants the people to continue to endure the burden. "Sharing responsibility" means that the Government wants to wield the "taxing knife" at the middle class who has been suffering from the economic downturn by imposing an extra tax burden on them; it also means "draining the blood" of the ailing grassroots by cutting their benefits and increasing fees and charges, so as to quicken their death.

However, the people would ask, "Why should we share the responsibility with Mr TUNG?" Did Mr TUNG come into office as the Chief Executive of Hong Kong with the mandate of the people? Had the policies of Mr TUNG been accepted by the people? What Mr TUNG has been doing is "businessmen

ruling Hong Kong", and it is common knowledge to everyone that his policies are prejudiced in favour of the businessmen. On the personnel aspect, his appointments of officials are reflection of "nepotism", basing his consideration mainly on the political inclinations of the candidates, whereas their abilities is only the secondary consideration. All of these have brought about the bad consequences of bad administration and ineffective governance. Those who should share the responsibility are those business tycoons who have reaped commercial benefits as well as those political clowns who have on the one hand openly criticized the Government for "having spent too much" and "having seriously violated the principle of keeping expenditure within the limits of revenues", but on the other supported the Government wholeheartedly when casting their votes. Today, this is really the biggest political joke for the Chief Executive to ask the people to share the responsibility.

Of course, Mr TUNG would again accuse us of not being constructive, just trying to ridicule him and keeping on complaining all the time. In fact, as the situation of Hong Kong has developed to this stage, the only constructive way is for Mr TUNG to surrender his power in exchange for the support of the people. As revealed by the history of China and those of other countries, if the ruling regime wishes to increase taxes to solve national crises, it has to surrender the power to the people so as to achieve a general reconciliation of society. Otherwise, oppression will lead to rebellion and social unrest.

Therefore, the Government should accelerate the process of democratization, so as to incorporate public opinions into government policies. If the people have a part to play in the formulation of policies, they would be more willing to accept the reality even if they have to endure the hardship. Unfortunately, nowadays, Mr TUNG knows only asking the people to tolerate government policies, for example, on the issue of the unilateral legislation on the pay reduction of the Civil Service, the Government even declined the request of the trade unions for collective bargaining. On democratization, the policy agenda just mentions that, in the next 18 months, the Government will "begin to make suitable preparations for the review of constitutional developments after 2007." For an issue which is so urgent, the Government will just begin to make preparations, and it will not even proceed to carry out any actual review in the next 18 months. Obviously, this is again delaying the democratization of Hong Kong. Mr TUNG wants to continue enjoying his absolute power and put all the policies under his control, ignoring the opinions of the people. Under such circumstances, how can he convince the people to share the responsibility and endure the hardship with him?

In fact, the SAR Government is at its wits' end. So it has to ask the people to "trust" the Government. Trust the Government for improvement of the economy! Trust the Government on medical and social welfare issues! Trust the Government even in the issue of enactment of laws to implement Article 23 of the Basic Law! However, does the Government know that, the greatest political problem at the moment is the people's confidence crisis with the Administration? After the past five and a half years, Hong Kong people have realized that trusting the Government may not lead to good results. The reality is: If you trust the Government, you will be doomed. If you had trusted the Government and bought properties, your investment has now become negative equity. You trusted the Government and think that there should be no problem with the amendment to the Public Order Ordinance, but now even people participating in peaceful assemblies are arrested! For a government which does not live up to its own promises, it is ridiculous to ask the people to put their trust in it!

I can recall that there was a "Three 'Ns' Crisis" in the Mainland after the Cultural Revolution, that is, "Not believing in the communism", "Not trusting the Communist Party" and "No confidence in socialism". Eventually, the Communist Party was forced onto a road of reform. Today, we also have a "Three 'Ns' Crisis", that is, "Not interfering with people with no belief", "No confidence in the Administration of TUNG Chee-hwa" and "No confidence in the future economic prospects". In fact, we do need to undergo a real change, and the power should rest in the hands of the people again and let the people vote and choose a leader who can unite Hong Kong, and let the people formulate political policies that would lead Hong Kong out of its present predicaments.

Madam President, I so submit.

MR ALBERT HO (in Cantonese): Madam President, today, the most urgent task for the Government is to re-establish a consensus in society and to make the people regain their confidence. Today, I would like to make several really constructive suggestions to the Government. Therefore, please do not say that we are only good at making criticisms.

The first point, we must re-establish our confidence in law and order. We strongly request the Government to make an open undertaking that it will not seek interpretations of the Basic Law by the National People's Congress, at least

should not pursue channels other than those specified in Article 158 of the Basic Law in seeking interpretations of the Basic Law. We should not allow the recurrence of the case in which a Government Counsel held a contemptuous attitude towards the Court of Final Appeal as in the case of LAU Fong.

The second point, the Government must respect the opinions given by the United Nations Human Rights Commission on the interpretation of human rights covenants. On the issue of eliminating racial discrimination, the Government should enact the relevant laws as soon as possible, and it must respect the opinions of the Human Rights Commission on the interpretation of the relevant covenants.

The third point, we hope the Government will not complain about the press or exert pressure on the press. The press will naturally exercise many different functions and present different viewpoints in an open society. The press will exert pressure on the Government and also make all kinds of harsh criticisms on many people. However, I think the Government should by no means conclude that the press is pinpointing at the Government. Recently, the Chief Executive said in a Beijing press conference that the mainland Government had been too lenient with the press of Hong Kong. We feel most sorry about this incident. Recently, the Secretary for Security again said that press reports had been unfair. I hope the Government will refrain from adopting such negative attitudes and exerting pressure on the press.

The fourth point, we also hope that the Government will listen to dissident views, refraining from taking predetermined views of the dissidents or their parties. Do not guess their motives, and do not judge the political views or the criticism of certain groups of people as founded on ulterior motives, or having no reference value, or blaming them for taking an opposing stand for the sake of opposition. Such attitudes should not be the stand taken by a leader with an open mind. We hope the Government can be more tolerant in listening to the views presented by various sectors. A Government will have a future only if it acts this way.

The fifth point, it is most unfortunate that the issue of enactment of laws on Article 23 has developed into an emotional issue. As the Secretary for Security has such strong personal emotions in this issue, making the community at large think that she is no longer able to keep a cool, rational and objective mind, we really hope that the Government can assign another Secretary or even the

Secretary for Justice to lead the handling of problems in future. I believe that this will be more helpful to resolving the issue. Besides, I believe the release of a White Bill is the consensus of most of the people from different sectors of the community. I could not see that there should be any disadvantages. Instead, it can absolutely help to promote a common consensus and help the Government understand how a balance can be achieved in society in respect of this issue.

The sixth point, the Government should be more concerned about the predicaments of the underprivileged. We hope that future policies can address the issue of the wealth gap between the rich and the poor, and are more helpful to assisting the poor in solving the difficulties faced by them today.

The seventh point, we hope that, in choosing policy options in public finance, the Government should be more impartial in consideration. Although the civil servants will have to face the pressure of pay reduction in the future, we think that it is more important to have a fair mechanism. Only in this way will the civil servants be convinced and accept an impartial decision.

The last point, we agree Thank you, Madam President.

MR LAU CHIN-SHEK (in Cantonese): Madam President, some people think that the policy address of this year carries major directions only, but it does not mention how the objectives can be achieved. On the other hand, there are also some people who think that the policy address has neither major directions nor objectives.

Anyway, I still think that, in the final analysis, it is imperative for Hong Kong people to rely on no one but themselves to achieve the goal and mission of fighting our way out of the predicament and overcome the confidence crisis.

I believe that it is most upsetting for Hong Kong people that, even though the Government always mentions social cohesion during the past few years, they are in fact having increasingly less confidence in the future, and there is a lack of trust in the Government.

There is a saying in society: Whenever Mr TUNG says something, a common reaction is regarding him as having said nothing at all; while another reaction is asking him not to say anything any more. Certainly, we do not wish

to see that happen. But what the people have actually witnessed is: Confusion and contradiction have arisen on many occasions in the administration by the Government. The policies waver and shift all the time, making the people at a loss as to what to do, and eventually making people from all walks of life suffer and become worried.

Now, the most important thing is not just directions and objectives. More importantly, even if you have the right directions and great objectives, you still have to make all Hong Kong people identify with them. The foundation of effective governance is the identification and cohesion of the people.

Therefore, I feel that the Chief Executive is duty-bound to promote cohesion among different organizations, camps and social classes. I can imagine what will happen if we do not promote such social cohesion. Take Mr James TIEN as an example, unless he sees that the salaries of civil servants are cut, he will insist on opposing any tax increases introduced by the Government — he wants to see others' benefits cut first before those of his are cut. Mr LEE Cheuk-yan will go on accusing of any government measures as collusion between the Government and the business tycoons. Mr TSANG Hin-tze may continue to condemn the Democratic Party as "opposing China and creating chaos in Hong Kong" and refusing to communicate with others whenever he speaks in the public. Mr Martin LEE will continue to say that many policies of the Chief Executive violate the principle of "one country, two systems".

There are many different voices and stands in Hong Kong, and sometimes such voices and stands are opposing each other. If the Chief Executive, being the head of the Government, wishes to unite the whole society in order to meet all kinds of challenges, he has to be open and honest and extend his arms to communicate with people from all walks of life, including both his supporters and opponents. Otherwise, why cohesion is there to speak of?

If the Chief Executive is not regarded as open and impartial by all parties concerned, and instead he is thought to be prejudiced in favour of certain consortia or certain classes and ignoring the opinions of other groups of people, then we can anticipate that the situation will further deteriorate. The reality is, the people support democracy. This objective fact will not be changed by the stand of the Chief Executive. If the Government continues to regard those

unwelcome voices of opposition as "noise", it will induce more conflicts and division. How can cohesion be promoted effectively in such a society?

The establishment of a Social Cohesion Unit within the Government's think tank, the Central Policy Unit, shows that the Government really hopes to strengthen social cohesion. However, I believe efforts to promote cohesion should not be directed at those supporters of the Government only. Otherwise, there is no point in organizing a Social Cohesion Unit. Such efforts should be extended to unite opponents of the Government to sit down together for discussions on the issues faced by Hong Kong.

The policy address should be a presentation of the major policy directions of the whole SAR Government. It should also be a portrayal of the major policy principles of the Chief Executive as a leader. In the face of a confidence crisis in society and the fact that the community is becoming more and more divided, the leader of the Government should have an open and tolerant heart to abandon his own prejudices and extend his reconciliatory hands to his opponents, so as to foster concerted efforts to work for the future of Hong Kong. In addition, this would avoid giving people the impression that the Chief Executive is "uniting one camp to fight against the other", which imposes obstacles to the work of promoting social cohesion. The Chief Executive should not just be open, frank and tolerant, but he should also be seen to be such. As a matter of fact, he has to lead Hong Kong and he has to promote cohesion among all the people of Hong Kong, not just some of them, and especially not just his supporters.

I have put forth the above opinions to the Chief Executive in full sincerity, and my main concern is for the good of Hong Kong. I hope Mr TUNG will consider my views carefully.

Madam President, after listening to the debate held in this couple of days, my overall impression is "the Government talks about its own theory, whereas Members talk about theirs"; and there are no common grounds between the two. Some people think that revitalizing our economy is our top priority, and the problem of fiscal deficits can be addressed later. Some other people think that, while revitalizing the economy, we must at the same time address the problem of fiscal deficits as soon as possible. There are also some people who think that the Government should raise revenue and cut public expenditure as soon as possible; whereas others say that raising revenue and cutting public expenditure

substantially will bring more harm than good to stimulating the economy. All in all, we all have our own theories. However, I hope all these would not end up with nothing but "empty talks".

My view is that, under the present circumstances of an economic downturn and a difficult life for the people, the best way to promote social cohesion is to stimulate the economy and provide the people with a period of rest for recovery, and certainly not to introduce increases in tax and fees and all sorts of cuts, and not to drive the originally stable group of people to desperation. Otherwise, society will be further divided, thus creating greater instability. This will not do any good to effective governance by the Government. Madam President, I so submit. Thank you.

MR LAU PING-CHEUNG (in Cantonese): Madam President, the effective administration of a government essentially depends on whether the civil service can faithfully implement the policies formulated by the top echelons of that government. Last year, in the incident of effecting the pay cut of the Civil Service by way of legislation, the top echelons of the Government, civil service unions and even society as a whole were all "losers". The Chief Executive has obviously learned his lessons from the incident, and he stresses in the policy address that, "Civil servants are not the cause of our fiscal deficit." In addition, he further says that, "With the serious fiscal deficit problem, civil servants have again responded positively and indicated their readiness to participate in achieving the expenditure cut of \$20 billion." Such remarks confirm his willingness to establish a partnership relationship with the Civil Service.

The establishment of a relationship based on frankness and mutual trust between the Government and the Civil Service would definitely reduce arguments between the two sides on pay adjustment. However, on a more in-depth level, the Government should actually establish a civil service pay system based on a legal mechanism which allows for both upward and downward adjustments, and at the same time which is acceptable to the general public. Staff salary problems in both the public and private sectors are similar, in that they are sensitive and difficult to solve. In comparison with the salaries of employees in the private sector, the pay expenditure of the Civil Service and public organization staff is more inflexible. During the past few years, such expenditure has consistently accounted for 70% of the total government expenditure. Therefore, future negotiations between the Government and civil

service bodies should focus on finding the greatest flexibility in the rigid remuneration system of the Civil Service.

In his briefing on the policy agenda, the Secretary for the Civil Service said, with effect from 1 April this year, the Government would impose a general moratorium on the recruitment of civil servants and launch the second phase of the Voluntary Retirement (VR) Scheme. These two measures aim at reducing the total number of civil servants. The target of the Government is to reduce the civil service establishment from the present 178 798 to about 160 000 in 2006-07, thereby saving the relevant expenditure.

Moreover, the Government has established a working group jointly with civil service bodies to conduct a pay level survey. In making this move, the Government could be described as taking a "temporary measure", but it could also be described as an "ultimate measure". We all know that, with the changes that have taken place in our economy during the past few years, many members of the public think that the civil service salaries are more attractive than those in the private sector. But what is the true situation? As no comprehensive survey has been conducted, no one can give a credible answer to this question.

The Government and civil service bodies will jointly conduct a pay level survey. If it is found that the salaries of civil servants are just slightly higher than those in the private sector, it will not pose any major problems if corresponding adjustments are made, and eventually the arguments over the lack of data as a base for comparison can be solved once and for all. This will be the ideal outcome. However, if the difference is found to be higher than the pay level of the Civil Service in 1997, and if the Government should effect a pay cut according to the outcome of the survey, then it may violate the provisions of the Basic Law, or at least it will trigger off another round of new arguments. Even if the salaries of the Civil Service are reduced to the 1997 level, it will only highlight the inflexible nature of the remuneration system of the Civil Service, and will not help to reduce the fiscal deficit. Therefore, the Government must be very careful in handling this problem, and the speed of recovery of our economy is critical to this.

As for the moratorium on the recruitment and the VR Scheme, one problem has emerged. As disclosed by the Secretary for the Civil Service, over 100 000 civil servants from over 200 grades have submitted applications under the second round of the VR Scheme. Despite some civil service bodies having

described this VR Scheme as "a pigeon meal", or even sarcastically as "an undernourished pigeon meal", the departments concerned should be very careful in approving VR Scheme applications of individual civil servants, especially those from professional grades, so as to ensure the consistency of its service quality. Otherwise, the service quality may be affected, thus sacrificing the interests of the public.

Madam President, I would next discuss the controversy related to the enactment of laws to implement Article 23 of the Basic Law (Article 23). During the past few months, the argument has intensified substantially. The issue over the choice of "a White Bill" or "a Blue Bill" has even given rise to the assertion that social division has been caused in Hong Kong. As the representative of the Architectural, Surveying and Planning Constituency in this Council, I would like to present the viewpoints of the Hong Kong Institute of Architects, the Hong Kong Institute of Surveyors and the Association of Architectural Practices Limited. The stand of the Hong Kong Institute of Architects is as follows,

"(in English) The Hong Kong Institute of Architects (HKIA) Council supports the following points of the Hong Kong Bar Association's response to the consultation document on the proposals to implement Article 23 of the Basic Law: it is difficult to have any meaningful discussion and consultation when the legislative proposals are described in very broad terms used in the Consultation Document. It is impossible for the public to know precisely with what they are asked to agree or support in the absence of a text setting out the proposals in the form of draft legislation. The HKIA Council advocates the Government to provide such text in form of a White Bill and to undertake a second round of public consultation before drawing up the Blue Bill for First Reading of such important legislation."

The stand of the Hong Kong Institute of Surveyors is as follows,

"On the proposals of the Government on the enactment of laws on Article 23 of the Basic Law, this Institute accepts that the Basic Law has conferred on the Hong Kong Special Administrative Region Government the right to enact laws on its own, and it also supports the Government to proceed with

the legislative procedure. However, this Institute does not understand nor comprehend why the Government does not proceed with a White Bill in its formal legislative procedure.

This Institute puts forwards the above opinion in the hope that the work to be undertaken by the Government should have regard for its impact on public confidence and their trust in the Government."

As for the Association of Architectural Practices Limited, it is of the opinion that,

"(in English) Members at large have reported that they agree that provisions of the Basic Law, including Article 23, must be observed. There is however a very wide sentiment against the manner in which the draft legislation has been handled.

Our members believe that the perception, both domestically and overseas, of a lack of in-depth consultation, rather than the implications of any published proposals *per se*, have already adversely affected confidence in Hong Kong and the fairness of its governance.

The question of perception of the probity of government is absolutely vital for an international service economy such as ours. The possibility of loss of confidence is therefore extremely serious and potentially damaging to our competitiveness.

We believe that the only practical remedy to reverse the unfortunate but widespread perception that standards are slipping in Hong Kong is for the Government to test its proposals in the form of a White Paper. A White Paper would simultaneously serve to help restore confidence and satisfy the need to act upon the requirements of Article 23."

As for my personal views, I already stated them in my speech delivered in the debate on 11 December. In short, I have no strong views on whether a Blue Bill or White Bill should be released. I just hope that the Government can release the clauses as soon as possible, so that Members of this Council, the legal sector and the public can conduct material, meaningful and rational discussions. And I hope that views of the public can be taken on board as much as possible, so

as to enable the relevant legislation to be drafted in the most lenient manner for fulfillment of the responsibility stipulated in Article 23.

Madam President, I so submit.

MS EMILY LAU (in Cantonese): Madam President, when I delivered my speech on Wednesday, I said that I could not support the motion of Mrs Selina CHOW. In fact, in an earlier discussion, we had explored whether we could express "thanks" for this policy address, or more explicitly, we could just say this Council supported this policy address, so that Members might choose to support or oppose the policy address. However, some Members did not wish to go to the extremes, therefore we finally decided to use a more "middle-of-the-road" wording of "thanks". I said I could not possibly thank the Chief Executive for this policy address, because it had failed to address the various concerns of the people, and it did not help the people to regain their confidence, so that they could have a better vision of the future and more confidence in themselves. If they could have some confidence, they would continue to make investments and spend their money. Madam President, during the past few days, you might have read many media reports, bearing proof that many people considered this policy address hollow, for quite a lot of issues were not mentioned at all.

A few days ago, I met a member of the Central Policy Unit. He looked embarrassed when he told me that he felt they had somewhat pulled the Chief Executive into hot water because in the process of drafting up the policy address, they had made some suggestions. Some of them felt that, in the past the Government had said too much which were "grand, magnificent but empty". But unfortunately, none of the objectives had materialized. So, they said, perhaps they might rather not to say too much this time. They thought they had helped the Chief Executive, but they had never anticipated that the responses in society could be so bad. Madam President, I would not blame the Central Policy Unit or anyone, because the Chief Executive, once assumed his office, has to listen to a lot of advice, and this is where his intelligence is put to test — to see if he can find the competent and intelligent people to tender him advice, and he ultimately has to choose what he should adopt and stand up and be responsible for his choice. Therefore, the Chief Executive has to be responsible for this policy address which has attracted so many criticisms. Of course, the accountability officials have to take their share of the blame as well, because they are members of the team and they have taken part in the process.

The most disappointing part of this policy address is — in fact, it is not so much as disappointing because in a meeting between the Chief Executive and myself, Ms Cyd HO and some other Members, he had told us in advance that he would not mention the issue in the policy address — political reforms. Therefore, it is mentioned in the policy agenda only in passing that the Government will make suitable preparations. However, when the Secretary for Constitutional Affairs, Mr Stephen LAM, came to the Legislative Council meeting on Wednesday, we asked him what kind of suitable preparations he had been making, he could not give us an answer. As a result, some Members were very angry, and his answer also made the people feel that he had been doing nothing. He receives such a handsome salary, but he has done so little. Political reforms, unlike what Dr Philip WONG said earlier, are not drastic changes to our political systems that will eventually bring about a bloody battlefield.

Madam President, I do not know why Dr Philip WONG can be so imaginative. Hong Kong has undergone so many years of political reforms, when has there been any bloodshed? How can it be "bloody"? I believe that sometimes we do not have to exaggerate things so much. Next month, I shall move a motion debate. I hope Dr Philip WONG will participate in the debate with a calm mind, and I also hope that he will withdraw his "bloody" remark. Otherwise, the SAR Government would be even more unwilling to do anything at all. In spite of this, I hope Secretary for Constitutional Affairs Stephen LAM will provide us with something like a timetable later in his reply. To implement what has been stipulated in Article 45 and Annex I of the Basic Law, we need to have a timetable to implement the political reforms. If we do some back calculations, we will find that we do not have too much time left if we have to enact laws in 2007 according to the mechanism stipulated in Annex I. Therefore, I feel that the Secretary for Constitutional Affairs is absolutely duty-bound to tell us what he intends to do, rather than just starting to do some suitable preparation. If the people do not have a clear vision of what the prospects are, cannot see that they can take charge of, I believe it is very difficult for them to regain any confidence.

Madam President, as we talk about fulfilling the requirements of the Basic Law, of course we have to mention Article 23 of the Basic Law. This is because in a report on the effectiveness of the accountability system for principal officials provided by Secretary Stephen LAM on Wednesday, it was mentioned that there were some improvements made as prompt responses to the aspirations

of society. In it, he said that the Secretary for Security had released a consultation document to gauge the views of the people on the proposals on the enactment of laws on Article 23. Madam President, even from a most objective point of view, we can see that the consultation has led to great grievances among the people, with thousands of people having participated in massive public demonstrations, and causing great division in society. Some Honourable colleagues mentioned earlier that Secretary Regina IP had impressed others as very subjective. When people express views different from hers, she sometimes may say that those people are misleading or cheating the people. If this trend is allowed to continue, I feel that the findings of this consultation exercise will not be credible and will not be acceptable to the people too. Therefore, I have mentioned on different occasions that it is time that, not just Secretary Regina IP herself, but also the executive authorities, reviewed the whole situation to decide whether it is still suitable for the Secretary to continue leading the relevant work, or rather another official should be chosen to take up the job. I believe this is an issue the entire executive authorities must consider. The Frontier opposes the enactment of laws to implement Article 23. But if the executive authorities insist on proceeding with the enactment of laws, they have to do it in a manner that is very objective, very independent and with public credibility. In this way, the prestige of the executive authorities would not be undermined. Therefore, I hope that the Secretaries of Departments and the Directors of Bureaux will respond to these remarks later on.

Let us return to the issue of Article 23, we can see that the Secretary for Home Affairs, Dr Patrick HO, has travelled a long way to England to consult indigenous inhabitants on the "dual village representative system". Does the Secretary for Security, Mrs Regina IP, know how many people now living overseas will be affected by the proposals made by the Government now? Will the Secretary consult them? Therefore, I feel that we need an even longer period for consultation on this.

Madam President, lastly, I have read the report provided by Secretary Stephen LAM. He said that the work of strengthening the co-operation between the executive authorities and the legislature had progressed very well. But now we do not even know when the next policy address will be released. The Government said that the policy address of the year would be released in January. The Legislative Council reacted to this strongly because no one had ever consulted us. Later, the executive authorities consulted us. But so far, they are still deliberating, and said that it could be July, or October or even January.

And now they said a decision would be reached in March, but later they said it was not the time for a decision, but for consultation with us. In this whole affair, we can see that there is a lack of co-ordination and decision. If this is the way of governing Hong Kong by the regime led by Mr TUNG Chee-hwa, then I have to quote the words of Mr Albert HO, "It's the time for Mr TUNG to vacate the office for somebody else."

MR NG LEUNG-SING (in Cantonese): Madam President, the focus of the policy address of the Chief Executive is revitalizing our economy. This is consistent with the realistic needs of society at the moment and the expectations of the general public. I believe that if we want to address our economic problems properly, this Council and the whole community have to put aside our differences and minimize our arguments — just as a common Chinese saying goes, "Harmony brings about prosperity." If society is driven to excessive politicization, it is not helpful to solving the economic problems. As for the future political development in Hong Kong, I believe the prerequisites should still be maintaining the overall stability of the community, facilitating the development of the various functional sectors, and complying with the requirements of the Basic Law, with the emphasis on finding agreements of opinions among the various sectors and industries. Moreover, it is not appropriate to aim at quick successes or drafting up a fast-track timetable, otherwise we will never accomplish the targets, eventually resulting in greater division in society which is not conducive to the maintenance of the stability and prosperity of Hong Kong.

I so submit.

MR CHAN KWOK-KEUNG (in Cantonese): Madam President, the Government finally launches the second phase of the Voluntary Retirement (VR) Scheme, and plans to set aside \$2 billion as *ex gratia* payment. The Government also guarantees that no civil servants will be laid off on a compulsory basis.

No sooner had such announcement been made than the Architectural Services Department (ASD) disclosed plans to cut some 600 posts in three years. The staff members of the Department hope that they can be transferred to other

departments. However, no suitable vacancies are available. Even after the School Improvement Programme is detached from the ASD, only 30 vacancies will become available, and the Programme certainly cannot accommodate as many as 300 officers. Rumours of manpower reduction are also prevailing in other government departments, such as the Independent Commission Against Corruption and the Judiciary. Everyone is in a state of panic and there is a general worry of being dismissed among the staff members. The Chief Executive has reiterated in the policy address that the civil service establishment will only be cut by 10% and the staff will not be forced to resign. However, what has happened in reality is that the Government is using both soft- and hard-line approaches in persuading civil servants to retire earlier. Civil servants who have opted to stay find that they have to face a substantially increased workload, and naturally, their sense of belonging has diminished as a result.

In the compensation package announced by the Government, we can see that 200 grades are involved and about 100 000 civil servants are eligible. Civil servants joining the scheme, apart from receiving a lump sum and a monthly pension, are eligible for an *ex gratia* payment up to 14 months of salary calculated according to the years of service of individual officers. A retiring officer may receive one month of salary in *ex gratia* payment for every two years of service. The second phase of the VR Scheme is obviously less generous than the first phase — the difference is about six to nine months of salary in the compensation payable. I believe it will be difficult to attract large numbers of civil servants to join the Scheme, and surely the morale of the civil servants will be affected. It will of course deal a blow to the governance of the SAR. I hope the Government will really let the civil servants make their own free choice, and refraining from using public opinions to force them to retire.

The salary adjustment of the Civil Service is conducted in full swing. This time the top echelons of the SAR Government have volunteered to cut their own salaries by 10%. I hope it will not become a source of pressure for civil service pay cuts in future. The Chief Executive has stressed that the Government will definitely work according to the mechanism, and that the fiscal deficit is not caused by the Civil Service. I feel that this point is very positive and is close to the facts. I hope the Government can learn from the experience gained in the last legislative exercise to effect a pay reduction, so that it can proceed with the salary adjustment in a more effective manner. If the

Government can hold sincere negotiations with civil service unions, I think any problems can be solved.

Lastly, I wish to reiterate that the Hong Kong Federation of Trade Unions supports the enactment of laws on Article 23 of the Basic Law. It is anticipated that the controversy will escalate as it draws nearer to the gazettal of the Blue Bill. However, national security is closely related to the prosperity of Hong Kong. I hope we can conduct discussions in a rational manner.

I so submit.

MR FREDERICK FUNG (in Cantonese): Madam President, the most important thing which determines effective governance is whether or not the government concerned has the support of the people so that the people are completely convinced by its policies and have a sense of belonging to the community. The second thing is whether or not the policies devised are appropriate to the times. For example, when the economy is booming, a government should take the lead and build a just and caring society; or when the economy is sluggish, what a government should do is to lead the community climb out of the doldrums and offer assistance to those in financial hardship. The last thing is whether or not a government has any system in place for change of leadership in a fair, just and open manner. This should be a system whereby the people can exercise their free will to choose the Chief Executive and all Members of the Legislative Council.

Over the past five years, the economy of Hong Kong has been deteriorating, the unemployment rate remained high and deflation persisted. People from all walks of life are seriously affected mentally and in terms of their living. This hardship does not apply to those labourers who work from hand to mouth, who are subject to the constant pressure of salary cut and layoff, it also applies to professionals who used to be regarded as the cream of society and civil servants who are said to have an iron rice bowl. Recently, the seven big developers have joined hands to exert pressure on the two power companies. From this we can see that regardless of wealth, job position and income level, people are all subject to the pressures of life and they are not living happily. On the other hand, in enforcing policies, the Government will adopt a high-handed approach as it often tries to rally one group in society to attack another. For example, on the question of the right of abode, it uses expressions like "robbing

the rice bowls and sinking the boat" to describe the new arrivals from the Mainland. On the issue of Comprehensive Social Security Assistance (CSSA), it describes the CSSA as "nurturing lazy bones". When discussions are held on the enactment of laws on Article 23 of the Basic Law, it divides the people into two camps of those who are in support or in opposition. The Government only procrastinates and refuses to listen to the requests made by the people; but as for those made by the developers, it will just accept everything. Many members of the public have a lot to say about the administration of the Government over the past five years, and some even feel aggrieved and frustrated. For this reason, in the first policy address after the Chief Executive has assumed his second term of office, the most pressing task is how to restore the public trust in the Government.

Originally it is expected that in the first year of the second term of the Chief Executive, with the launch of the accountability system of principal officials and the joining of many academics into the ruling circle, new impetus would be given to the Government. In this new term of office and with new people and a new system, favourable conditions should have been created for administration by the Chief Executive in the next five years. However, as evidenced in this policy address, when summing up the social problems of the past five years, the Chief Executive puts the blame on the following three situations: first, confidence in local investment and consumption has suffered and the income of some people has dropped; second, people's wealth has shrunk; and third, economic contraction and restructuring have resulted in increasing unemployment. All in all, the root of the problems lies in the economy and society, not the Chief Executive or the SAR Government.

In fact, there is no need for the Chief Executive to delve into past problems and to determine if he himself or his policies are to be blamed. But as the head of the Government and as so many social problems have appeared in his term of office which have made the people live so unhappily, we consider that these are sufficient grounds for the Chief Executive and the SAR Government to extend an apology to the people and bear the responsibility for it all. However, there is no sign that the Chief Executive has paid attention to public confidence, nor is he concerned about the people's feelings.

If the Chief Executive is able to put forward a package of economic proposals which is practicable and comprehensible to the public, so that the public is convinced that their life will be improved in the next five years, then I

believe the public will be simply delighted to hear that. Unfortunately, the Chief Executive has proposed the economic integration with the Pearl River Delta (PRD) as the sole solution to our economic problems, and this proposal of integration with the PRD was raised as early as in the first policy address delivered by the Chief Executive in 1997. During the last six years, this integration idea has been repeated over and over again, and yet no results have come out of this. The proposal this time around is more comprehensive than the previous ones, but it remains a proposal without any conclusion, quantifiable data and timetable.

The proposal is lacking in conclusion refers to the fact that apart from the 24-hour passenger clearance at the border, all other ideas remain only directions and they are not finalized. Even the Hong Kong-Zhuhai-Macao bridge is still at a stage which the Central Government has instructed the National Planning Commission to undertake a feasibility study. There are too many unknowns. As to the relationship between the Government of Guangdong Province and the SAR Government and how the two is to co-operate and undertake different roles, all these have not been put on the agenda. As a result, the whole proposal is devoid of novelty and cannot serve to boost the confidence of the people.

That the proposal lacks quantifiable data refers to the fact that the Chief Executive has not talked about what kind of economic benefits it will bring to Hong Kong. Even estimates are not made. Such economic benefits refer to matters such as how much will the Gross Domestic Product grow, whether or not there will be positive changes to economic targets, or the number of new projects or the number of new jobs to be created, and so on. As no such data are available, the public are detached from the proposal and they think that it is none of their business. They may even fear that there are harms even before they can reap any benefits.

The absence of a timetable refers to the fact that the proposal does not have a timetable for implementation. We have no idea when the Hong Kong Government plans to start with the integration, how it is to be done and how much time is needed, and so on. Likewise, there is no mention on when the related infrastructure and matching facilities will be built and when they will complete. Given that information on all these items is lacking, then how is the present proposal on integration with the PRD different from the same proposal raised in the first policy address in the first term? Would it be valid to say that, after all these talks and even after five years when the Chief Executive has left office, this proposal will remain just a proposal on paper?

Another vital aspect of effective governance is a fair, just and open democratic system of election. From what I learned at university, the greatest function of democratic elections is not to elect the best leader, but to ensure that the worst leader will not be elected. That is only a theory but that theory is the result of generalizing the democratic experience in the West. That is to say, someone may use some propaganda gimmicks to deceive the voters and get elected. However, he can be elected only once and the next time he will not be elected. This system under which the people can choose their own leader will ensure that the leader has credibility and when he puts his election platform into practice, it is more likely that his efforts will succeed as he has the trust and support of the people. Even if some leaders do not perform well, the people can only blame themselves for making the wrong choice. And so in the next election, they can choose a better candidate. Such a practice does not only put the will of the people into a political reality but that the person in power and his ruling group will know that if they want to stay in power and remain leaders of society, they must care about the will of the people and respond to their needs. They should also turn the will of the people into policies.

Madam President, we can see that when the financial turmoil was raging in Asia, there was not much difference between the situation in South Korea and Hong Kong. Both were badly hit. While the former had to bear a lot of debts, Hong Kong had billions of dollars in reserves. However, the Koreans and their Government were united and they all joined hands to make every effort to ride out the difficulties. The people were ready to stand by their Government to overcome the adversity. I do not know if the Chief Executive and the top officials in attendance have ever envied the Korea Government, or if they have ever tried to understand why the Koreans were willing to ride out the storm with their Government. Why is it that the more our Government calls on the people to put in efforts, the faster they are turning their heads away? In less than just five years, the Korean economy is taking off again and it is closely catching up China to be an Asian country with strong economic growth. I hope that the SAR Government and the top officials will draw reference from the Korean experience.

Madam President, I think the Chief Executive and the SAR Government must pay attention to the three things just mentioned by me, that is, the confidence of the people, the economy and democracy. If these problems are not addressed, and if no plans are devised for these and enforced in next five

years, I think there will not be any "effective governance" for our Government in the five years ahead. I hope to put the above remarks on record. Thank you, Madam President.

MISS CHOY SO-YUK (in Cantonese): Madam President, our topic today is effective governance. When many people talk about effective governance, issues like the rule of law, law, security, and so on, will come to their mind. But very often they will overlook the importance of sustainable development to sustainable governance. I would like to make a few comments on sustainable governance.

Under the principle of "one country, two systems", our constitutional system gives us the right and responsibility to formulate policies on how Hong Kong is to be governed. This applies especially to policies on sustainable governance. I would like to make a few comments on the problems, that is, those on sustainable development and sustainable governance which are often encountered by us.

The first problem is that we often ask about the sincerity on the part of the Government in putting the policies into practice in compliance with the principle of sustainable governance.

The second problem is that how sincere the Government is in devolving its powers so that all sectors of society like the non-governmental organizations, the local groups and the private enterprises can have more participation in policy formulation.

The third question is often raised by us and that is, how sincere the Government is in establishing a good working relationship with our neighbours in solving all sort of cross-boundary problems.

I would like to make some personal comments on these three questions. First, on how sincere the Government is in making the policies comply with the principles of sustainable development and sustainable governance. Personally, I would think that often times there is sincerity on the part of the Government, only that it is often not smart enough. Let me cite a few examples. The first one is that there is a lack of co-ordination among government departments.

Officials have different interpretations of policies and they leave people an impression that the different Policy Bureaux are just groping their way. They have different views on a policy and there is a divergence in the pace with which this very same policy is enforced. So there is a lack of co-ordination. In this regard, I would like to cite the example of waste reduction. On the one hand, the Government is spending a lot of money on waste reduction. In treating waste oil, the Environmental Protection Department (EPD) intends to send the waste oil in Hong Kong, and especially those produced by government departments, to the chemical treatment plant on Tsing Yi for treatment. A lot of money is spent on this. On the other hand, some companies and organizations have introduced facilities which can recycle such waste oil into methanol and ethanol products that can be used for industrial purposes. This will greatly reduce the treatment expenses on waste oil and promote our environmental protection industry. On the other hand, the Customs service maintains that methanol and ethanol produced from this way is subject to duty at more than 100%. And so the industry is denied room of survival. The EPD also refuses to hand over waste oil produced by government sources to these organizations for treatment. So there is a lack of co-ordination in this respect.

Another example is 24-hour passenger clearance at the border. I can recall about one month ago before the Government announced that round-the-clock boundary clearance would be implemented starting from the end of this month, a top official said that 24-hour boundary clearance was not the first priority of the Government. So how is this policy formulated and how is the relevant arrangement decided? This really gives people an impression that there is a lack of co-ordination and that it is doubtful if the Government has any sincerity in policy implementation.

Furthermore, various policies are not implemented in a similar pace. For example, with regard to conservation policy, on the one hand the Government plans to launch a conservation policy and determine the amount of compensation payable according to the ecological value of the land concerned in the New Territories; but on the other, the Planning Department has issued a consultancy report saying that land in the New Territories with a low ecological value can accommodate development of low-rise residential buildings. Such a move will undermine the conservation policy and the measures to stabilize the property market launched by the Housing, Planning and Lands Bureau. One therefore doubts whether or not the Government has any sincerity in putting these

measures into practice. The Government is often indecisive in implementing its policies and this makes people doubt its sincerity. An obvious example is the Council for Sustainable Development. It has been three years since the Chief Executive said that such a council would be established. He also said that it would be established by the end of this year. But to date it is not formed. I think the Government is sincere about this, but the policies concerned are still in the pipe. So the community is left with the impression that the Government is not sincere about this and it lacks determination to go ahead with these.

On the second problem and that is, how sincere the Government is in devolving its powers so that people from all walks of life may take part in policy formulation. I think Members will agree that there are people in our community who are against everything the Government does and they often exaggerate things. Our community is therefore very divided indeed. These people will seize every opportunity to lash on remarks made by officials. I often feel that some of the criticisms are unfounded. They are just calling people names and do not have any regard for the overall interest of the community and its image. These people will seize every opportunity to bad mouth Hong Kong. There are really such people around. But I also hope that the Government will understand that most of the people will want to further the long-term interests and benefits of Hong Kong. The Government should take on board the views of people from all sectors in society in formulating its policies, especially those related to the people's livelihood. I also hope that respect can be given to the views presented by the people and more powers are devolved and that public opinions can be accepted.

I would like to turn now to environmental protection issues. Environmental groups in Hong Kong are quite well-established and they are genuine about the views they present on the long-term development of Hong Kong. In this respect, I hope that the Government can listen to more views. I would feel that the accountable Bureau Director concerned is sincere about her work and that is encouraging.

On the third question and that is, the sincerity of the Government in forging good partnership relations with our neighbours in tackling some cross-boundary problems. I think that we can see for the first time that the Government is sincere about it in the policy address this year. In the past, that is, since the reunification, we can only see that the Government has been keeping

a distance away from Guangdong Province and the Pearl River Delta (PRD). Even as the Government is proposing that the integration with the PRD should speed up, there are many views around that Hong Kong would disappear and be eaten up in such a process. This mentality of being arrogant, self-centred and closed still exists in Hong Kong. I would think that the Government used to harbour such a mentality, but now for the first time I see that the Government is sincere about it as some concepts have been put forward. But I would think that these concepts are not backed up by concrete measures. At the present stage, I can only say that I would wait and see. As the Chief Executive has said, concrete details will be presented by the Chief Secretary for Administration when he expounds the population policy later. I hope that some concrete ideas will be presented under this major premise of integration with the PRD. While expressing my support for this major direction, I would now like to make a few comments on some areas.

I very much support the specific plans proposed by the Chief Executive in the policy address and these plans are worthy of our support. I think these plans will enormously help our future development. These include, for example, allowing residents of Guangdong Province to stay in Hong Kong for a longer period of not more than two weeks without applying for a visa again after their first visit here. Moreover, on cross-boundary issues and environmental protection, and so on, for the first time the Government has given consent for studies to be made by the power companies on emission plans. Personally, I would think that these directions and specific measures very much merit our support.

On the question of expediting the integration with the PRD, I hope that the Government will examine how this concept of integration with the PRD can be expanded. Now that the trend is for an integration of economies in the global village and we have also said that integration should not only be effected with the PRD but with the countries in Southeast Asia, Taiwan, and so on, economic ties with these places should also be strengthened. I think that integration should be effected with more areas on the Mainland. The Government should study into this idea of a more extensive integration and our eyes should be set on places farther away, such as Fujian, Hainan, Shanghai and places along the banks of Changjiang. There are certain things which we can accomplish at once. For example, the visa-free entry policy for residents of Guangdong Province can be extended to residents of some major cities in Fujian Province so they can visit Hong Kong visa-free. As there are more than 1 million people of Fujian origin

in Hong Kong, so if we can adopt this policy, then the residents of the major cities in Fujian can come to Hong Kong more frequently to visit their relatives or for sightseeing and shopping here. Thus a win-win situation can arise. Since Fujian Province is one of the three greatest production bases in China, I think such a policy would attract more companies from the Mainland or Fujian to come to Hong Kong for investment. It will also greatly help to attract consumers from Fujian to come here for shopping as well.

On the population policy in the context of integration with the PRD, I am aware that the Government will finalize a policy on investment immigration. However, I think that this idea will not enable us to reap more benefits from an integration with the PRD. It is because there are more than 1 million foreign investors from Taiwan and various places in Southeast Asia who have investments in the PRD. These foreign investors may not wish to emigrate to Hong Kong or become Hong Kong residents. However, they may wish to relocate their families, that is, their children, to Hong Kong so that they can find it more convenient to meet them during the weekends. These people may be more used to the lifestyle in Hong Kong and they may think that Hong Kong is a safer place. They may also have more confidence in our education system since their children can learn better English here. For these reasons, the Government's population policy should be devised with these considerations in mind, that is, family members of foreign investors who have investments on the Mainland and in the PRD may enjoy the right of abode here without having to emigrate to Hong Kong and become Hong Kong residents. This would enable their children to receive education here. If this policy can be put in place, I believe many foreign investors like those from Taiwan will want to relocate their families here so that they can meet their family members more frequently. I hope the Government will give serious thoughts to this suggestion.

On issues relating to co-operation with Guangdong Province and cross-boundary environmental protection concerns, I would not go into the details here. However, I would like to make a few comments on the issue of drinking water. We know that each year we buy a large amount of water from Guangdong Province and this amount is not consumed fully. Much of it is wasted as it is discharged into the sea. May I suggest to the Government that discussions be opened with the Guangdong authorities to propose that we would pay the same cost for the water but the Guangdong authorities do not have to transport some of the water to Hong Kong. In this way we can preserve the precious water resources and the Hong Kong Government can also save on the expenses of

treating it. When we hold discussions with the Guangdong authorities in future, we can negotiate for a lower price for the drinking water as less water is required. Then we can achieve a win-win situation if a new agreement is reached and water is supplied under this new price as agreed. I hope that the governments on both sides will show more sincerity and work towards greater co-operation.

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

MR ALBERT CHAN (in Cantonese): Madam President, Hong Kong is an internationally famous metropolis renowned as the dazzling "Pearl of the Orient" over the years. During the reform and opening up of China, Hong Kong was regarded as the gateway to China. But after reading this policy address, there is no impression of Hong Kong being the "Pearl of the Orient". Nor is there the impression of Hong Kong being the gateway to China. Emphasis is laid on integration with the Pearl River Delta (PRD), Hong Kong has now become only a city of the PRD instead of being the "Pearl of the Orient" or the gateway to China. This change is utterly shocking. In a short period of five years, the "Pearl of the Orient" is no longer radiating. From a gateway to China, we become the side door or the back door or even a dead alley after the main gate is closed. We can see from these five years of governance that Hong Kong has gone through substantial changes.

Sometime ago, Mr Albert HO asked the Chief Executive whether he would step down so that other people with the right calibre could take over. The Chief Executive said that this was a dig at him. In Southeast Asian countries or in some backward territories or societies in South America and Africa, if a leader who governs a place has, in a period of five years, created in society the highest ever unemployment rate, a 70% plunge in property prices, a record-breaking surge in bankruptcy cases and a serious unemployment problem, riots will certainly take place. Not only that the people would be digging at this leader. He might even be assassinated. In the democratic societies of the United States and Canada, it is common that stinking eggs and tomatoes are hurled right into the face of leaders. If he, on being asked to step down to make way for other more capable persons, thinks that this is a dig at him, then he simply lacks the demeanor expected of a political leader.

Since sarcastic remarks are not pleasant to the ears, I would like to give Mr TUNG Chee-hwa 18 Lunar New Year scrolls as a gift. All these scrolls are

singing praises him, for they all begin by the Chinese character "一" (meaning "one"). He likes to be "number one", and he must like these "red-coloured" words of praises or things that give a touch of jubilation. Now that the year of the Goat will soon be here; I was also born in the Year of the Goat. I told residents of my district that the Year of the Goat is my year, and they asked me if I were 60 years old. I said no. I am 48 years old. But I told them that I am only 18 at heart.

The first scroll for TUNG Chee-hwa is "一落千丈" (a disastrous decline). In a short period of five years, he has made this "Pearl of the Orient" Hong Kong a city of the PRD, and worse still, he is worrying about not being able to integrate with the PRD. He is not thinking about assuming a leading role in the PRD, but integrating with the PRD only. That is, he is worried about lagging behind others and so, he is going for an integration; and this is indicative of a disastrous decline of Hong Kong.

Second, his leadership and performance over the years can be considered as "一無是處" (devoid of any merit). This is plain for all to see. Although he knows that he is making a mistake, he continues to be "一意孤行" (hell-bent on his own way), making mistakes over and over again without a flicker of repentance. The past five years have seen so many problems in Hong Kong, and this has led to rising public resentment, declining public confidence in him and growing public dissatisfaction. But still, he has been "一成不變" (obstinately remaining unchanged). It is more disheartening and worrying that when it comes to the future development of and the many problems in Hong Kong, he is "一籌莫展" (at his wits' end).

Speaking of the policy address, it was said initially that given a new system, that is, the implementation of the accountability system for principal officials, some time would be needed for the officials to make preparations after their assumption of office and for discussions to be conducted among Directors of Bureaux. After six months of preparations, this very thin policy address and also a policy agenda, the English and Chinese texts of which add up to less than 100 pages, are published. This policy agenda resembles the novels written by GU Long (古龍). His novels are known for being abstract, and one line can consist only one utterance or one word. When the sword is said to be fast, the next line will be abstract words and expressions saying that the sword cannot be faster. After reading this policy address, we still feel that it is too vague. Our hopes for his administration can be said as "一掃而空" (being completely swept away).

Speaking of the accountability system for principal officials, after reading the policy address, I cannot see the key points. The operation of the entire accountability system impresses us as "一盤散沙" (a state of gross disunity), for officials work on their own and express their views separately. I have no idea of where they are leading Hong Kong.

In their speeches, many Secretaries of Department and Directors of Bureau have mentioned their aspirations in respect of the policies, policy objectives, their expectations of the future and views on certain issues. Some of them can be said as "一派胡言" (talking nonsense). Certainly, some Bureau Directors may have insightful views that are meaningful and useful. But many are indeed talking nonsense, especially the Financial Secretary. When he spoke of the tax regime, he said this today and negated what he had said the next day. I do not know what he is trying to say. The case is that he was speaking hastily, without giving careful thoughts to his remarks.

After reading the policy address, the public has the feeling of "一無所獲" (having no gain). To many owners of negative equity property, many unemployed people, many recipients of Comprehensive Social Security Assistance and many people in dire straits, this feeling is very strong indeed.

As for the prospects, be they political, economical and social, and public confidence in the SAR Government, particularly public confidence in TUNG Chee-hwa, they can be said as "一蹶不振" (unlikely to recover after a setback).

The surfacing of so many problems has given people a very strong impression that the entire SAR Government is "一場糊塗" (in a complete mess). After reading the policy address, we feel even more strongly that the Government is "一敗塗地" (a downright failure).

If so many Hong Kong people should really have this strong feeling about the administration by the SAR Government, the SAR Government must indeed conduct a review seriously. But much to our regret, over the years, whether from this policy address or the recent remarks of the Chief Executive and statements recently made by many Bureau Directors, particularly the Chief Executive's refusal to meet with the media and give explanation to the people after the delivery of his policy address, which demonstrated a lack of confidence,

courage and faith on his part, all these show that he is still "一脈相承" (consistently upholding his way), following only the stupid methodology and incompetent approach adopted for his governance over the past five years. This is even more disappointing indeed.

Another characteristic of the Chief Executive is "一如既往" (following old ruts), continuously turning a blind eye to the needs of the general public and to their demands. But he has continued to be biased towards the interest of consortia, resulting in a scenario in which throughout the development of Hong Kong, the interest of consortia has taken precedence over everything, including public interest and the interest of the ordinary members of the public. After five years of governance, and faced with the continued governance by TUNG Chee-hwa in the future, the people of Hong Kong feel like as if they are having "一場惡夢" (a nightmare).

In recent years, there has been a very special phenomenon in Hong Kong and that is, the number of bankruptcy cases has been at an all-time high. I reckon that by the end of the year, one in every 100 members of the workforce will go bankrupt. The number stands at some 20 000 this year, and it was some 10 000 last year. By the end of the year, the number should add up to over 50 000 altogether. Our working population should be less than 5 million, and that is why I said that one in every 100 members of the workforce will go bankrupt. I think we can apply for this number to be entered in the Guinness Book of Records, because this is definitely a record. I believe few places in the world would have as many cases of lawful bankruptcy as we have in Hong Kong. More and more Hong Kong people have become "一無所有" (which means owning nothing).

Hong Kong has faced many difficulties and changes before. Whether they be plights in times of wars, external unrest or financial crisis, Hong Kong was always able to bounce back in the end. There has never been a disastrous financial crisis like the one we face this time around. I think Hong Kong people still have "一線希望" (a glimmer of hope), but they do not pin their hopes on the existing team of the Government. Nor do they pin their hopes on TUNG Chee-hwa. What they hope now is that one day, TUNG Chee-hwa will be "一筆勾消" (eliminated in one go), so that the people can restore their confidence in the governance over Hong Kong and Hong Kong people can lead a secure life.

However, I believe it is absolutely not easy to eliminate TUNG Chee-hwa in one go, for the present political structure is basically feudalistic and despotic in nature. Given that making a sarcastic comment or two on TUNG Chee-hwa has attracted such huge feedback, it is downright impossible to ask for his stepping down by lawful means. To this end, the only thing that Hong Kong people can do is to unite and resort to social movements. I believe chanting one or two empty slogans or speaking in this Chamber of the Legislative Council will stand a very small chance of success. I think there must really be tens of thousands of people taking to the streets and there must be strikes and riots in society before there is a chance for TUNG Chee-hwa to be caused to step down.

I am not advocating a revolution. Nor am I fanning riots. I just wish to point out a political reality and that is, it is useless to discuss with the officials of the SAR Government by way of rational debates. For example, on the question of enacting laws to implement Article 23 of the Basic Law, the comments made by the Chairman of the Hong Kong Bar Association on some issues can still be considered emotional. We have tried to debate the question of Article 23 legislation in a rational manner but still, the Government can completely turn a blind eye to us and completely defy the opinions of many quite influential organizations. Dissenting views are described as emotional and exaggerating; but for views that see eye to eye with the Government, they will come out to receive the letters, saying that those views are rational and logical. Such a way of governance is absolutely unable to command the trust of Hong Kong people.

In the next few years, if TUNG Chee-hwa and the relevant accountable officials will continue to govern Hong Kong, I would very much hope that they can understand very clearly the plights faced by Hong Kong people and also the problems confronting Hong Kong now. The situation in Hong Kong has now developed to a very critical state. They must not lose sight of the severity of the problems. They must not think that they are superior to the masses and they have the powers in their hands to control the governance structure of Hong Kong, the 170 000 civil servants and the Police Force and so, they can do whatever they like and govern Hong Kong in accordance with their subjective wishes and their subjective values and preferences. If they fail to deeply feel and thoroughly understand the actual circumstances in Hong Kong, it would only further intensify the conflicts in Hong Kong and add to the fury and dissatisfaction of people in plights.

The faulty performance and erroneous judgement of any Bureau Director will only increase the chances of the buried time bomb exploding and increase the force of its explosion. On the civil service issue, if measures are taken to achieve further downsizing at the expense of the staff of lower ranks, this would only lead to greater dissatisfaction among the 170 000 civil servants. Mishandling the issue of Article 23 legislation would only cause the hopes of all industries and the general public in the Government to be completely dashed. On the rule of law, if prosecutions are instituted only against the grassroots, but not people with privileges and of a high social status, this would only further undermine confidence in the judicial system of Hong Kong. On the constitutional system, while there may not be many accusations of partiality in the delineation of constituencies for the Legislative Council election, if the Government, when handling appointment matters, such as making appointments to the District Councils and other advisory bodies, is still biased towards the pro-government camp and the ruling body, it would only make the general public and dissidents more dissatisfied and furious with the Government.

In the past, the Government sought to absorb dissenting views through the consultative framework and so, the colonial administration over the last century or so has been effective to a certain extent. This is a tactic which seeks to absorb views through the consultative procedures and administrative procedures. But this is not the case now. Rather, the tactic used now seeks to eliminate opponents and suppress opposing views and dissidents by high-handed means. They are not only suppressed, but also arrested and detained. In the past, had anyone been arrested during processions, petitions, demonstrations and peaceful assemblies? No. But recently, "Long Hair" was selectively prosecuted and selectively arrested by the authorities in a peaceful demonstration. The authorities have even resorted to high-handed means, as the arrest was made at his home at six o'clock in the morning. All these acts have only exacerbated the frustrations of Hong Kong people.

Today, many Directors of Bureaux are not here. But housing and transport fares are issues relating to the everyday life of the people. They, being Bureau Directors, must grasp the importance of livelihood issues. In the '60s, a hike of five cents in the fares of Star Ferry led to a riots. Now, Hong Kong people are strongly dissatisfied with transport fares, which take up an increasingly high proportion of family income. Particularly, the time that residents of new towns spend on commuting and the money they spend on transport fares have created an increasingly heavy pressure on them. Despite

the fact that they are making less and less income, they have to pay increasingly more in transport fares and interchange fares.

PRESIDENT (in Cantonese): Mr Albert CHAN, I must remind you that the contents of your speech now should have been delivered yesterday, and you did not speak on the area of transport fares yesterday.

MR ALBERT CHAN (in Cantonese): Madam President, I am speaking on effective governance.

PRESIDENT (in Cantonese): Mr CHAN, then please keep to effective governance in your continued speech.

MR ALBERT CHAN (in Cantonese): Madam President, issues such as transport fares and housing are part of effective governance, because effective governance in all aspects is a must for social stability. What I am trying to point out is that many Directors of Bureaux have failed to take effective measures in governance, and this has led to increasing public frustration and grievances. These 18 scrolls which begin by the number "one" are all related to effective governance. It is because of the ineffective governance by TUNG Chee-hwa that I have given him these 18 "number ones". Madam President, I hope you will appreciate my painstaking efforts.

Madam President, let me now briefly draw a conclusion. Although I obviously do not see eye to eye with many Bureau Directors in respect of values and directions, democratic development, constitutional development and style of governance, nobody, including myself, would wish to see chaos in Hong Kong under the present undemocratic mode of governance. We do not wish to see Hong Kong in chaos due to the incompetence of TUNG Chee-hwa. No one would wish to see this. We do not believe in MAO Zedong's ideology of "the more chaotic the better, for power can be seized amidst the chaos". This is not what we think. We hope that the people of Hong Kong can tide over the present difficulties, and we hope that we will still see the light of early dawn in the future, so that the people can lead a stable life. I hope that the Bureau Directors can do their utmost in their respective portfolios to reduce conflicts and minimize the

impact on the ordinary members of the public. If they can do this, then that will be an act of boundless beneficence. I do not expect them to come up with any grand plans to lead Hong Kong to new horizons. Indeed, the integration of Hong Kong into the PRD and hence making the territory part of the PRD is already a considerable retrogression. Hong Kong is no longer the "Pearl of the Orient". The "Pearl of the Orient" means a dazzling pearl in the Orient that plays a leading role and assumes a unique position in the entire region, politically and economically. But that is no longer the case now, for Hong Kong will become only part of the PRD and its position is still uncertain.

Madam President, I hope that effective governance does not mean effective governance by high-handed, barbarous and violent means, but an implementation of policies and measures that can alleviate public grievances and frustrations and improve the people's lot.

Thank you, Madam President.

MS AUDREY EU (in Cantonese): Madam President, unlike before, the policy address this year was shortened to an hour and it only discussed the principal directions. I have been told that the Government has intentionally followed the example of the yearly State of the Union Message by the President of the United States and it wishes to fire people with enthusiasm with a speech that can appeal to them. But it is a pity that the way in which Mr TUNG delivered his speech, the contents of his speech and the effects are hardly comparable. Taking an overview at various polls and the phone-in radio programmes, the people's confidence has not improved but dropped after the release of the policy address.

In the first policy address by Mr TUNG in his second term of office, people actually want to hear how Mr TUNG summarizes his experience of governance over the past five years and what lessons he has learnt. Nevertheless, people have found after listening to the policy address by the Chief Executive that he has continued to put the blame on others and blamed all the economic ills of Hong Kong on the bubble economy formed during the colonial era, some people's mentality of "making quick bucks" and the external economic situation. However, he has not said anything about those "grand bubble plans" such as certain centres or the "85 000" housing construction target proposed by him during the past few years, messy policies and discussions without decisions, as if such problems faced by the community in recent years as the sluggish

economy, confidence crisis and social division had nothing to do with him at all. As long as the Chief Executive declines to admit his past mistakes, how can people be convinced that the magnificent plans in this policy address will be different?

At difficult times, the people expect the Chief Executive and leaders to have a grasp of their feelings and act as a cohesive force, give them confidence and make them feel safe. It is a very great pity that after listening to his speech for an hour, we found that Mr TUNG had only focused on the fiscal deficits and economic future and said little about the existing difficulties insofar as the people's livelihood is concerned. I agree with an analyst that this is a "big economy and small society" policy address, which is very dangerous under the present social circumstances.

At present, people's income keeps dropping and their job security is being threatened, suicide and bankruptcy cases take place every day and there are a lot of grievances in the community, but Mr TUNG seems not to note all these. He only mentioned his political achievements, that he had brought about the soft landing of our economy, that the people had become more patriotic and that two airlines had bought many aeroplanes. He lives in his own world. The most terrible point is that the Government has still proposed increases in tax and government charges and a review of welfare benefits at this time, completely contrary to the measures adopted by other governments when the economy is in the doldrums. Before we see the advantages depicted in the policy address, various sectors of the community are already in panic and confusion: the middle class is worried by an increase in salaries tax, small and medium enterprises are worried by increases in profits tax and rates, the general public is worried by increases in water and electricity charges, Comprehensive Social Security Assistance (CSSA) recipients are worried by reductions in CSSA payments, foreign domestic helpers are worried by the levy on foreign domestic helpers, and even those retirees have once been worried by the reported government intention to levy a tax on deposit interests.

In revitalizing our economy, the policy address takes the integration with the PRD as the direction of long-term economic development. However, it does not have other specific contents besides proposing the construction of the Hong Kong-Zhuhai-Macao bridge. The policy address has not discussed in detail the respective roles of Hong Kong, Macao and Guangdong Province, how co-ordination is going to be made and the specific plans and timetable for

economic integration. All this reflects that the Government itself is at a loss as to how to proceed with this initiative. That the head of Guangdong Province has recently vowed to develop Guangdong into an international financial centre reflects that Hong Kong is a competitor in their eyes. Moreover, we have recently read in the newspapers different remarks made by many different mainland officials, reflecting that there are actually conflicts of interests among them. It is definitely not easy for them to sincerely co-operate for mutual benefits.

I am more concerned about whether the conflicts arising from the differences in their legal systems, as a result of the stronger economic ties between Hong Kong and Guangdong, can be properly addressed. For instance, Dr Sarah LIAO, the Secretary for the Environment, Transport and Works, admitted a few days ago that if emission trading was to be implemented in Hong Kong and Guangdong, we must first co-ordinate the differences between the two places in terms of legal systems and emission standards.

Quite a few Hong Kong people who did business or worked in the Mainland had been unreasonably detained in recent years. In 2001, the Beijing Office handled 11 cases in which Hong Kong people were detained in the Mainland, and the numbers should actually be greater if the cases in which the Government was not approached for assistance were included. According to experience, some detained Hong Kong people might have offended the local officials or powerful people and were even intentionally extorted or blackmailed by officials. Now the Government only promotes the northward movement of Hong Kong people but fails to remind people of the risks involved, just like when Mr TUNG encouraged people to buy flats years ago, nevertheless, more people joined the ranks of negative equity asset owners when the property prices dropped. Disputes over economic or legal system will very easily turn into political controversies. In the past, investment in the PRD was private activities and the Government could leave investors alone, but when it becomes a policy of the SAR Government, different considerations are involved. I hope that the Government will be particularly careful and prudent in this respect.

Madam President, when Mr TUNG attended the Question and Answer Session of this Council a few days ago, I suggested an instant solution to restoring the people's confidence, that is, I asked Mr TUNG to heed the advice of Prof KWAN of the Social Cohesion Force Team under the Central Policy Unit, and publish a White Bill on the enactment of laws to implement Article 23 of the Basic Law. That is not the view of a small group of opponents. The

Government has insisted on rejecting this proposal and it is actually telling people that this consultation by the Government is not genuine at all. Yet, the Government has still turned down the mild and reasonable requests of many people from across several sectors. It has evoked repercussions that I think the Government cannot overlook.

I also wish to discuss the point that Ms Regina IP, the Secretary for Security, has recently continued to make provocative remarks, belittling and pinpointing at the critics. I believe that a photograph of her clad in a pair of sunglasses when she attended a forum can best symbolize her attitude. It is certainly very problematic for her to analyse people's response to the Article 23 legislation through a pair of tinted glasses. I strongly ask the Government to immediately appoint an independent body or expert to objectively analyze and sum up the opinions collected by this public consultation and present a White Bill to allay people's worries.

Lastly, Madam President, to thoroughly address the confidence crisis of the public, it is of course most fundamental to implement universal suffrage to ensure that the Government has popular support and trust. Nothing is mentioned in the policy address about constitutional reform and it is only briefly stated in the policy agenda that preparations will be made for a review of the political development after 2007. It reflects once again that the Government led by Mr TUNG is very sealed up in relation to problems with the constitutional system. Over five years have passed since the reunification, but there is still a very long way to go before Hong Kong people can be the masters of their own house. Although the public sees the Chief Executive implement measures that they do not like, they cannot seek a change in person in any way or by any means. How can they have confidence in the future?

It is more worrying that the poverty problem has been deteriorating. According to the projections made by the Hong Kong Council of Social Service, the proportion of impoverished population has increased from 11.7% to 16.1% in the past decade. To address the fiscal deficits, the Government has allowed the poverty problem to deteriorate continuously. If the "big economy, small society" approach continues to be adopted, the situation will be too dreadful to contemplate once the time bomb explodes. I hope the Government will pay attention to that.

With these remarks, Madam President, I support Dr YEUNG Sum's amendment. Thank you.

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

MR MICHAEL MAK (in Cantonese): Madam President, I have not prepared a script for my speech today, as I hope that I can move the Government with words from the bottom of my heart. But perhaps, I may not succeed because this Government, as Mr Albert CHAN has said, is consistently sticking to its own way. That said, I still think that there is a ray of hope. I heard Mr Albert CHAN mention 18 "ones" earlier on, and I have thought of something impromptu. While they may not be as good as the 18 "ones" suggested by Mr CHAN, perhaps I can make some points "from one to ten". I hope the Government will consider them, so as to give a little lift to the spirit of the people. The Government should give us "one" ray of hope and make preparations for "two" options to save the economy. I hope that luck will be with us for "three" lives, in that the Government will cease to act absurdly. For "four", I cannot think of anything at the moment, but perhaps "starting a new game after four rounds of the game"^{note} is better. For "five", I hope that we are "poor at five, hopeless at six and bouncing back at seven", as I hope that by 2007, we will stand a chance of bouncing back. But must we be in a state of hopelessness in 2005 and 2006 before we can bounce back in 2007? This is absolutely not my wish. I hope we can have a better-developed brain, so that we can regain the confidence that we had at the time of the reunification in 1997. However, it appears that the present circumstances cannot inspire any confidence in us.

Madam President, with regard to the policy address, I think apart from its hollowness, the SAR Government has primarily failed to see the problem. The root or the crux of the problem now is confidence, confidence and confidence! The economic downturn absolutely has to do with external factors. But can we revive the Hong Kong economy simply through integration with the PRD or other irrational measures of boosting revenue and cutting expenditure? Indeed, there must be confidence within Hong Kong! How can we restore the confidence of the people? I think this is related to many aspects, say, the constitutional system, public service, and effective governance, insofar as this session is concerned. In respect of constitutional system, it is expressly provided in the Basic Law that the election of the Chief Executive or the election

^{note} It is a common Mahjong rule that after a full game, which consists of four rounds, is completed, the dealer and the "seats", namely, the East seat, South seat, West seat and North seat, will be rearranged before a new game starts.

of Members of the Legislative Council should be reviewed before 2007. But in the policy agenda, simple enough, and as Ms Emily LAU has also pointed out, it is said that the Government will begin to make suitable preparations for the review of constitutional development after 2007. I really have no idea about what "suitable preparations" mean. I did not attend the briefing of Mr Stephen LAM. But what are "suitable preparations"? What I hope for is a timetable of implementation. For example, if it is said that the Chief Executive will be returned by direct election in 2007 and that the Legislative Council will be directly elected in 2008, then it is best that a timetable can be provided. It can even be said that direct elections will be implemented 50 years later. I will still accept it! Why can I not accept it? As long as they tell us in express terms, then I will accept it. But even for such simple thing as a timetable, the Government does not dare to show it to us, fearing this and fearing that. To us, this is grossly disappointing!

I would say that the Basic Law has arranged for an engagement for us. It is a certificate of engagement arranged by parents' order and on the matchmaker's words. It provides for our obligations. But I could not believe that we have yet to marry each other after having been engaged for more than five years. What kind of a son do we want to have? What kind of a daughter do we want to have? I wish to have a legitimate child, and that is, democracy! I wish to tell Secretary LAM that I have not seen any progress in this respect.

I am also very disappointed to hear that local laws will be enacted to implement Article 23 of the Basic Law (Article 23). The Basic Law does not provide for the timing of implementation. Laws should be enacted to implement Article 23 only when the political climate, political environment and economic conditions are suitable and where the making of such legislation is generally accepted. I do not see these conditions now, and the authorities are actually dealing a blow to confidence and dividing Hong Kong people. A couple of days ago, Secretary Regina IP said irrationally that I had pulled wool over the people's eyes. Although she did not name the Member whom she thought had deceived the people, how could she be qualified to take up the office as a Bureau Director when she had made such irrational and unreasonable remarks? I know that Bureau Directors are subject to integrity checking, and I hope that there is really this kind of checking. But I wonder if there is emotion checking. I hope that Secretary Regina IP can tell me why she should have acted like that. Thank you, Madam President.

MR ANDREW WONG (in Cantonese): Madam President, I am sorry. I have just gone out of the Chamber to return a telephone call. Insofar as opinions on the policy address are concerned, I hope what we say are not just some empty words of praise or just some criticisms. Instead, we should put forth some concrete suggestions.

I think the first batch of remarks I would like to make is on the arrangements for the release of the policy address. A moment ago, I heard a new comment. This document, the "policy address" in English, is translated as "施政報告" in Chinese. But in fact, it is basically just a "施政咨文" (policy statement). What should be included in a policy statement? It is the description of the future directions or specific guidelines, presented by the incumbent Chief Executive in a certain manner. In the past, we had a lot of specific guidelines. But unfortunately, when the Basic Law was drafted, the inherited practice was expressed as the presentation of the policy addresses. In this way, we are led to think that the main purpose of the exercise is to report, that is, an instrument for reviewing the past and outlining plans for the future. As a result, a lot of arguments emerge between the Government and the Legislative Council. I think the best option is to amend the Basic Law to change the wording of "報告" (address) into "咨文" (statement) to make everyone understand what the Chief Executive intends to announce, irrespective of the format. However, "報告" (address) is a rather loose term — it is perfectly fine to present ideas in the style of "咨文" (statement) within the context of an "報告" (address).

On the new arrangements in respect of the presentation of the policy address, I think the most unsatisfactory point is it was released three months behind the usual schedule. Madam President, the Government gave two reasons at that time. The first reason was that the newly appointed Directors of Bureaux still needed some time for gearing in before they could put forward their proposals in the policy address. The second reason was that if the policy address or the "施政咨文" (policy statement) was to be released in January, it could better tie in with the timing of the Budget. Obviously, the first reason was cited out of the urgency consideration. It was a request made to resolve the problem of being able to require the new Directors of Bureaux to deliver their homework. The second reason is apparently about long-term arrangements. I have openly said that any long-term arrangements must be subject to careful discussion and consideration. Personally, I think that if the policy address is released on a date too close to that of the Budget, it is more likely that the Budget

will "swallow up" the policy address or "施政咨文" (policy statement). As a result, the entire contents of the Budget will be drawn from the main points of the policy address. Now, it seems that the practice adopted this time around is exactly the case I have just mentioned.

The policy address has not mentioned when the next one will be released. However, it is implied in the Introduction of the policy agenda of the policy address of 2003, for the document has listed the policy agenda of the Second Term Government of the Hong Kong Special Administrative Region (SAR) in the next 18 months. I cannot help asking, "What can that possibly mean?" We had the policy address in 2001 that set out the policy agenda in the whole Legislative Session of 2001-02. As for the policies in the 2002-03 Session, they are now drafted as the policy address of 2003, and then it is said to be covering the policies in a period of 18 months. This policy address 2003 in fact describes the affairs in the year 2002-03. Now, does it mean that, with the present practice, this policy agenda also covers the administration in 2004? Of course, we would not expect the release of another policy address in 2003, but now we do not know whether there will be a policy address or "施政咨文" (policy statement) in 2004.

Therefore, my first specific suggestion is: It would be ideal if we can change "報告" (address) into "咨文" (statement). Even if we cannot change the name of the policy address, basically we should still treat it as a document of the nature of a "咨文" (statement), that is, Members may make suggestions on what the Government has said or has not said, especially on the inadequacies of the Government, in the hope that, after the policy address is released, the Government can still consider the issues again and make changes to the specific details of its directions and policies.

My second concrete suggestion is, the present policy address should be seen as related to administration in the year of 2002-03, whereas the next policy address should be released in October again, and it is for the year of 2003-04. Madam President, this is my first batch of suggestions.

My second batch of suggestions is on the civil service regime. In this policy address, the Government proposes to freeze civil service recruitment and implement the second phase of the Voluntary Retirement Scheme. Personally, I think the whole approach is wrong. Freezing the recruitment of civil servants is just an emergency solution, and it should last for just one year and should not be

adopted as a permanent policy. Otherwise, there will be a succession problem in future. For example, for certain core posts in certain core grades of the civil service regime, a vacuum may arise in certain periods of time in future as a result of zero recruitment in certain years, and this may bring problems to the regime in which officers are promoted by order of their seniority or by their abilities. I think basically the Government should not freeze the recruitment. If certain posts are considered really unnecessary and redundant — we can say the posts are redundant, and the incumbents of such posts are surplus staff — of course, the Government may hope that the incompetent staff would leave. However, if such a dismissal process were initiated on a voluntary basis, it would usually be ineffective. I think the Government has to review the whole civil service regime to see what kinds of core posts and core grades have to be retained; what kinds of posts are surplus and unnecessary; and what kinds of posts are not necessarily to be filled by civil servants and can be contracted out. We may turn the posts into temporary ones. So in the short term, our financial expenditure may rise because we have to make severance payments. But in the long term, the number of posts will be reduced.

This is the first opinion I hope the Secretary for the Civil Service will hear clearly. I say this because I made brief mention of this suggestion in a previous meeting of a panel. In previous discussion on the first phase of the Voluntary Retirement Scheme, I already mentioned the same opinion. I hope the Government can review this again, because I think this policy as outlined in the policy address is basically wrong.

Secondly, on the issue of pay adjustment, I am not sure about the exact details of this adjustment. Is it about the pay trend survey, or is it about the pay level survey, or a combination of both? Recently, the Secretary for the Civil Service has been holding discussions with the various trade unions on the mechanism of the pay level survey for the civil servants. Maybe it is for making preparations for the issue of pay reduction, or maybe another mechanism will be created in the process of conducting the pay trend survey. The Administration could be hoping to enact laws to provide for a mechanism for pay reduction, so as to put the pay negotiation mechanism into the legislation.

Madam President, I think the Standing Commission on Civil Service Salaries and Conditions of Service (Standing Commission) established in 1979 presented some basic principles at that time. The principles listed in the first report are correct, that is, civil service salaries should be fixed at a level which

can attract and retain competent persons so as to provide efficient government services. However, it was unfortunate that two methods were proposed for enforcement of the principles: one is pay level survey, and the other is pay trend survey. The latter is conducted annually, whereas the former once every five or 10 years.

However, I think it is wrong to adopt any one of these two methods. I think the principles for fixing the salaries of civil servants should be those proposed by the Standing Commission in its first report in 1979, that basically it should be the market salaries principles, but the market salaries principle adopted by the Civil Service cannot be compared with the outside world because the Civil Service is not equivalent to the market. This concept should consider the salaries of civil servants as correct at all times, and at same time they can also be considered incorrect because it will be subject to our observation to decide whether they are correct. Why should they be considered incorrect? For example, if the salaries are fixed at a certain level, but the level could not attract suitable candidates to fill the vacancies, or it makes many suitable officers have a very strong intention to retire from the Civil Service. Under such circumstances, the salaries of such officers could be raised as appropriate because the salaries of the civil servants cannot be compared to those of the employees in the private sector, and their respective conditions of service are also very different, especially when civil servants stress the retirement system and protection. Therefore, in short, we do not have to conduct any pay level survey. The first and the only pay level survey was conducted in 1986. The method employed was the same one used by the pay trend survey, that is, the salaries of civil servants were divided into three categories: senior, middle and junior, and then they were compared to outside organizations on a comprehensive scale. The comparison could reveal whether the pay level at that time was too high or too low, and the salaries of which ranks were too high or too low. But this could not be regarded as a pay trend survey, because a pay level survey does not differentiate the various types of jobs.

Madam President, if my concept of market salaries is used, that is, if there are people willing to take a low salary for a certain type of job or a job at a certain rank in the Civil Service, it shows that such a pay level is sufficient to attract outsiders to take up the job, then this pay level is at the right level. Otherwise, the pay level may not be right. The Government may have to raise the salaries or change the conditions of service. Only such a concept could be

implemented. I hope the Secretary for the Civil Service can think about the issue critically in his consideration of the pay level survey. What is the correct method to adopt? Or perhaps the whole concept has to be changed.

Madam President, the third batch of opinions I would like to make is on the issue of enactment of laws to implement Article 23 of the Basic Law (Article 23). Basically, I have openly said that I support the enactment. However, when the Consultation Document on enactment of laws to implement Article 23 was released, I raised a question in the first briefing in which both the Secretary for Justice and Mr Albert ALLCOCK were present. I asked the Administration whether a draft would be released. I got the firm reply that there was no draft. The Government could have said that a White Bill would not be released, but attached the contents of the Bill to the consultation document, so that everyone could know the details of the Bill. However, the Government insisted that there was no draft. Of course I did not believe in it. For such an important piece of legislation, the Government must have wished to discuss it with the Central People's Government before actually tabling it. Therefore, I did not believe that the Government could proceed with any discussion with the Central People's Government in the absence of a draft. What could they discuss if a draft was not available? I feel that it would be impossible for the Government to hold any discussion just on some empty concepts. Even if I believe that there is no draft, it would not be a difficult task to start preparing one then.

A moment ago, Miss Margaret NG said that even if the drafting instructions were not available, then how can they release a Blue Bill within a month? The Blue Bill is far more solemn. However, I am not making such a request. I think if a White Bill is released, obviously it does not have to be detailed because there would be a lot of omissions in the legislative process, especially in view of the fact that this legislation will be more complicated. Madam President, you should fully understand that on many occasions, during the Committee stage, it could be quite confusing, and in the Bills Committee meetings, due to the time constraint, Members may have different opinions, so sometimes the person responsible for writing the specifics of the procedures of the Committee stage may have a hard time. Therefore, I think the best practice should be, just like the views of many professional groups (today for the first time I have heard of the views of architects, surveyors, practitioners of the construction industry, and also the professions represented by Mr LAU Ping-cheung), the White Bill.

However, in order to adopt an approach that is more pragmatic and effective, I hope all of us could think a bit further to see if each of the different camps could make some concessions, that is, the Government issues a document after the completion of the current phase of consultation, and says that it, after considering the views of different parties concerned, decides to release the draft legislation and extend the consultation for a further period of time so as to collect the views again from everyone. This would help to provide a graceful withdrawal for the Government, whereas the consultation, though not in the form of a White Bill, does have the actual effect of a White Bill. If the Secretary for Security were ready to make such an undertaking, I wonder, would Dr YEUNG Sum be willing to withdraw his amendment?

Of course, in order to help me make my choice in voting later on, as I am still undecided whether I should vote in favour of Dr YEUNG's amendment, I hope the Secretary for Security will later furnish me with a reply on what the Government will do in the next phase. Will the Administration release a White Bill? Or a Blue Bill? Will it extend the consultation period, or will it release the draft legislation first before conducting further consultations? What will the Government do? I hope the accountability official will give us an answer on all those things that have not been mentioned in the policy address in today's debate.

Madam President, the fourth batch of opinions I would like to discuss is on the issue of political development. I did not say political reforms, because the political system needs development. I am very glad to hear a recent announcement made by the Secretary for Constitutional Affairs, Mr Stephen LAM, to the effect that, if a candidate manages to get a certain percentage of votes, he will be given a subsidy. But this is just a very small progress. The progress in political development seems to have been too little and too slow. Both the Chief Executive, Mr TUNG Chee-hwa, and Dr Philip WONG, who has spoken earlier in the debate, mentioned that the priority task should be to put the economy back onto the right track. In a meeting with the Chief Executive, I had told him that, of all the problems in front of us, I thought the economic problem was the most significant one. It was a consensus, but the issue of political system was equally important, I said. At that time, I even mentioned that as Prof LAU Siu-kai had been appointed the Head of the Central Policy Unit, it would be better for him to bring up proposals in this regard.

However, today, I would like to take this opportunity to talk about the views of a certain scholar in political science on the significance of political development. There is an American scholar by the name of Samuel P. HUNTINGTON (the Chinese transliteration is "Han Ting-dun", which literally means "being earnest to stop" in Chinese). He has suggested the trilogy of political instability, political unrest and political insecurity. According to him, in a certain society, if the social mobility is higher than its economic development, it will bring about frustration to society — this is part I. Part II is, should the sense of social frustration is higher than the chance of social mobility, it will bring about political participation. Part III is, if political participation is higher than political institutionalization, it would bring about political insecurity.

In the past, maybe it was a matter of good luck for us to enjoy very good economic development. So it was all right even if the political development was a bit slow because social mobility could be compensated for in some other ways. However, at a time of economic downturn, we have to understand that this is the core of the problem. If there is no economic development, the social mobility is minimal. For people who have received no education, they would be contented to make their living by farming, to lead a regular life and to enjoy the stability it brings. They will feel no frustration at all.

However, according to Mr HUNTINGTON, the societies in this world are developing and changing. In one of his books entitled *Political Order in Changing Societies*, political order means political stability, and the societies are changing. Miss CHOY So-yuk mentioned earlier sustained governance. Who can govern? A certain group of people will go on governing. Obviously, if the group of governors are elites, they can monopolize the power by not institutionalizing politics, thus denying participation, and preventing the horizontal or upward social mobility of others. If the aspirations of others are not answered, it will bring about political insecurity. Therefore, I think political development and progress in the political system are very important. We cannot say that there is no urgency at the moment and then put the issue aside altogether. I hope the Government can give some thoughts to this point.

Many Members have just mentioned the disclosure in the Policy Agenda that the Government will start to make suitable preparations for the political development after 2007. I hope Secretary for Constitutional Affairs Stephen LAM will provide us with a timetable next Monday when he attends the meeting of the Panel on Constitutional Affairs. If we are satisfied with the timetable,

then maybe Ms Emily LAU will not have to move her motion. I hope all of us can take one step further. At least, the Government is willing to conduct a review, and so the provision of a timetable will fulfil what Mr LAM said in the meeting of the Panel, that a review would be conducted on the political system after 2007. My understanding is, the post-2007 political system is a workable system because we can have a review beforehand and set it down before the year 2007. The system will not be formulated as late as 2007. I hope this point can be implemented.

Besides, some issues which do not for a review may also be reviewed now. For example, like what was mentioned in the past, firstly, whether the District Councils should be given some solid powers. If all the Hong Kong people are requested to vote responsibly, those who win the election should be able to formulate some policies and make some decisions and should have certain influence. Otherwise, the people will not turn out. We cannot always protect the people as if they were infants — they will never grow up and can never learn to have a sense of responsibility. Secondly, we have to examine whether the proportional representation system can be implemented. Under the present situation, the election at the District Councils seems to be an election of heads of villages. A housing estate can be divided into two constituencies. However, under the proportional representation system, candidates with different political aspirations may compete for the seats which would then be allocated to candidates from different groups. In this way, it seems that the people are given a right to choose — if Group A does not do well while they are incumbent, the people may switch their stand and give their votes to Group B in the next election.

What can be further discussed is the bill on the Legislative Council election, which had been debated in 1994, that is, the political reform package put forward by former Governor of Hong Kong, Mr Chris PATTEN. At that time, an amendment was proposed to group 30 functional constituencies into five categories of functional constituencies, with each category comprising six seats to be elected by the proportional representation system. But the voting rights were given to the people of Hong Kong. In other words, apart from the vote cast on a direct elected candidate in his own district, a voter may also choose someone he thinks he can trust from the five functional constituencies to take up seats in the functional constituencies. This concept changes the nature of the seats of functional constituencies from safeguarding the interests of individual professions or vested interests to choosing someone with the relevant knowledge,

talents, experience to take up the seats of the functional constituencies, with the approval of the people of Hong Kong. I know I can spend a lot of time discussing this subject, and yet still being not thorough enough. Therefore, I only wish to tell Members that the part I have been discussing is mainly drawn from the following pages of the relevant session of the Hansard, and I hope Members may consult them after this meeting: p. 3466 to p. 3741 of the Chinese Version of Hong Kong Hansard, Reports of the Meetings of the Legislative Council of Hong Kong (Session 1993-94), and p. 4722 to p. 4727 of the English Version. And for the speeches on the amendment, they are from p. 3548 to p. 4727. Thank you, Madam President.

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

MR LEUNG FU-WAH (in Cantonese): Madam President, the Chief Executive said in the policy address delivered earlier that efforts would be made to "provide a sound foundation through effective governance to maintain and further develop Hong Kong's position as a world city of Asia". But how will "effective governance" be achieved? Mr TUNG has proposed a number of new initiatives in the policy address, including introducing appropriate tax increases and adjusting upwards the fees and charges for some social services, levying a tax from early next year on passengers departing by land/sea, cutting the civil service establishment, beginning to make suitable preparations for the review of constitutional developments after 2007, and implementing Article 23 of the Basic Law (Article 23). However, can the SAR Government achieve "effective governance" by implementing all of these policies and measures?

In fact, "people" are an important element of governance by the Government. The effectiveness of governance by the SAR Government, being an executive-led Government, must be considered in the context of three factors. They include whether the Chief Executive and principal officials have solid powers to implement the various policies, whether the political talents are of good quality and whether the Government can mobilize and unite the people, so that each and every citizen of Hong Kong will have commitment to Hong Kong. The Government's governance requires participation by the leader and government officials and so, the quality of the ruling echelons is very important. While they must have leadership skills, they must also have broad vision and a mind that constantly pursues innovations. The implementation of the

accountability system for principal officials in the second term of the SAR Government is meant precisely achieve better accountability to the people. As a result of this significant change in the style of governance in Hong Kong, the public have high expectations, hoping that the accountability system can turn a new page of governance. Since the implementation of this system, we have seen deviations on the part of the governing team in their grasp of the public opinion *vis-a-vis* their duty to uphold the system. We hope that this is just a transitional period, and the shorter it is the better, for the patience of the public nowadays has indeed diminished considerably when compared to the past.

To achieve "effective governance", co-operation between government officials and the people is a must. If, in a society where social cohesion is lacking, where the people know only to criticize the Government for not doing its job properly and not doing enough, without thinking about whether they should have commitment to society and about the responsibility of individuals in society, and about what kind of society they wish to build up and how hard they should work in concert to this end, the administration of the Government will be affected in some measure by such a mindset which stresses only short-term individual interest. So, I wish to remind the leaders of the SAR Government that to achieve effective governance and to be "people-oriented", they should, among other things, upgrade the quality of the governors and foster a sense of belonging and sense of responsibility among the people towards society. On the latter, we definitely cannot rely solely on the Government, for members of the public also have a part to play.

In the last few years, Hong Kong has encountered the Asian financial turmoil, followed by the global economic recession. A high unemployment rate has persisted and domestic consumption has been sluggish. Added to these is the unhealthy inflation of public expenditure over the past few years, resulting in the fiscal deficits increasing year after year. The SAR Government has made continuous efforts to ease the fiscal deficits, ameliorate the unemployment problem and stimulate the economy. The Government has introduced some measures to address these problems. On the tourism front, for instance, the number of mainland tourists has substantially increased following the relaxation of restrictions on mainland residents visiting Hong Kong. As a result, the tourism industry has come a long way over the past year, which has also benefited the development of the aviation business, evident in the fact that workers of the cargo terminals at the airport received a bonus equivalent to two

months' salary last year. These can be attributed to the improvement made by the Government to the relevant measures. Having said that, however, we cannot deny that these are far from common. While it takes time for the effectiveness of some of these measures to be ascertained, there is no denying that the administration of the SAR Government has never been so open and transparent. But obviously, these improvements cannot satisfy the public. It is because some people think that reviving the economy and resolving unemployment and the fiscal deficits are the duties of the Government and that any measure that infringes on the interest of individuals should not be taken. The community is apparently led by some politicians and opinions to develop a mindset of "opposing everything and criticizing the Government for everything".

I think it is not an ideal quality of people to "oppose everything and criticizing the Government for everything". Rather, the people should participate actively, discuss rationally and make commitments courageously. To nurture this quality among our people in the community, both the Government and the public have their own responsibilities. First, the Government must be prepared in its thinking for open governance and listening to more public opinions. After making such preparations in its thinking, the Government must take concrete steps of implementation, allowing each and every member of society the opportunity to participate in the discussion of policies and to express their views. On the part of the public, they must develop in themselves a sense of commitment to society. Being a member of Hong Kong, each and every citizen is duty-bound to make Hong Kong thrive. To achieve effective governance, the Government will ultimately need the support of the wider public. It is useless only to criticize and to raise opposition. It is better for us to be more realistic and give more time and support to the Government, so that members of the public and the Government can join hands to work for the future of Hong Kong.

Madam President, a sound and strong financial position is the cornerstone of effective governance by the Government. We cannot lift ourselves out of the present economic hardships overnight. The Government must not allow public expenditure to grow continuously, or else it would be difficult for the operating account of the Government to restore to fiscal balance. Prof Richard WONG, Dean of the Faculty of Business and Economics of the University of Hong Kong said in an interview with the media that "the private sector is the only creator of wealth, and only when the Government shrinks in its scale will the private sector grow, which will then be conducive to the creation of more wealth. Meanwhile,

redistribution of resources can only temporarily ease the pain of the vulnerable groups in society, and economic development is the only solution in the long term.". I believe people who know the operation of free market economy will share this view. We must make improvements to the outdated scale of Government, and create an environment conducive to business, enabling the private sector to bring their economic potentials into the fullest play in the free market, thereby promoting the overall development of Hong Kong.

"Effective governance", of course, has to do with the enforcer. The 170 000-odd civil servants are suffering badly from the pressure of a pay cut necessitated by the fiscal deficits. The Government already enacted legislation last year to effect a cut in the civil service pay, and there have been many voices recently asking the Government to further cut the pay of civil servants as a means to alleviate the fiscal deficits. Irrespective of the final outcome, I do hope that the SAR Government, before considering making adjustments to the civil service pay, will communicate more with the staff side and listen more to their views, so as to reach a consensus through consultation as far as possible, in order not to affect the morale of civil servants yet again. The SAR Government must do more to strike a balance between resolving the fiscal deficits and social stability and public interest.

Moreover, on the issue of Article 23 legislation, I call on the Government, particularly the Secretary for Security, to table a Blue Bill to this Council as soon as possible, so that the Legislative Council can expeditiously start consultation on the enactment of laws to implement Article 23 in compliance with the Basic Law. Besides, I very much hope that Secretary Regina IP can persevere with her efforts in her position to set a good example for other Bureau Directors. Thank you, Madam President.

MR HENRY WU (in Cantonese): Madam President, we have finally come to the last session of the debate. I would like to express my views on one of the key points of "effective governance", namely to "continue to implement 'one country, two systems' to achieve long-term prosperity and stability".

The introduction of the "one country, two systems" is unprecedented in history. This epoch-making undertaking was witnessed by both the Motherland and the people of Hong Kong. The late state leader, Mr DENG Xiaoping, once remarked: "Hong Kong shall remain unchanged for 50 years", in a bid to

encourage the people of Hong Kong to strive to maintain Hong Kong's prosperity and stability. The people should take pride in the successful implementation of "one country, two systems" and the international recognition it has gained today.

The success of the "one country, two systems" demonstrates that there is always a debut for everything. We do not have to follow the general global trend in everything. Each country or region has its unique historical background and culture. Hong Kong has its own strengths and special characteristics. The standards adopted by other people might not suit us. Adopting such standards indiscriminately may even produce the opposite result. Therefore, we have to identify our exact positioning and take a more pragmatic approach of trying innovative ideas.

As regards the amendment to the Securities and Futures Ordinance, which will soon become effective, the Government has chosen not to follow the general global trend and instead adopted a regulatory system of "having two authorities governing the same business". In other words, even though banks are allowed to operate securities businesses like brokers' firms, they are supervised by the Hong Kong Monetary Authority, rather than being supervised by the Securities and Futures Commission direct. I recall the authorities did explain in the course of scrutinizing the legislation that the matter was handled in this way in the light of the unique circumstances of Hong Kong.

I have this thought. Hong Kong is unique in the sense that the "one country, two systems" is considered by the Government a success and even financial officials believe "having two authorities governing the same business" is going to work, so why can the Government not agree to the implementation of the "two-tier commission system"?

Madam President, the concept of the "two-tier commission system" is completely in line with the historical development and background of the securities industries, and is consistent with the long-standing practice of "gaining more by doing more" and "buying more and getting more free" in our real lives. It is also consistent with the "requirements" of the "big transactions" conducted among members of the international community, as we have been told. More importantly, it is consistent with the spirit outlined in the first paragraph of the

Chief Executive's policy address. It is pointed out in the paragraph that "the success of 'one country, two systems' involves maintaining our socio-economic systems and way of life and ensuring Hong Kong's economic growth and social progress". The "two-tier commission system", an already proven system that guarantees minimum brokerage commission, is improved further with the introduction of a "two-tier system". It is fair and reasonable and is set to succeed.

The implementation of the "two-tier commission system" can therefore be described as a solution enabling all parties to become winners. I simply cannot think of any other reasons for the authorities to raise objection, except that it was trying to follow others blindly.

The idea of setting up a "two-tier commission system" was actually conceived before Secretary Frederick MA took office in July 2002. Numerous discussions were held between veteran bodies of the industry, financial officials and me at that time. I feel very sorry that Secretary Frederick MA has not been given a chance to further understand the matter, probably because he was too busy with his plate of problems after his assumption of office.

Madam President, the ideas of the "two-tier commission system" and "one country, two systems", both conceived in the light of Hong Kong's unique situation and circumstances, can be described as achieving the same goal with different means. I firmly believe that the Chief Executive and the relevant government officials will extend their identification with the concept of "one country, two systems" to the "two-tier commission system" as well.

The securities industry has all along supported the operation of the SAR Government and placed high expectations on Mr TUNG and his new team after the reunification. Members of the industry will be very disappointed should the authorities choose to disregard the healthy development of the industry and instead implement unfair, unreasonable policies inconsistent with the unique circumstances of Hong Kong. Under such circumstances, how can Mr TUNG achieve his goal of "leading Hong Kong out of the present economic difficulties and restoring people's confidence in their future", as he remarked in the first paragraph of the policy address? I hope the authorities concerned can seriously consider how this problem can be resolved properly.

As regards the necessity of publishing a White Bill in relation to the Article 23 legislation, I think it is not necessary. This is because in the course of scrutinizing the amendment to the Securities and Futures Ordinance, numerous substantial amendments were introduced at the Blue Bill stage. In the end, more than 80% of the Bill was amended. I believe the authorities will consider and introduce corresponding amendments, provided the amendments proposed are reasonable. I therefore disagree that the direct introduction of a Blue Bill is inappropriate.

While expressing my support for the "Motion of Thanks", I hope the Chief Executive and relevant government officials can put aside their stubbornness and instead adopt and implement the idea of the "two-tier commission system" in a pragmatic manner, so as to enable the industry to regain its faith in the SAR Government in realizing its goal of maintaining Hong Kong's long-term prosperity and stability.

Madam President, I so submit.

MS CYD HO (in Cantonese): Madam President, Hong Kong is faced with a confidence or cohesion problem, not an economic problem. No matter how bad the economy is doing, the people will still be willing to unite and tide over the difficulties so long as they have confidence in their leader. But if the leader fails to unite the people and, worse still, if he thinks that the people are deliberately being hostile to him, and if he refutes the opposing views and then satirizes the media, it is impossible for us to unite.

Dr Philip WONG said earlier that democraticization should proceed slowly in the light of the actual circumstances of Hong Kong. In fact, it is precisely the actual circumstances in Hong Kong that make it all the more imperative for the relevant work to be implemented expeditiously, so that members of the public can participate in the formulation of policies, and only in this way can cohesion can be rebuilt and confidence restored. But, unfortunately, the Government has failed to see this need, and it has taken a procrastinating and perfunctory attitude towards the timetable for the constitutional review in 2007. In fact, it is mentioned in the policy agenda that the Government will begin to make suitable preparations for the review of constitutional developments, and this booklet has set out the actual timetable of work to be carried out by the Government in the next 18 months. But when we

asked the Secretary in the panel, he could not tell us the details. He could not even tell us what would happen within these 18 months. What does it mean by suitable preparations? When will they start? This gives the impression that this sentence is only meant to pay lip service to the matter, similar to what the former Secretary for Constitutional Affairs, Mr Michael SUEN, had done before, for he had also undertaken in the policy objectives then to conduct a constitutional review. But this undertaking had eventually ended up in obscurity and evaporated silently. This is very disappointing.

It is most unfortunate that before a democratic political system is in place, the leaders have become more and more inclined to evade the public. In the last policy address of his previous term of office, the Chief Executive had neither reviewed the situation nor drew a conclusion, and this already caused great dissatisfaction among the people. When he stood for re-election, he blamed some civil servants for posing obstacles to his governance, and therefore came up with an accountability system for principal officials. After repeated calls and much waiting, the first policy address in his second term of office has finally come on stage. But again, it has not made any specific undertaking to the people, giving the impression that the Chief Executive and his new governing team are evading the people, not daring to engage in direct dialogues with the people. How can such a Chief Executive who is so alienated from society lead us to turn the corner? I hope that Mr TUNG can do some soul-searching and work with the community to earnestly conduct a review and then immediately hold democratic elections to return the Chief Executive. Only in this way can cohesion and confidence be restored, can Hong Kong people see new hopes.

Regarding the consultation on the enactment of laws to implement Article 23 of the Basic Law (Article 23), there is actually no clear objective criteria to date. The Secretary will say that, just as she already told us at the last meeting, the Government will not handle unreasonable misunderstandings. But who will decide whether or not something is reasonable? Who will decide whether or not something is a misunderstanding? This is still utterly subjective. Is it going to be like the way it handled the question of whether the views are quality ones, that is, views that are in favour of the proposal are considered reasonable, whereas the opposing views are unreasonable? Certainly, the public will find many legal jargons in the consultation document on the enactment of laws on Article 23 when they read it, so it is not surprising at all if the ordinary members of the public have some misunderstandings. However, I think the duty of the Government is to explain to the people when they have misunderstandings, rather

than using some very difficult languages to write out things that they do not understand and then simply dismiss their views formed out of misunderstandings. The former Chairman of the Bar Association has expressly stated his concerns over Article 23. The Chief Justice of the Court of Final Appeal has also implied that we must be careful about the rule of law in Hong Kong. Within a period of three months, all sectors of the community have explicitly expressed many concerns. In just three months' time, the issue of Article 23 legislation has, in fact, become the major political crisis of the SAR. But the Secretary has still continued to make enemies everywhere and point an accusing finger at the people. This gives us an impression that such Bureau Directors on political appointment dare to give the people stick, but are not accountable to the people. We very much hope that the SAR Government can stand back from all this and think about it. I also call on Secretary Regina IP to step back and cease to take charge of the consultation on Article 23 legislation. I think the IQ of the Secretary is very high, just that she lacks EQ. If she can step back and nurture her AQ, I believe it would do good to everybody.

Madam President, the fact that the issue of Article 23 legislation has aroused so many concerns actually has to do with the executive consistently seeking to expand its powers by way of legislation over the past two years. The Public Order Ordinance suppresses assemblies and the freedom of speech, and the anti-terrorist legislation has introduced the possibility of a person being implicated in offences committed by other people. They together have given the Government increasing room to conduct political prosecution. Mr Alan LEONG, the retired Chairman of the Bar Association, has proposed a new definition for the rule of law in Hong Kong and that is, law is used as an instrument to punish the people. Given this development, it is indeed all the more imperative for us to set up an independent statutory human rights commission, particularly for the purpose of handling cases of political persecution, such as the Public Order Ordinance being invoked to carry out political persecution, the arrest of reporters at Chater Garden, and so on. All these acts have made people think of the analogy of "cooking a frog in water", and people now feel that this pot of water in Hong Kong is coming to boil. I believe that instead of telling the people to keep their eyes peeled and to trust the Government, it is better to practically establish and promote a human rights commission which operates independently and performs checks and balances on the executive. For this will command more confidence from members of the public.

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

MR MARTIN LEE: Madam President, let me start off by apologizing to Mr Victor LI in my speech on Wednesday when I made reference to the Cyberport saga. I said, in mistake, that the land in question was sold by private treaty to Mr Victor LI, the eldest son of Mr LI Ka-shing. I was in error because it was, of course, sold to Mr LI Ka-shing's second son and I owe Mr Victor LI an apology.

I now move to deal with Dr the Honourable YEUNG Sum's amendment. The consultation exercise started off with a bang. I remember when the Chief Executive first faced the press on this document, I was watching television at home with my wife. And I had in mind, of course, what I had been assured earlier by Ms Elsie LEUNG, the Secretary for Justice. She told me that a number of recommendations of the Hong Kong Bar Association (Bar Association) had been taken on board by the Government. So when I saw the Chief Executive, Mr TUNG, assuring the people of Hong Kong that the proposals would not undermine in any way the existing human rights, civil liberties enjoyed by the people of Hong Kong, I thought: Yes, perhaps the Government could actually do it, perhaps it could actually legislate under Article 23 of the Basic Law without impinging any of our freedoms and liberties. And this view was confirmed more and more when I saw Mrs Regina IP, the Secretary for Security, at her subsequent press interview, during which the broad definition of the various offences appeared on the television screen.

In fact, I felt so happy that I rang the Honourable Mr CHEUNG Man-kwong, a member of my Party. I said to him, "CHEUNG Man, I cannot think of anything so far as to why we could or how we could oppose it." So we were both very happy. But, of course, later on, we read the consultation document itself and slowly a doubt emerged. Thus, it would be wrong to say that we are now opposing these proposals for the sake of opposition. Indeed, subsequently when I watched television news that night, I saw Mr Alan LEONG, the former Chairman of the Bar Association, giving a glowing account to the proposals. That, of course, was the first day.

Later on, of course, Mr Alan LEONG, like a lot of other people, became more and more worried as we read and discussed, and began to understand the implications of these proposals, although no details were given to us. Now, we

are waiting for the report. We are told that it will come out at the end of the month. But when I asked Mrs Regina IP how she was going to deal with a large number of opinions expressed in the press, both locally and overseas, concerning the doubts and worries of many people both here and outside Hong Kong on some of the provisions contained in the consultation document, she said, "Well, unless these views expressed in the papers are actually sent directly to our Bureau, they would not be included in the report."

Madam President, that is very unfortunate. I have here with me one and a half inches thick of press cuttings of views expressed in English in a lot of leading newspapers and magazines throughout the world. There is one thing common in all of them. In every article, every writer asked for the publication of a White Bill so that details are given before people could have a meaningful debate or discussion on these proposals. Here, I have with me four inches thick of press cuttings of local opinions expressed, both for and against, the legislation under Article 23 of the Basic Law as per this consultation document. What a pity if all of these or a great majority of these would be excluded in the report which is now being compiled.

I look at the proposals to the consultation document again in the very beginning. It says, "We welcome your views. The Government has always attached great importance to comments of the public. We have now formulated the proposals to implement Article 23 of the Basic Law, as detailed in this document, for public consultation. We sincerely invite your views on the proposals. Comments on the proposals are welcomed, by 24 December 2002, as follows —", and then the addresses are given. Where does it say that if one expresses his views otherwise, the Government is not going to include them in the report? Surely, if an ordinary citizen has a view to express, he cannot get the reporter in front of him and he cannot have his views reported. And it is, of course, very difficult to ring in the morning call-in programmes because one has to wait for ages and might never come on. But if the opinion is then expressed in the newspaper, particularly in an editorial or an op-ed paged article, surely it will be totally ridiculous for the Government, which actually read it, not to include it in the report.

Now, Madam President, what has gone wrong with this consultation exercise which is started off with a bang? The Secretary for Justice, by this time, unfortunately for her and perhaps for the Hong Kong Government, has lost the credibility as an impartial government official really waiting for views to be

expressed and now collecting the views in coming up with this report. She appears to the public to be welcoming only views which she wants to hear. She is totally dismissive of views which she does not like. So what are we going to do?

I think, perhaps, the best thing is to adopt a course which was suggested recently by the Bar Association that the Government should scrap everything and start all over again with a White Bill. The difference between a White Bill and a Blue Bill, of course, is known to all Members here, and now known to a lot of members of the public. There is a big difference between them. Effectively, it is not a difference between colours. It is a difference in whether the Government's consultation exercise is a genuine and meaningful one or a sham. So I suggest that the Government should take stock if it really wants the people of Hong Kong and people overseas to think that it genuinely wants to consult the people of Hong Kong on their views. My best advice is to start all over again.

Madam President, I want to say a few words about the role of the Secretary for Justice. She, of course, is occupying the position which was formerly called the Attorney General. Traditionally, the Attorney General was a titular head of the Bar Association but that stopped in recent years when the Solicitor General was not even a barrister but a solicitor. But one important role remains and that is, the Attorney General or the Secretary for Justice is a guardian of public justice and public interests. She is not a mere legal adviser to the different bureaux of the Government. She would express her views to make sure that public interests is defended by her. She is above the government bureau chiefs and in the hierarchy of the Government, she, together with the Financial Secretary and the Chief Secretary for the Administration, are above the other Bureaux Secretaries. Thus, she has to balance the interests of a particular government bureau which might be in charge of a particular matter and the general interest of the public. That is her undoubted role. But on this occasion, in relation to this consultation exercise, she kept on telling the press that she is only acting for the Security Bureau that it is even up to Mrs Regina IP to decide whether there should be a White Paper or not. In other words, the Secretary for Justice is perfectly happy by merely playing the role of a solicitor. As a solicitor, of course, she has the interests of her client and in this case, the client is Mrs Regina IP. Thus, we can see both Ms Elsie LEUNG and Mr Bob ALLCOCK attending numerous public functions together with Mrs Regina IP or her deputy, Mr TONG. They are always together, always arguing on the same side, on the same issue, powerfully, passionately but unfortunately not

impartially, forgetting that this is supposed to be a consultation which means once the consultation document is published, the role of the Government is to listen, to explain or to clarify, but not to argue.

I do hope that the Government will start all over again. But at the luncheon meeting with Mr Bill RAMMELL on Thursday, I asked a question of both the Honourable James TIEN and the Honourable TAM Yiu-chung, "What if the Government were to change its mind and publish a White Bill, will you oppose?" Mr James TIEN said, "Of course not." I asked the same question of Mr TAM. He said, "Yes, we will object." "Why?" I asked him, "Will you object to the extent of opposing the Blue Bill when it finally comes?" He refused to answer that question. I called upon the Democratic Alliance for Betterment of Hong Kong (DAB) and the Government to clarify the situation. Is it true that there is a deal struck between the Government and the DAB which now makes it impossible for the Government to publish the White Bill? I think the Government and the DAB owe it to the people of Hong Kong to explain the position.

Thank you.

MR LEE CHEUK-YAN (in Cantonese): Madam President, the word "confident" has appeared 40 times in the policy addresses delivered by the Chief Executive since 1998: the Chief Executive has said he is confident to deal with various challenges, is confident to turn crises into opportunities, is confident to lead Hong Kong out of its current difficulties, and is fully confident in Hong Kong's future. Unfortunately, however, the Chief Executive's faith has not materialized. Why? This is because the Government has all along refused to address the people's confidence crisis seriously.

Employing his old trick again this year, the Chief Executive has used his "mind-shifting" tactic to blame the confidence crisis entirely on the economic depression. He has also completely shrugged off his responsibility for having failed to exercise good leadership in the belief that things do not exist if they cannot be seen, though the problems do actually remain.

Members of the public generally share this view of the future: What can I do to survive the next four years? Mr TUNG should never again accuse me of expressing my personal views as a third party. This is because what is in my

mind is: "I do not know if I can survive the next four years", rather than "what can I do to survive the next four years". The Government's proposed measures to cut pay, increase taxes, raise charges and reduce expenditure are bound to intensify conflicts and push Hong Kong further to the brink of collapse. These drastic measures have seemingly activated a self-destruction programme. The community is now gradually driven to collapse, and riots may break out at any time.

Madam President, at a time when the economy remains in the doldrums and no light has yet been shed on our future, we need a political leader with good leadership to unite the people and invigorate people's hearts. To our regret, politics has always been a taboo, a soft spot of Mr TUNG Chee-hwa. While the shrinking economy has led to growing conflicts of interests, an effective political channel is called for to reconcile contradictions and minimize conflicts. Regrettably, this is what is precisely lacking in Hong Kong institutions. Due to the absence of a political leader and the blockage of political channels, all contradictions and conflicts, being trapped in a dead end, will remain unresolved on a long-term basis. As a result, the community can only continue consuming itself and head for degradation and decline.

Prof LUI Tai-lok of the Sociology Department of The Chinese University of Hong Kong once said that there was a marked change in the mentality of the people before and after 1997 — from "not preventing others from making a fortune" to "questioning why someone should be allowed to make a fortune". I believe this is rational market behaviour in a changing economic environment. When the economy was thriving before 1997, people would rather spend time making a fortune than wasting their time preventing others from doing so. Now that Hong Kong is in a persistent state of economic recession, with the pie becoming smaller and smaller. For the sake of protecting one's own interest, people have started attacking each other.

So, what is going to happen? Property developers who are no longer able to reap hefty profits tell the Government and the public that the two power companies can definitely not be allowed to continue reaping excessive profits. We can also see representatives from the commercial and industrial sectors demanding that civil servants accept pay cuts before they accept a rise in profits tax, that it is only right and proper for them to do so. The Government must not describe this behaviour as a commitment to "sharing the burden" in order not to smear this expression. A true commitment to "sharing the burden" should

come from the bottom of our hearts — we are willing to "take whatever we are given". In the course of doing so, cohesion among us will continue to grow. The situation before us is: "As my body turns into dust, so must yours". With the constant rise in conflicts among members of the community, grievances are bound to accumulate.

Faced with intensifying conflicts of interest, the Government should have cooled down the conflicts by political means. However, it has not only failed to do so, but even taken part in the conflicts. In order to secure public opinion support for a policy or reform, the Government will invariably find someone to be a public enemy. For instance, in order to effect a civil service pay cut, the Government tried to give the public an impression that the civil servants had, contrary to the market trend, been given attractive pay increases over the past couple of years. The students' declining standard of English was attributed to the poor English standard of teachers. The sharp rise in expenditure on Comprehensive Social Security Assistance (CSSA) was attributed to the fact that some people were too lazy to work. Children born in the Mainland to the people of Hong Kong must not be allowed to come to Hong Kong for family reunion because a massive influx of new immigrants will reduce the international city to a slum that scares away people.

In terms of individual policies, the Government's strategy seems to have worked. However, social groups labelled by the Government as sinners will eventually turn into its potential opponents. With a large number of these opponents accumulated over the past five-odd years, the besieged Government is now coming under attack on all sides.

It seems that the Government has not fully recognized the objective political situation that it is alone. This year, it is still prepared to do something about the tax regime, tuition fees, water charges, CSSA, civil service pay, and so on. Even if the Government knows itself very well and understands that there is no magic to resolve our economic problems, does it know it has no magic wand to direct various sectors in the community to share the burden? We can see from the preparations in respect of the policy address delivered this year that the Government has deliberately tried to evade the public in the hope that it can pretend to have won the game if the losses are kept to the minimum. In the end, the gap between the officials and the public has become even wider. If the Chief Executive does not even have the courage to open a direct dialogue with the public, by virtue of what moral power can he expect the public to follow the

Government to "tighten their belts"? We can tell the critical position of the Government by simply looking at the fact that even the one or two newspapers, which are supposedly mouthpieces of the Government, and the core members of the ruling coalition, have opted to thwart the Government's attempt to raise tax before formally coming to the Government's side.

Madam President, Mr TUNG might have grown tired of all those dissenting voices. It is even more terrifying that the community is now filled with an ominous silence. More and more people in the community could sense the restlessness typically felt before the onslaught of a storm. It appears the Government has been doing something to constantly test the threshold of social conflicts. No one can predict when we will reach the threshold. However, we are certainly getting closer to it. As the situation unfolds, a trivial matter might trigger off mass protests. Grievances accumulated in the community can be compared to an arsenal that might explode any time whenever a match is ignited. "A city in great danger" can indeed sum up my observation of the current social situation. It is also my advice to the Government.

Madam President, I sincerely, steadfastly and strongly hope that TUNG Chee-hwa can take active actions to rescue Hong Kong and the people. In my opinion, he must start off by taking the following measures.

First, faced with intensifying social conflicts, the Government is left with only two options: suppression or persuasion; or carrot or stick, so to speak. I hope the proposal of legislation on Article 23 of the Basic Law is not meant to be a prelude to high-handed measures. It is definitely against my wish to see the police use this as an excuse of suppression. I hope the Government can opt for the carrot to ease social conflicts, instead of "killing" mercilessly. It must also exercise care not to:

- legislate under Article 23. Instead, officials responsible for analysing the opinions expressed on the consultation document should be replaced. Secretary Regina IP has become too emotional and overacted;
- break the people's rice bowls, including those of civil servants, employees of subvented organizations, teaching staff of universities, for in doing so, the supposedly stable condition will turn unstable. Instead, it should create more job opportunities; and

- cut expenditure indiscriminately. The commitment given by the Government to the people of the middle and lower classes with respect to health care, welfare and education should be kept.

Second, the Government should accept the method proposed by Mr LAU Chin-shek, Chairman of the Hong Kong Confederation of Trade Unions, to win over the opposition camp. To foster solidarity, I very much hope that the Chief Executive can bid farewell to the business sector since he said he had never done so. This remark of his has indeed given us a very bad impression. It is really surprising that such a remark was made at a time when it was generally felt that Hong Kong was being governed by businessmen. How can the Chief Executive, who dared to make such a remark, bring people from various strata together?

Third, the Government should propose institutional reforms and not to put Secretary Stephen LAM in an idle position. Otherwise, we may as well delete the post of Secretary for Constitutional Affairs. In paragraph 61 of the policy address, the Chief Executive spoke with excitement that "For ourselves and our next generation, I sincerely hope we can all put the community's common interests first". The present institution is essentially designed to encourage polarization and separate administration. The functional constituencies of this Council have served to institutionalize the pursuit of sectoral interests. How can we have shared interests? How can the Chief Executive, returned by a small-circle election, reflect shared interests institutionally? To pursue shared interests, the electoral system must be democratized so that conflicts can be reconciled and mediated in a democratic manner. Only in doing so can the people of Hong Kong unite to strive for their goal. Only in doing so can a political leader of sufficient acceptance appeal to the people to tide over their difficulties.

Madam President, I think I have to stop here today. Thank you, Madam President.

MR IP KWOK-HIM (in Cantonese): Madam President, the theme of this debate session today is "effective governance". Effective governance requires co-ordination of all parties. The District Councils (DCs) under the political structure have all along been playing a very important role in receiving and reflecting public opinions. Strengthening the functions of DCs has been a topic most frequently discussed by my colleagues in DCs for many years. In

particular, there have been numerous voices demanding the Government to hand over, in a specific manner, part of the functions of the two former Municipal Councils to the 18 DCs in the wake of the abolition of the two Municipal Councils. The DAB has all along maintained the view that the Government should, under Article 97 of the Basic Law, examine the feasibility of expanding the functions of the DCs and hand over part of the functions of the former Municipal Councils in the areas of culture, recreation and environment, to the DCs so as to optimize district resources. However, everything seemed to have come to an end and never to be heard of again after the Report on the Review of the Roles and Functions of the District Councils was completed in 2001. I still recall I made this concluding remark in moving a relevant motion debate in 2001: "I do not wish to see the motion on the review of the functions of the District Council to, like the motion of thanks for the policy address, become an annual discussion topic". Much to my regret, the result is disappointing. This year, I am going to raise this old issue again in the hope that the Secretary can pay more attention to it.

DC members must always face people living in the districts they serve in the course of receiving and handling various kinds of complaints and help-seeking cases and serving the public. Furthermore, they are required to work in different locations and their work involves a certain degree of risk. What is more, they are often subject to disturbance because of the complaints they have lodged, and their personal safety very often lacks protection. However, the Government has refused to assume the responsibility of giving DC members work-related compensation on the ground that they are, albeit being members of public bodies, not government employees. I find it unacceptable that the Government has still not implemented its plan of taking out insurance for DC members.

Madam President, the second DC elections of the SAR will be held by the end of this year. Though the proposed delineation of constituencies was published only last week, the proposal has immediately attracted views from various parties. A number of DC members have reflected to me that the proposed delineation, purely a mathematical formula, has not taken into account the integrity of the community. This is apparently not consistent with the commitment made by the Secretary for Constitutional Affairs of adhering to the principle of "keeping the *status quo*" in delineating constituencies. Under the tentative proposal announced recently, adjustments will be made to the delineation of 169 constituencies, representing more than 40% of elected seats.

I am in the course of collecting views from my fellow DC members. I will then sort out the views and reflect them to the Secretary and the Electoral Affairs Commission. I hope the delineation will be more in keeping with the actual situation of various constituencies and be consistent with the commitment made by the Secretary to the DCs and the Panel on Constitutional Affairs of this Council.

As DC members are public figures, what they say and act will come under public attention and the close scrutiny of the public and the media. Any mistakes committed by them will change the way the community looks at DCs and DC members. As a result, there is a general trend towards a higher expectation on the efficiency, conduct and accountability of DC members. In the light of the aspiration of the community, we requested the authorities concerned to formulate a set of self-discipline guidelines in past debates on the policy address. Upon this request and with the assistance offered by the Home Affairs Department, a task force comprising representatives from 18 DCs has carried out in-depth studies, consultation and discussions in relation to the matter. After 37 months of concerted efforts, we have finally completed a set of guidelines on the conduct of DC members for the reference of DC members and DCs. I would like to take this opportunity to appeal to the authorities concerned to implement the guidelines expeditiously.

The DAB supports the proposal of enacting laws on Article 23 of the Basic Law to protect national security. It will disapprove of any procrastination and delay on Article 23 legislation on whatever excuses. The fact that a lot of valuable views were expressed by the community during the three-month consultation period has served to reflect the public's grave worries. The DAB demands that the Government pay full attention to this matter and allay the worries of the public through the introduction of a relevant bill. As for comments which are exaggerated, false, deliberately misleading and defamatory, officials of the SAR Government must refute and clarify them on public occasions with a clear position and attitude so as to set the record straight.

The saying that "the magistrates are free to burn down houses, while the common people are forbidden even to lit lamps" is used to describe the tyrannical rule of certain dynasties in ancient China. Surprisingly, a scene in which "officials were allowed only to admit mistakes but not defend themselves" emerged in this Chamber on Wednesday. Today, I even heard Members praising the past colonial rule in this Chamber and fiercely criticizing members

of the public for expressing dissatisfaction with the comments made by the Chairman of the Hong Kong Bar Association. Is it true that some people in this modern society are still immune from criticism? Is it true that Alan LEONG, SC, is immune from public criticism? Is it true that officials who dare to express their diverse opinions must apologize and step down? Is this what democracy and justice really mean?

It is the hope of the DAB that Mrs IP can, on the basis of an extensive public consultation, present a Blue Bill to this Council expeditiously. Thank you, Madam President.

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

MR ABRAHAM SHEK: Madam President, in his policy speech, the Chief Executive has vowed to continue building a sound and effective foundation of governance to maintain, and further enhance, Hong Kong's position as Asia's world city.

To put his objectives into action, Mr TUNG said that the Government would uphold the rule of law, move ahead with constitutional developments in accordance with the Basic Law, maintain a small but responsive and accountable government, and a reliable, meritocratic and professional Civil Service.

Enhancing the quality of governance is never an easy task. I have no doubt about Mr TUNG's good intentions in putting forth his plans and measures. But the Government's idealistic goals will only be fulfilled if it accepts a more critical attitude towards its inadequacies. After all, we are all human, and to err is human. At the same time, it should develop a more proactive attitude towards reforms.

The barriers obstructing the path to more effective governance are formidable, but not insurmountable. Obviously, the budget deficit situation is a heavy burden, and will remain so as long as the local economy remains stagnant. At the same time, the community is more polarized than ever on a number of major issues. Clearly, the challenges that we face are more severe in scope and level than any time in the past few decades.

The immediate outlook does not seem overly positive. However, it does not mean that one should lose faith in the Government, as well as its sincerity and ability in tackling Hong Kong's problems. Over the last two days' sessions, each respective Policy Bureau's chief has addressed the various community concerns and anxieties arising from the policy address. They have embarked on a road to good governance and have set a direction.

Madam President, to resolve the current problems, what the Government needs to demonstrate more than ever is strong leadership, the leadership with vision, that can be shared by the people of Hong Kong. The fact is that the Government of the Hong Kong Special Administrative Region has made and will make great strides to improve economic and social conditions since the reunification with the Mainland. Without such a responsible government, we may be worse off than at the moment. When answering questions from this Council, the Chief Executive highlighted the success and growth of the logistics and tourism industries, as well as some general improvements in the business environment over the past five years. Our Government has made enormous investments in education and social security. However, there is still much discontent about the Government. Why is that? Perhaps some government bureaux and departments could do better in achieving the Chief Executive's motto of "想市民所想，急市民所急" in serving the community, with a group of civil servants as obedient as before. When heated debates are engaged on some policy issues, the Government sometimes appears to be lacking the political will and courage in accepting different opinions. This may not be the fact, but to many, this is the impression. A strong government is one that can accept constructive criticisms and act upon them, and it is what good governance should be.

Eventually, to restore some credibility, the Government should deal with the \$70 billion financial deficit problem in a pragmatic manner. At present, the public is suffering from lost jobs, salary reduction and negative equity. Everybody knows that it is unwise for the Government to reduce public expenditure and to raise taxes sharply during these times of hardship. But do they have any alternative? We must give the Government a chance to perform, and give it the support and the benefit of doubt. If it does not perform well, we can then criticize.

The Government must, at the same time, reinvent our economy to prosperity and to confidence. The only way to do it is to work with the private sector to achieve this goal for the overall benefit of society, both the bosses and the workers alike. The Government must not interfere and intervene in the private sector as in the case of the Cyberport and the Science Park. Simultaneously, the Government must also reduce wastage. In fact, the Director of Audit's reports disclose many cases of wasted resources or mismanagement in government bureaux and departments. These reports also show the recklessness of some officials in spending public money. The Government, on the one hand, spent \$5 million to install a luxurious lift in a primary school. On the other hand, it calls upon the public to share the burden of tackling the deficit by paying more taxes and fees. How then can the Government regain the public's trust and restore their confidence in Hong Kong in such a way?

It would to nobody's benefit if Mr TUNG's grand slogan, "想市民所想，急市民所急", is reduced to an empty slogan. In order to eliminate red tape and increase efficiency in administrative procedures, the Government must speed up its reform in reorganizing its operations and reprioritizing its service delivery. This will require government officials to exhibit a great sense of responsibility and awareness.

An ideal government is one what Abraham LINCOLN had described: Government of the people, by the people, for the people. But, even in the United States today, it is in many ways short of this idealistic state. In Hong Kong, we do not need to attain this Utopia. We only need to work "for the people" and our policies should be "of the people". In such a way, I have confidence that our new officials can achieve this goal.

Thank you, Madam President.

MR HOWARD YOUNG (in Cantonese): Madam President, I would like to express, on behalf of the Liberal Party, our views on retrenchment and the Civil Service.

The fiscal deficit for this financial year is estimated to be more than \$70 billion. The situation is grave and it is far beyond the estimation made by the Government.

What are the causes of the deficit problem? The policy address states clearly that over the past few years, the rocketing public expenditure has not only caused a huge deficit but also become a departure from the principle of small government advocated by Hong Kong all along. Thus rigorous measures of retrenchment must be taken to resolve the deficit problem.

The Liberal Party must be the first party in this Council which put forward the idea that the Government should adopt rigorous measures to cut expenses. It is because we can see that the root of the deficit problem is the constant rise in public expenditure and the lack of flexibility for the same to be adjusted downwards. In the past, if the Government was asked to economize, it would only make a response when it was pressed. As a result of this, the fiscal deficits have grown increasingly large in proportion, and the only way for the Government to solve the problem is to make more rigorous efforts in reducing departmental expenditure.

Finally, in the policy address this year, it is stated clearly that the Government will "cut public expenditure" vigorously. The target is to reduce a total of \$20 billion by 2006-07. Measures to be taken include downsizing of the civil service establishment by 10%, putting a moratorium on civil service recruitment, launching the second phase of the Voluntary Retirement Scheme, and so on. The Liberal Party supports all of these measures.

However, as to the crucial issue of civil service pay cut, the policy address has not expressed any position on it, other than stating that civil servants are prepared to accept a pay cut, if circumstances so require. The latest news is that a definite decision can be made only after the pay trend survey is carried out. Even if there is a pay cut, it would be effected only at the end of this year at the earliest. This gives people an impression that the Government is still not acting with sufficient determination and it is just dragging the matter.

Many people will say that civil servants are not the cause of the fiscal deficits. The Liberal Party agrees to this and we are not targeting at the civil servants. We just hope that public expenditure can be given greater flexibility. Since the Government has spent beyond its means, it should therefore solve the problem by saving up. For if not, what competitiveness can we speak of if the Government knows only increasing taxes whenever problems crop up?

If after such a long time the Government still has no clear stand on the issue of civil service pay cut, how can the business sector and the public be persuaded to accept increases in taxes and government fees and charges? This is not just a question of fairness, but also a question of social cohesion.

It looks now tax increases are inevitable. The Liberal Party therefore strongly urges the Government to effect a pay cut in the Civil Service this April and to undertake vigorous retrenchment efforts. Only by doing so can any tax increase be justified and can it be sufficiently demonstrated that the Government is prepared to share with the public the responsibility of resolving the deficit problem. Even if the pay cut cannot be effected on 1 April due to some technical reasons, the pay cut should have a retrospective effect in order to be fair.

I so submit.

MR YEUNG YIU-CHUNG (in Cantonese): Madam President, if the Hong Kong SAR Government wishes to achieve effective governance, ensure the long-term prosperity and stability of Hong Kong, and consolidate its position as Asia's World City, then great efforts must be put into the following three areas in pursuit of a breakthrough.

First, government officials must deliver practical work to establish prestige, for the most important thing about being a government official is to work more and speak less. Concrete and effective measures should be devised on issues like revitalizing the economy, expediting the economic integration with the Pearl River Delta, resolving the fiscal deficits and improving the life of the people. Results must be produced.

Second, the team spirit must be brought into full play. Half year into its operation, the results of the accountability system are obvious to all. However, there is still room for improvement in terms of the team spirit among the accountable officials and the support and co-ordination they give to each other. There have been times when Directors of Bureaux would mind their own business and tackle problems single-handedly. I would like to stress that the accountability system is not a "contract system". There should be more mutual support and co-ordination to demonstrate the common beliefs of the governing team. There should be tacit understanding among the officials and a strong

leadership. Only in this way can the people have confidence in effective governance.

Third, people in the community should work together to ride out the difficulties. We should work together with a common heart towards this goal. The Government should provide a strong leadership. Those opinions expressed with the aim of making willful attacks, hairsplitting and spreading fear and confusion must be stopped timely so that the people will not be misled by such opinions.

On the rule of law situation in Hong Kong, is it a mess as some people would put it? No, absolutely not. These people are really like thieves crying "Stop, thief!" There is a line in an ancient Chinese poem which says in effect like this: The ones who talk about rights and wrongs are in fact sowing discord. An example is that it is perfectly legal to ask the National People's Congress (NPC) to interpret the Basic Law and this serves to forestall a potential population crisis in Hong Kong. So how can we accept Mr Albert HO's suggestion to ask the Government to declare that it will never ask the NPC for interpretation of the Basic Law again? How can it be said that the Secretary for Justice, being an accountable official, would denigrate the rule of law? The ministers of justice in common law jurisdictions like the United States and Australia are also politically appointed, but why is it that no one speaks of their appointment as a denigration of the rule of law? The enactment of laws for Article 23 of the Basic Law is implementing the Basic Law in the fullest sense, it would be on the contrary undermining the rule of law if the relevant laws are not enacted. Thus it would be wrong to say that that to enact laws for Article 23 of the Basic Law is to undermine the rule of law.

With these remarks, Madam President, I support the original motion and oppose the amendment by Dr YEUNG Sum.

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

MR TAM YIU-CHUNG (in Cantonese): I am sorry, Madam President, for having pressed the button a bit too slowly. Originally, I did not wish to speak because there are only two minutes left in the time limit for my speech, so I could not say much. However, after hearing Mr Martin LEE mention me in his

speech, I feel I have to speak. Mr LEE is not in the Chamber now. He mentioned my position on a White Bill in his speech. As a matter of fact, my position on a White Bill has been consistent and there is no need for any special clarification. Now Mr LEE is back. But I just have about one minute left. Right from the beginning of the consultation period in respect of Article 23 of the Basic Law, we have formed the view that there is no need to use a White Bill for consultation.

More importantly, we think that it would be more useful if we can use simple language or even some cartoons and pictures to bring out the contents of the bill. That would enable members of the public to understand the bill better, for they would find it hard to spend a lot of time understanding the contents of the bill. It is necessary to enact laws to implement Article 23, for the matter cannot be postponed indefinitely. It is because the Basic Law provides that the people of Hong Kong have the duty and obligation to complete the task of enacting laws in accordance with this Article of the Basic Law. As far as I know, a White Bill is meant to facilitate public discussions on whether legislation is necessary, but in our view this step should not be taken. On the contrary, after a Blue Bill is issued, we should study the Bill very carefully and hear views from all sectors of the community. At the same time, I also hope that the Government will try as much as possible to help the people understand the contents of the Blue Bill, because, just as I have pointed out, the general public may not find the contents of the Blue Bill so ready to understand. I hope the Government can do its best to explain the contents of the Bill in order to dispel the misapprehensions of the public.

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

MR JAMES TO (in Cantonese): Madam President, the policy address delivered by the Chief Executive seems to have a new position and shows some new development on the issue of enacting laws to implement Article 23 of the Basic Law. Let me quote from paragraph 55, he says, "We value citizens' views and suggestions very highly, and will study these issues in depth. We will exchange further views with the citizens concerned over the next few weeks."

So what kind of views will the Government exchange with "the citizens concerned over the next few weeks"? On some recent occasions, the

Government could have done some explanation. For example, on some meetings which the Policy Bureaux held with some panels recently where the Secretary for Security and the Secretary for Justice were present, they could have explained that point. Moreover, explanation could also have been made in some press conferences. But it seems that the Government has not said anything on who are the citizens concerned it wishes to exchange views with.

In the past few days, there have been rumours that the Secretary for Justice would replace the Secretary for Security in heading the consultation work, or that some Members of the Executive Council would also join in to explain the contents of the legislative proposals. There have also been reports that the Government is beginning to contact some professional bodies or chambers of commerce and provide them with some detailed provisions for subsequent discussions with them. Some individual members of the Executive Council even quoted some past examples, saying that in such examples where some provisions were closely related to the accounting profession, the Government had consulted with the Hong Kong Society of Accountants on some draft provisions. These bodies would be required to keep the draft provisions confidential as the relevant legislation is still being drafted.

Therefore, with respect to the reference in the policy address that further views will be exchanged with the citizens concerned, some people say that since the Government will not issue a White Bill, then it may consult the views of some citizens in one manner or another. I would like to make clear that such a move is not sufficient. If the Government decides not to issue a White Bill but just to consult some people, such as professional bodies, chambers of commerce or banks, and so on, behind closed doors, it will definitely fail to meet the demands of the people.

Irrespective of whether they are in favour of or opposed to legislation, or whether they do not want any legislation on the Article, many people also hope that a White Bill can be issued so that they can have a look at the provisions clearly. Some people who have reservations about the proposal would also like to study the provisions first, and they may have certain views on the issue. That applies also to some of the chambers of commerce or banks. For those who are against legislation, if a White Bill can be issued so that all those interested can say what they think and afterwards the Government can make a consultation on the provisions, then it would be a good idea. For there is a chance, no matter how remote it is, that a consensus can be reached in the community and hence

leading to less division and more unity. Even if in the end some people still oppose the proposals, the grievances they have may be reduced. Why? It is because the Chief Executive says in paragraph 55 of the policy address that "I firmly believe that, when the SAR Government presents the Bill, all will be able to see that many of their views will have been accepted."

If this remark is true, it can be seen that the Government itself has already formed a position, that some views will be accepted. That also explains the attitude of the Secretary. Many people have been discussing the attitude held by the Secretary recently. I said to my colleagues that I believed the Secretary had believed in good faith that certain groups were prepared for bargaining. I would think, however, that these groups would not do so. These groups include the Bar Association, the Law Society, other groups and even the Democratic Party. They have all put forward some ideas on the legislative proposals. I believe in good faith that the Secretary did believe in good faith that they would bargain and this may be due to her thinking that there is room for give and take on the part of the Government and it would not bent on its way to have all proposals enacted. But the question is, the issue of a White Bill will serve to unite the people at such a critical moment and put their mind at ease.

We must bear in mind that the impact of this issue is felt not only in Hong Kong, but in other places too. In the meeting this morning, I said that a few days ago I went to New York and Mr Albert HO went to Vancouver during the Christmas holidays. We met many overseas Chinese and Hong Kong people there and they expressed grave concern when they learnt that the legislative proposals might have extra-territorial application in the sense that acts done in a free place abroad will be subject to prosecution and that acts specified in certain provisions will not be subject to any time limit and these people can be prosecuted at any time.

This morning, we discussed the dual-village representative system and Dr Patrick HO seized the opportunity to consult Members on the dual-village representative system when he consulted Members on the regulation of soccer betting. That is a good thing, for it is like doing more than one thing with the purchase of an air ticket. That is, when we are travelling to other places, we can consult the views of overseas Chinese in London or the indigenous people of Hong Kong there on their views of Article 23 legislation. During our visit abroad, we would like to know what their views were. Does it show that the impact of the dual-village representative system is greater than the impact of legislation on an offence like treason which is punishable by life imprisonment?

On the other hand, I hope that government officials can be mindful of their attitude, and they should refrain from cross-infecting each other, as it were. The Secretary did not come this morning and Mr TONG, the Permanent Secretary said that insofar as the villagers were concerned, they would think that the dual-village representative system was more important than the offence of treason, for the former would affect the way they elect their village representatives and the latter would have little impact on them because they would rarely commit this offence of treason. I raised the point that the Article 23 legislation would affect many people and the relevant offences were of a grave nature and they were criminal offences. He said that some of his overseas colleagues also consulted him and they suggested that he should give them some figures. That is a kind of cross-infection. It gives people the impression that they are under the pressure of the Central Government and that a consensus has already been reached on the legislative timetable. Thus it has really made it very hard to make the people believe in what the Chief Executive has said in the policy address, that is, that with respect to the Article 23 legislation, the SAR Government would take the matter forward in a thoroughly open-minded and enlightened manner, and be completely transparent in the legislative process.

As the policy address is an address by Mr TUNG, if he and the officials under him fail to convince the people that his Government would take the matter forward in an open-minded and enlightened manner, I would think that Mr TUNG should personally bear the responsibility for it. Since he said that the Government would adopt an open-minded and enlightened attitude, then we should see whether or not his subordinates will be able to do so and that whether or not the majority of the people are convinced that the Government holds such an attitude.

In addition, I wonder why Mr TUNG said that the Government would be completely transparent in the legislative process. Does it mean that the Government has considered a process which is semi-transparent or not transparent to complete the legislative work? That is inconceivable, for the legislative process must be transparent. And talking about the legislative process being completely transparent, I really do not get his point. But that does not matter, for other officials may explain what is meant by completely transparent. However, I would think that the process must be transparent. We should bear in mind that there will not be a White Bill this time. The Government says that the citizens or the citizens concerned will be consulted,

that is, the professional bodies, the banking sector and the business sector will be consulted. Such a consultation process may not be completely transparent for if a consultation is made when drafting the Bill, it is also possible that some other people will also be consulted when the consultation period expires. When most of the people demand that they be consulted on the provisions, the Government says that only the citizens concerned will be consulted. This would inevitably make people think that the process is not completely transparent. So I can only hope that the Government will hold an open-minded and enlightened attitude.

Recently, I attended a few meetings and found a difficult problem for the officials. That is to say, the Permanent Secretary or people from the Department of Justice will attend the meeting when the Secretary is unable to come. Sometimes when we asked questions about a policy area, the people from the Department of Justice would be placed in a very difficult situation, for it looked like they had to explain the policy on behalf of the bureau. When this happened, we did not know what to do. I had much sympathy for the staff of the Department of Justice. As Miss Margaret NG has said, if the Policy Bureau does not have a clear position, it will be very difficult for the staff of the Department of Justice to explain the policy concerned, or to narrow down a policy area, add some examples and even try to convince the people and tell them to put their mind at ease. It is because the staff will not know what to do. If they are not given a definite policy area to explain, it would be impossible to ask them to widen or narrow it down.

It remains of course that there were past examples in which officials from the Department of Justice had taken part in expounding policies. I remember at the time when we amended the Independent Commission Against Corruption Ordinance, Mr ALLCOCK did a great job. But at that time the Department of Justice was supposed to assume the role of a Policy Bureau as well. In such circumstances, Mr ALLCOCK could make policy considerations as well. He also needed to take into account the advice of the Department of Administration. But this time around the circumstances are different, for the policy laid down by the bureau covers many fine details and provisions. It is particularly so like this morning when we talked about the offence of treason, and so on. Such a system would make people from the Department of Justice get involved in some difficult policy problems. As Mr Martin LEE said earlier, the role of the Secretary for Justice is that of a defender of justice and the rule of law, and so is the role played by staff of her department. But when they give advice, often they are involved in policy considerations, for they have to give advice to the Government on policies. Sometimes this will have to be done without any help at all and

they have to make recommendations, amendments and even explanations. That is disappointing and when Honourable Members wish to ask questions on a policy or some provisions in detail, often they will not get any answer.

Madam President, I really hope that the Government can stop doing that at this critical moment in time and then make a fresh start as suggested by Mr Martin LEE. We should take the matter forward and reach a consensus with the greatest number of people. We should all pitch in and seek to minimize differences so that in harmony we can join our hands and face the many challenges ahead.

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

MR JASPER TSANG: Madam President, the Honourable Martin LEE said in his speech that the public now know the difference between a White Bill and a Blue Bill. I waited to hear Mr LEE defining the difference. He said, of course, that the difference is not in the colour. The difference is that a White Bill means a genuine and meaningful consultation, whereas a Blue Bill means a sham consultation.

This is, of course, not an objective definition of the difference between a White Bill and a Blue Bill. All our colleagues in this Chamber know that there must be consultation exercises, including public hearings, when a Blue Bill as controversial as one on the legislation regarding Article 23 of the Basic Law comes to this Council. There will be consultations. There will be public consultation with the White Bill, and there will be public consultation with the Blue Bill, too. But the consultation will be on two different questions. With a White Bill, the question is whether we should legislate or not. And with a Blue Bill, it is how we legislate.

Mr LEE's colleagues made clear, right from the start, that their Party was against legislation. They were fundamentally against legislating on Article 23. Later, they adjusted their position and said that they oppose to legislation now. They want to put it off to an indefinite point of time. This is where the position of the Democratic Alliance for Betterment of Hong Kong (DAB) departs from that of the Democratic Party. We believe that we should legislate and this is the

right time to go on with the legislation. That is why we do not agree that there must be a White Bill.

There is no deal, no secret deal, between the DAB and the Government. Mr LEE implied that the DAB had threatened that if the Government did not issue a White Bill, we were not going to support the legislation. This is, of course, absurd. Whether a White Bill is to be published is up to the Government to decide. Does the Honourable Member think that with our strong support, our firm support for the legislation of Article 23, we will oppose it simply because the Government insists that a White Bill should be published? There is no deal. We do not believe that a White Bill is necessary. We believe that we should go on to legislation, and we believe that there will be adequate public consultation during the legislative process, to ensure that whatever comes out from this Council, the legislation on Article 23 will be up to the international standard of human rights and will be acceptable to the general public. This is why we cannot support Dr the Honourable YEUNG Sum's amendment.

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

MR SZETO WAH (in Cantonese): Madam President, last Thursday, in answering Mr Albert HO's question, Mr TUNG Chee-hwa said that it was no solution to the problem to "哇苦"^{note} him (meaning to speak sarcastically of him). As we normally say "挖苦", I wonder if "哇" is merely like scratching an itchy part of the body. But a bit of scratching will not hurt at all. I would like to add a point or two to the remarks of Mr TUNG Chee-hwa. "挖苦" or sarcasm can sometimes be a solution. If the person being ridiculed feels hurt and if he, by reflecting upon himself, learns a lesson and changes his way of doing things, then he can do better in future and therefore resolve problems.

Mr LEUNG Fu-wah said that we must not only criticize and we must not only put up opposition. This year is the 30th anniversary of the Hong Kong Professional Teachers' Union. Having engaged in the work of the Union for 30 years, I have made some achievements. A very important experience that I have gained is: "No member is wrong". This originates from the saying "No

^{note} Mr TUNG Chee-hwa had pronounced the word "挖" (wat⁸) in "挖苦" as "哇" (wa¹).

parents are wrong". People who work for the masses must not always complain about the masses; the Government must not always complain about the public. Come to think about this. Why do the public always criticize and put up opposition? We must focus on this point to make improvement to our work, and in this way, we will be able to make achievements.

Earlier on, Mr LEUNG Fu-wah said that he hoped Secretary Regina IP would keep up with her efforts to set an example for other Bureau Directors. I hope that he will also keep up with his efforts and continue to act as an unregistered doctor to set an example for Members of the DAB and for Members of the Hong Kong Federation of Trade Unions. During that debate, he criticized Bishop Joseph ZEN as having suffered from dementia and as a pathological apostle. Then on the next day, when asked by a reporter whether he would withdraw that statement, he said he would not and that he had put up with Bishop ZEN for two-odd months. I have thought about this and I have no idea why he had to tolerate for so long. He has great tolerance indeed. In fact, if he had been tolerating for so long, he should have gone to the lavatory, rather than talking nonsense in the Legislative Council. Subsequently, he changed his attitude, saying that he would like to withdraw that comment. In the current issue of the *Hong Kong Economic Journal Monthly Magazine*, there is an article on an interview by a reporter named LIU Mei-heung (廖美香) with a professor of a well-known university in Beijing. This professor, who wished to remain anonymous, has long years of experience and numerous students, many of whom are now law drafters and officials in important departments of the Chinese Government. This article is entitled "Absurdities of the implementation of Article 23 of the Basic Law". He, being a professor in the Mainland, also found many absurdities in the consultation document. He said that MA Ying-jeou could be arrested if he stopped over at Hong Kong, and that if we boarded a plane of the Cathay Pacific Airways and read a book on the flight, we might have committed certain offences, for the Cathay Pacific Airways is a company of Hong Kong and is thus considered part of Chinese territory.

During the interview, many legal issues were covered. He opined that even the current laws in China are not as harsh as such. Perhaps some people do not have the patience to read all these legal issues, but if they take a look at the absurdities therein, they will find them very funny indeed. Even a professor in the Mainland has so sharply criticized the consultation document, pointing out the many irregularities that lead to absurdities. This shows that not only Hong Kong people and Hong Kong people who have emigrated to overseas, but even a

professor in the Mainland has taken such views. So, are his views worthy of our consideration?

I suggest Honourable colleagues to read this article if they have the time. This magazine can be found in the Ante-Chamber. They can make a copy of it and take it home to read it.

In fact, if there is no hidden reason, why does the Government not publish a White Bill to eliminate the widespread dissatisfaction in society?

I do not know what the hidden reason is. In fact, it does not cost much to do so, but it can resolve many problems and ease the entire atmosphere. I really do not understand why this cannot be done.

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

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

(No Member responded)

PRESIDENT (in Cantonese): If no other Member wishes to speak, the meeting will now be suspended for 10 minutes in accordance with the determined procedures. Public officers will speak when Council resumes.

6.37 pm

Meeting suspended.

6.47 pm

Council then resumed.

PRESIDENT (in Cantonese): Council now resumes to continue with the fifth debate session. Public officers will now speak. They have up to 60 minutes in total for their speeches.

SECRETARY FOR JUSTICE (in Cantonese): Madam President, effective governance by the Second Term Government of the Hong Kong Special Administrative Region (SAR) in the next 18 months will be underpinned throughout by the Government's commitment to the rule of law. It is well recognized, both here and elsewhere, that the rule of law is one of the fundamental attributes of the SAR, and one of the keys to its success.

In his speech delivered at the Ceremonial Opening of the Legal Year earlier this week, the Chief Justice remarked that since 1997, the rule of law has continued to strive. He emphasized that this was the result of vigilance, and that vigilance should be exercised by all — by those who have been entrusted to govern as well as by the public. I cannot agree with him more. I would add that vigilance should be exercised by the Members of this Council who represent the public.

In this Council, the question of the rule of law has come up time and again: one motion debate devoted exclusively to "Upholding the Rule of Law" on 7 November 2001, and, on numerous other occasions, the Government answered questions relating to the rule of law and responded to motion debates touching on the subject. These events reflect the public vigilance that has contributed towards the thriving existence of the rule of law, which is of cardinal importance to Hong Kong.

My department will, in the months ahead, continue to play a key role in maintaining the rule of law. For example:

We will advise whether any proposed government action can be achieved under the current law and, if not, on other lawful ways forward, such as by legislating or modifying the proposal.

Second, we will advise whether proposed policies or legislation are consistent with human rights guarantees and other provisions in the Basic Law — if they are not, the policies or legislation will not go forward. I reiterate the policies or legislation will not go forward. We will ensure that prosecution decisions are made in accordance with fair and transparent policies, and that prosecutions are conducted fairly and effectively.

We will contribute to effective governance. It can indeed be seen from the Policy Agenda that the work of the Department of Justice has covered all the five areas.

From time to time, critics allege that certain acts of the Government, or of the Department of Justice, have undermined the rule of law. I wish to respond to that criticism.

The request for an interpretation of the Basic Law by the Standing Committee of the National People's Congress in 1999 has recently been said to have undermined judicial autonomy. That is not the case. Judicial autonomy in Hong Kong is fully maintained in accordance with the Basic Law. The Basic Law gives the SAR courts the power of final adjudication but reserves to the Standing Committee of the National People's Congress the ultimate power to interpret the Basic Law. The Standing Committee's interpretation of provisions in the Basic Law was lawful and constitutional. It was a reflection of the rule of law operating in accordance with the Basic Law. Respecting the decision of the Courts does not mean that the Government cannot or should not seek constitutional remedy, and I repeat, seek constitutional remedy, to alter the legal implication of the judgement of the Court, since failure to do so would cause unbearable consequences to society. To do so is in fact respect for the rule of law. Of course, it does not mean that we can overturn the judgement of the Court.

The Government has explained on numerous occasions that it would not lightly seek any further interpretation by the Standing Committee, and why it would be inappropriate to undertake never again to do so. I am not going to repeat the explanation here again.

One crucial aspect of the rule of law is that all are equal before the law. That principle continues to be upheld in the SAR, despite allegations to the contrary.

With the greatest respect to the Honourable Martin LEE, I was disappointed that he should raise the case of Sally AW as an example of inequality. No favouritism was involved in the decision not to prosecute. The decision was based on insufficiency of evidence.

I have also explained that the prosecution of LEUNG Kwok-hung and others for holding an unnotified public procession was not an improper use of the prosecutorial discretion. It was made quite clear, during the debate on the Public Order Ordinance in December 2000, that the police would enforce the law

in accordance with announced principles. I would remind Honourable Members that laws are established not only to protect human rights and freedoms and to control government action, but also as a means of effective governance. Since this Council passed a resolution in December 2000 supporting the retention of the relevant laws, it is entirely proper for prosecutions to be brought in appropriate cases. It is indeed respect to the solemnity of the law and the rule of law.

The proposed implementation of Article 23 has also been the subject of criticism from a rule of law or human rights perspective. The criticism relates mainly to both the substance of the proposals and to the procedures for implementing Article 23. To start with, I disagree that the drafting was done hastily. The preparatory work, particularly studies on relevant legislation enacted in other countries, was actually started a long time ago.

So far as the substance of the proposals is concerned, I wish to repeat the assurance given in my speech on the motion debate on Article 23, held on 12 December 2002. Fundamental rights and freedoms enjoyed by Hong Kong residents in accordance with the Basic Law will not, and cannot, be reduced by the new laws. In implementing Article 23, the Administration accepts that it is constitutionally obliged to comply with other parts of the Basic Law that guarantee human rights, such as Articles 37 and 39.

My department has advised that the proposals contained in the Consultation Document do comply with those human rights obligations. That view has been endorsed by a leading human rights expert — Mr David PANNICK, QC. Mr PANNICK is satisfied that the contents of the proposals are consistent with human rights law and also considers that none of the proposals are objectionable as a matter of legal principle.

Moreover, the Government must ensure that the legislation that is enacted is also consistent with our human rights obligations. Under Article 11 of the Basic Law, no law enacted by this Council shall contravene the Basic Law. If our Courts decide that any part of the Article 23 laws is inconsistent with the human rights guarantees in the Basic Law, it will not give effect to it. We can thus see that adequate safeguard against improper legislation is therefore already in place — adequate constitutional safeguard against the enforcement of objectionable legislation by the Government.

So far as procedures are concerned, two issues have been raised, namely whether a White Bill should be issued, and whether it was appropriate for the Security Bureau to have policy responsibility for this project. In my view, neither issue touches upon the rule of law. It cannot legitimately be said that the way in which the project is being handled in any way undermines the rule of law.

The issue of a White or Blue Bill is specifically raised in Dr the Honourable YEUNG Sum's proposed amendment to the Motion of Thanks and will be fully answered by the Secretary for Security. The decision as to what procedures should be adopted for involving the public in this legislative exercise is ultimately a question of policy and not law. However, I fully support the policy being adopted in this case. However, whether or not a White Bill will be published, we shall continue our consultation with the public, listen to the views of experts of relevant fields, in order that the drafting and passage of the Bill may be carried out in the best possible way.

So far as the Security Bureau's responsibility for the project is concerned, two arguments have been raised — neither of which I accept.

The first argument concerns the allegations by Miss Margaret NG and Mr Martin LEE that the Department of Justice has been reduced to a tool manipulated by Policy Bureaux. I have just explained what the department of Justice will do to ensure the law introduced by the Government and the measures to be taken are consistent with the spirit of the rule of law. My Department is definitely not as passive as what the two Honourable Members have described. Mr Martin LEE has made two mistakes. First, except for holding independent prosecution power and certain powers, the Department of Justice is still part of the Government. It is not independent of the Government. Like Mr LEE, we are required to reach a certain standard of integrity by our legal profession. We are obliged to provide the Government with independent and fair advice. While the Secretary for Justice has to be responsible for her legal advice, she has to be accountable for upholding the rule of law as well.

Second, my colleagues, particularly Mr Bob ALLOCK, and I have spared no effort in introducing the Consultation Document to the public for we are convinced that the proposals are in compliance with the Basic Law while striking a proper balance between safeguarding national security and upholding human rights.

Let me cite the Crimes (Amendment) (No. 2) Bill 1996 enacted before the reunification as an example. Instead of taking charge of by the Attorney General, the Bill was introduced by the Secretary for Security into the Council. The Bill dealt with treason, sedition, secession and subversion — four of the key areas covered by Article 23. Similarly, the Official Secrets Bill 1996, which covered another area related to state secrets in Article 23, was also introduced by the Secretary for Security to this Council. The Attorney General did not have policy responsibility either for law and order issues or for legislation on human rights. The Hong Kong Bill of Rights Bill, for example, was the responsibility of the Secretary for Constitutional Affairs. I was told by Mr Bob ALLOCK that when the anti-corruption legislation was amended, as referred to Mr James TO earlier, the Attorney General was not a Policy Bureau.

The second argument is that the implementation of Article 23 should have been passed to the Law Reform Commission. However, if a subject raises issues which are essentially ones of policy rather than law, that Commission would not generally be considered an appropriate body to take up the subject. Article 23 involves important and sensitive issues of national security and territorial integrity. The very nature of the acts to be prohibited raises questions which can only be determined as an expression of policy. For the Law Reform Commission to attempt to tackle this sort of referral would be to risk its standing as a neutral and autonomous commission. The implementation of Article 23 through legislation is a constitutional obligation, and its perimeter is also fixed by the Basic Law.

It is noted that law reform agencies studied crimes against the state in England and Canada. However, the fact that their studies have not led to reforms perhaps indicates that such bodies may not be the most appropriate ones for achieving change in this area.

Lastly, I wish to reiterate that the rule of law and protection of human rights will remain firmly protected in Hong Kong. While certain Members and the Government might be divided on the right of abode issue, prosecution decisions, and the implementation of Article 23, this does not mean the divergence of views will undermine the rule of law, or there is no rule of law in Hong Kong. Measures taken in response to such issues will not pose any threat to those cornerstones of Hong Kong's legal system. On the contrary, the effective governance of Hong Kong will be underpinned throughout by those cornerstones, and the uniqueness of Hong Kong may be maintained.

Thank you, Madam President.

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, I have listened very carefully to the remarks made by Members on constitutional affairs in the debate earlier and I would like to express my gratitude to them. I will introduce to Members briefly our important tasks in the next 18 months as follows.

In the policy agenda, in addition to indicating that we will continue to implement "one country, two systems" and demonstrating that it has been put into effect successfully, we stated there are four other priority tasks.

The first task is the 2003 District Council elections. Last December, the Legislative Council passed a bill allowing the addition of 10 directly elected District Council (DC) seats to cater for three districts with rapid population growth. At present, the Electoral Affairs Commission (EAC) is consulting the public on the delineation of constituencies.

Mr IP Kwok-him has said that there are relatively substantial changes in the delineation of constituencies. Actually, there are two important points. First, if we have not added these three directly elected seats for the new towns, more changes will have to be made to the delineation of constituencies now. Second, when we said no changes would basically be made, we meant that the number of seats and the functions of DCs would remain unchanged. Nevertheless, the EAC has to conduct re-delineation for each election in the light of population changes. Therefore, various parties can continue to reflect their views to the EAC in the next few weeks. I would like to tell Mr IP that I respect the views expressed by the DCs and various parties and we will prudently deal with all the views received. Yet, the EAC will deal with them at this stage.

Mr IP has also touched upon the longer-term functions and operation of the DCs. In fact, we have made an undertaking to conduct an overall review after the 2003 District Council elections and we will bear in mind the relevant views expressed by Mr IP and other Members.

Madam President, as regards the 2004 Legislative Council Election, we made a proposal on geographical direct elections a few days ago. We proposed maintaining the proposal of "four to eight seats from five constituencies". We believe the proposal basically allows the EAC (if it so chooses) to determine the delineation for the 2004 geographical elections on the basis of the existing five constituencies. The four-to-eight seat proposal gives them ample room to make choices.

This arrangement has two merits. First, all political parties, political groups and potential candidates can continue to make preparations in their original constituencies; and second, Hong Kong people and voters are very familiar with this mode and the existing five constituencies after the two Legislative Council elections. However, will the existing five constituencies be adopted if the legislation were eventually enacted? The decision is left to the EAC.

Madam President, we have also stated in the policy agenda that we have made a series of proposals to encourage more people to participate in the elections. We also suggested providing candidates with some financial assistance. In the 2004 Legislative Council Election, if a candidate gets 5% of the votes or more, we will support his electoral efforts on the basis of \$10 per vote, provided that such subsidy shall not exceed half of the actual election expenses. We believe these measures in respect of participation in politics and elections are helpful to promoting the development of the democratic system in Hong Kong.

Third, I wish to discuss the effectiveness of the accountability system of principal officials (accountability system). A few days ago, we submitted an interim report to the Panel on Constitutional Affairs of the Legislative Council. It is a faithful report focused mainly on three aspects, and they are the concerns of Legislative Council Members and other members of the public.

Firstly, we mentioned the Government's policy agenda and the key areas of our administration in the past six months.

Secondly, we pointed out that four Policy Bureaux and their subordinate departments have saved a total of \$75 million in staff cost in the past six months through reorganization and streamlining. The amount also exceeded \$42 million required for the accountability system per annum. Yet, we will not stop at this. Every Policy Bureau will make efforts to identify ways to save resources and reduce the fiscal deficits.

Thirdly, we also mentioned the grades and numbers of Permanent Secretaries. The Security Bureau and Constitutional Affairs Bureau have tentatively pitched Permanent Secretaries at Directorate Grade 6 (D6) staff. The Civil Service Bureau, Education and Manpower Bureau and the Housing, Planning and Lands Bureau have decided to maintain their Permanent Secretaries

as D8 officers. The remaining six bureaux are conducting a review of the relevant issue and we hope to give a more comprehensive account in the report on the past 12 months to be presented to the Legislative Council in the middle of this year.

Madam President, there have been reports on the penny stock incident over the past few days and Members have also mentioned the incident on different occasions. I also wish to take this opportunity to give Members an account of our views on the incident and the accountability system. Actually, the Government attaches great importance to the penny stock incident and the lessons and experience we have learnt from it. In our view, three points are very important. First, after the incident has taken place, the principal officials should take the lead to take prompt actions. However, after the incident happened, the relevant principal official and the relevant organizations discussed the matter and withdrew the relevant parts of the consultation document, thus, the stock market has since stabilized.

Second, we need to deal with the aftermath and follow up. For example, besides appointing an investigation team to thoroughly investigate the whole penny stock incident and present a report to the public, we are also reviewing the operation of the regulatory framework in respect of listing matters for the purpose of perfecting our system.

Third, actually, the penny stock incident indicates that the accountability system has already performed a positive function and embodied the spirit of accountability for the principal officials have borne the political responsibilities. While some accountability officials have assumed the responsibilities and responded to the views and pressure of the community, we can look forward together, thus, we have currently continued to conduct a review on the relevant regulatory framework.

Madam President, I also wish to respond to some remarks made by Mr Albert CHAN today. Mr CHAN has always made remarks with flavour and I wish to give him two credits for being the first today. He is the first Member who knows how to steal the thunder and he has given "bright red" remarks. He is also the first Member whose arguments are most unrealistic. It is because I fail to see why Hong Kong should be criticized as a "dictatorial feudal" society. We have constitutional checks and balances according to the Basic Law and all motions, legislation and budgets proposed by the executive authorities have to be

endorsed and supported by the legislature before implementation. This system is similar to those of other foreign communities.

Madam President, I have also noticed that Ms Emily LAU and Mr LEE Cheuk-yan are very concerned about my work, but Ms LAU has as usual played political tricks and put labels on others. Nevertheless, it is very clear that so long as Ms LAU and other Members are here, every colleague of the Government will certainly have a lot of work to do.

Actually, over the past few weeks, the Constitutional Affairs Bureau has submitted a total of seven papers to the Panel on Constitutional Affairs that involved the 2003 District Council Elections, 2004 Legislative Council Election and the accountability system, pending Members' deliberation.

Madam President, the Government has dealt with the political review very solemnly because a review of the constitutional developments after 2007 is vital to Hong Kong.

We have stated in the policy agenda that we will start making preparations, including considering the timetable and consultation procedures, and we will start conducting internal studies.

Frankly speaking, there are various views in the community on the development pace of the political system indeed. Some think that universal suffrage should be implemented as soon as possible while others think that the functional constituencies should be retained. There are even two different views on the timetable alone.

In today's debate, Mr Michael MAK, Ms Cyd HO and Ms Emily LAU expressed the view that we should expeditiously fix a timetable and Dr Philip WONG opined that the problems that we must currently deal with are economic and may not be constitutional.

Therefore, Madam President, I note that Members are very concerned about these issues and I highly respect their views. I will listen to both the for and against views, but I will not jump to a conclusion on the timetable so soon.

We will observe three principles when we deal with the review on constitutional developments after 2007. Firstly, we will conduct a review

according to the relevant provisions of the Basic Law. Secondly, we will reserve sufficient time for extensive consultation. Thirdly, we will reserve sufficient time to deal with the relevant local legislation.

Further still, I will deal with the matter together with various parties, seeking common ground and reserving differences in order to reach a better consensus.

Madam President, I so submit.

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, I wish to extend my deep appreciation to Members for their concern for civil service matters and their views.

The theme of this year's policy address, "Capitalising on Our Advantages Revitalising Our Economy", is closely related to the Civil Service. First, as the Chief Executive points out, a clean and efficient Civil Service is one of our fundamental strengths. He also acknowledges once again the efforts and contribution made by the Civil Service under the Enhanced Productivity Programme in recent years.

I mentioned the Chief Executive's high commendation for the Civil Service in particular because there have been unfair criticisms about the Civil Service, such as a declining performance standard after the handover, or civil service expenditure being a major cause of the fiscal deficit. Although I have responded to these comments on a number of occasions, I wish to repeat my view here once again for record purposes.

First of all, the overall performance of the Civil Service continues to improve after the reunification. According to a comprehensive, professional and independent opinion poll conducted by The Hong Kong Polytechnic University as commissioned by the Government last October, more than 70% of the respondents were satisfied with the performance and service attitude of civil servants; 40% considered that civil servants performed better than pre-1997 while nearly 40% were of the view that the standard of service had been maintained. These objective data serve to testify fully that the majority of members of the public do appreciate the performance of the Civil Service. What is more important is that this is the result of the untiring efforts of each and

every civil servant despite the reduction in establishment by 10% or some 20 000 posts over the last three years.

Secondly, there have been constant reports that the expenditure on civil service salary and benefits account for almost 70% of the Government's operating expenditure. This is a sweeping statement, which I have clarified time and again. For 2001-02, civil service expenditure, including salary, pension and other benefits, accounted for 35% of the Government's operating expenditure, with civil service salary taking up 25%. The so-called 70% in fact covers also the subvention on staff expenses provided to subvented bodies, which roughly accounts for 34% of the operating expenditure of the Government.

More importantly, the Chief Executive has made it clear that the Civil Service is not a cause of our fiscal deficit, but I have faith that as members of society and pillars of the Government, civil servants will make active contribution to the solution of the deficit problem.

Although the Government's present top priority is to allay the financial severity, we will ensure that short-term measures are in place to enable us to meet the basic objective in civil service management, which is to make civil servants progress with the times and continue to improve. We have never stalled for one moment in this area. Since the Civil Service Reform commenced in 1999, we have implemented a series of initiatives to streamline the civil service establishment, develop a more flexible appointment policy, improve the pay and fringe benefits system, introduce a more efficient disciplinary mechanism and step up training for our colleagues. An update on these efforts is provided in the Annex to the speech for the reference of Members and the public. In the days to come, the Government will continue to seek improvement amidst steadiness and stability amidst changes, and sustain the Civil Service Reform.

In line with the Government's objective of cutting down expenditure, the policy address has also put forth proposals to streamline the civil service establishment, including:

- (i) reducing the civil service establishment by 10% from the existing figure of around 178 000 to around 160 000 by 2006-07;
- (ii) introducing a general recruitment freeze with effect from 1 April 2003; and

- (iii) implementing the Second Voluntary Retirement (VR) Scheme as soon as possible.

This week, we announced the details of the Second VR Scheme while two days ago I briefed the Legislative Council Panel on Public Service on these initiatives. If necessary, I would be most happy to explain these initiatives to Members on other occasions.

About Mr Andrew WONG's remarks made just now, I would like to point out that during the recruitment freeze, appointment of civil servants to individual posts will be allowed in exceptional circumstances. We will review the effectiveness of the freeze regularly. We will also conduct a thorough assessment of the civil service establishment upon completion of the Second VR Scheme.

In face of the stringent financial situation, the Chief Executive has requested that Directors of Bureaux and Heads of Departments should further examine their ways of service delivery and identify scope for outsourcing as a means to keep a lean Civil Service. At a time when demand for public services is increasing, this is quite an uphill task. After reviewing each department's manpower needs, we hope to achieve the target through natural wastage, reduction of vacancies and the Second VR Scheme. I consider that this is a pragmatic target which all Heads of Departments will do their very best to accomplish.

Now, I wish to turn to the issue of civil service pay adjustment. This is a controversial issue beset with contradictions and confrontations, especially at a time of economic doldrums. I therefore hope that Members, the public and civil servants will look at it from an objective, sensible and accommodating perspective.

Meanwhile, we have set up a Working Group comprising the staff sides of the central consultative councils and representatives of the four service-wide staff unions to conduct discussions closely on the 2003 pay adjustment and improvement to the existing pay adjustment mechanism. The Working Group is now actively studying the recommendations made by the Civil Service Bureau, including conducting a pay level survey as soon as possible; withholding the 2002-03 pay trend survey until the comprehensive review of the existing pay trend survey methodology is completed; and considering the possibility of

legislating for the improved pay adjustment mechanism. I will report the progress of the Working Group to the Chief Executive by the end of this month.

The civil service pay adjustment this year has attracted wide attention. Before arriving at a decision, the Government will definitely take into full consideration the views of the Civil Service and the interests of the entire community. We will ensure that the pay adjustment will be handled in a just and sensible manner under a fair and lawful mechanism, but we cannot rule out the possibility of revising civil service pay downwards. Given the fiscal deficit and the public's earnest expectation, I hope that the civil service associations will reach a consensus with the Government on the issue of pay adjustment at an early date.

Although Hong Kong is experiencing financial hardship, the Chief Executive has charted the course for economic recovery in the policy address. The important thing now is for every stratum of society to play its proper role on the one hand, and join hands in restoring Hong Kong's economic vitality and a balanced budget.

In the past few weeks, the Chief Executive met with Heads of Departments and staff unions to explain to them the Government's determination and the ways to eliminate the deficit. Colleagues made active responses at the meetings, pledging to give every assistance to the Government to achieve savings. Early this month, I conducted seminars with some 600 Departmental Consultative Committees from more than 70 departments, appealing for them to co-operate fully with their Heads of Departments by supporting the reduction in departmental spending in word and deed, including identifying all sorts of possible solutions. Their support was very encouraging. Responses during my visits to departments and at meetings with representatives of staff unions have also been positive. In my recent letters to colleagues, I have time and again encouraged them to spare no effort in exercising thriftiness.

I have confidence that during this difficult period, civil service colleagues will rise to the challenge without reserve and demonstrate their willingness to join hands with the public in overcoming the problems before us. A sincere partnership between the Government and the Civil Service would not only be conducive to the building up of the cohesion of society, thereby boosting the public's confidence in tiding over the difficulties, but also shape a better image of the Government and the Civil Service in the minds of the people of Hong Kong.

This is what members of the public expect from us. I am sure that neither the Government nor the entire Civil Service will let them down over the issue of pay adjustment. Thank you.

SECRETARY FOR SECURITY (in Cantonese): Madam President, the theme of the policy address delivered by the Chief Executive this year is "Capitalising on Our Advantages Revitalising Our Economy". The Security Bureau and the various departments under it will continue to put in our best efforts in different areas relating to security, such as maintaining law and order, combating terrorism and enforcing an immigration policy which facilitates our economic growth.

Hong Kong is one of the safest places in the world and we will strive to preserve this fundamental advantage.

We will launch new initiatives to combat terrorism and transnational organized crimes. For these to be effective, apart from effective enforcement actions, there should also be sound legislation and close links with relevant overseas organizations.

We plan to introduce bills to the Legislative Council in the current Legislative Session to commence the second stage of our legislative work to combat terrorist activities.

Moreover, we will amend relevant laws to put into force the United Nations Convention Against Transnational Organized Crime. The amendments will target at serious organized crimes, and such offences as money laundering, corruption and obstruction of justice, and so on. All this will help forge closer partnership with other jurisdictions.

With respect to strengthen economic co-operation with the Mainland, the Security Bureau and the various departments under it will provide the necessary hardware and software support in immigration and customs services.

The Lok Ma Chau/Huanggang Control Point will be open for 24-hour passenger clearance starting from midnight on 27 January. This is an extension of the current passenger clearance hours by six and a half hours daily. All front-line departments such as the Immigration Department, the Police Force and the Customs and Excise Department are well-prepared to ensure that the overnight clearance service will operate smoothly.

The Security Bureau and its departments have held a joint working conference with the relevant units of Guangdong Province and the Shenzhen Municipal Government. Both sides agreed to continue using the existing communication channels including telephone hotlines for reports and adopt contingency measures as appropriate to ensure a smooth passenger flow at the boundary.

In respect of public order, we are of the view that the 24-hour passenger clearance at the Lok Ma Chau Control Point should not cause any substantial adverse impact on the control point or its vicinity. Notwithstanding this, the police will step up patrols to prevent unlawful elements from making use of the overnight passenger clearance at the Lok Ma Chau Control Point and to maintain public order in the vicinity.

In addition, to reduce congestion at the control point and to facilitate passenger clearance, we will continue to discuss with mainland experts in order to finalize early the innovative measure of "co-location of immigration and customs clearance". We have reached a consensus with the Mainland to launch the measure at Huanggang and it is expected that when the Shenzhen-Western Corridor is completed in the second half of 2005, the "co-location of immigration and customs clearance" arrangement will be adopted in the new control point there.

We will also make use of high technology to facilitate passenger clearance, such as the introduction of a smart identity card for Hong Kong residents. The relevant systems development work is in progress. We plan to issue smart identity cards to Hong Kong residents in phases to replace the existing ones in use from mid-2003 through the Immigration Department. The project will take four years to complete. The smart identity card will facilitate Hong Kong residents in their entry into and exit from the territory. It can also enhance security and provide other value-added services as well.

The introduction of smart identity card in phases will facilitate automated passenger clearance and automated vehicle clearance which we plan to implement by end-2004. This will enhance the volume of passengers and vehicles handled at the control points.

The Chief Executive has also mentioned in the policy address that we are presently studying into measures to further relax restrictions on mainland

residents coming to Hong Kong for travel purposes, and these include allowing residents of Guangdong Province to come here as individuals.

With regard to this proposal, Mrs Selina CHOW has asked about the security implications. I would like to point out here that the SAR Government is exploring this proposal with the Mainland and this measure will be implemented on the premise of maintaining the public order of the SAR. We will seek to work out a balance between encouraging mainland residents to travel here and preventing illegal employment and other unlawful activities in the territory.

Insofar as the immigration policy is concerned, we will take proactive steps to implement the population policy as recommended by the task force headed by the Chief Secretary for Administration to facilitate the entry of mainland talents and professionals into Hong Kong for work and stay. Overseas people with capital are encouraged to come to Hong Kong as investment immigrants.

Lastly, on the issue of enactment of laws to implement Article 23 of the Basic Law (Article 23), I would like to make a few key points.

I believe Honourable Members will not deny that the SAR has the constitutional obligation to implement Article 23, for it is the responsibility of the nationals of every country to protect national security. The Basic Law stipulates that the SAR shall enact laws on its own to implement the Article and the SAR should never postpone the legislative work indefinitely.

The Basic Law protects the freedoms and rights as well as the existing lifestyle of the people of Hong Kong. These freedoms and rights are the foundation of our success. It is incumbent on the Government to ensure that the people of Hong Kong continue to enjoy these rights. By the same argument, it is also a responsibility which we cannot shirk, and as provided in Article 23, the SAR shall enact laws on its own for purposes of protecting the sovereignty, territorial integrity, unity and security of the nation.

To put the principle of "one country, two systems" into practice and maintain the current lifestyle of the Hong Kong people, the law and social institutions, the Basic Law provides that even in such an important area as protecting national security, the SAR shall enact laws on its own according to common law principles, instead of the Central Government promulgating

national laws for enforcement in Hong Kong. The legislative work in this respect is meant to fulfil our constitutional responsibility and put the principle of "one country, two systems" into practice.

As for the debate on White Bill or Blue Bill, we cannot agree to some views that there is a constitutional convention of the Government issuing a White Bill on important legislative proposals.

The Government has never any statutory practice in place to issue a White Bill on legislative proposals of enormous import. For example, the Official Secrets Bill 1996 and the Crimes (Amendment) Bill 1996 all involved Article 23, but no White Bills were issued. Other bills of importance such as the United Nations (Anti-terrorism Measures) Bill and the Chief Executive Election Bill were enacted after a Blue Bill procedure.

In fact, White Bill is seldom used as a means of consultation. For the period from 1986 to 2001, out of a total number of 1 400 bills enacted, only 18 had a White Bill. Most of the bills enacted through a White Bill procedure did not undergo a consultation paper stage. This shows when bills do not undergo the three stages of a consultation paper, a White Bill and a Blue Bill, they are in no way bypassing the normal procedures.

As Mr Henry WU has said, after a Blue Bill is submitted to the Legislative Council, substantial amendments can be made during the Bills Committee stage. So there is no question of not giving the people a chance to continue with discussions or to propose amendments when a Blue Bill is used to deal with Article 23 legislation.

Over the past three months when consultation was in progress, there was enthusiastic response from the public to our proposals to implement Article 23 made in this September. Over 90 000 submissions have been received, including those from individuals, groups, and local and overseas people. This consultation exercise on the legislative proposals to implement Article 23 is the largest ever since the reunification. It is also the most thorough and most widely discussed. In my opinion, the Government has been able to grasp public concerns for the implementation of Article 23 through this consultation exercise. Currently, we are processing and analysing the submissions received as fast as we can, with a view to presenting our findings to the public by the end of this month. On the basis of the views collected, we will propose some amendments to the Chief Executive in Council on the proposals made in September. We

hope that the proposals can be refined and that the Bill will be presented to the public in mid-February. At that time, all the details of the Bill will be available and I believe that after considering the Bill objectively, the public will understand the various proposals and improvements made and will come to know that we are seeking to implement Article 23 with the utmost sincerity, that we are trying to fulfil early our responsibility of implementing Article 23 on the one hand, while ensuring that the existing lifestyle of the people of Hong Kong with all the human rights and freedoms they enjoy shall be protected on the other.

Madam President, I so submit. Thank you.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, a new approach and timetable for the delivery of the policy address was specially adopted this year to tie in with the implementation of the accountability system for principal officials (the accountability system).

In the policy address, the Chief Executive clearly outlines our future policy objectives and focuses on analysing certain matters of immediate concern to the general public. The policy agenda, on the other hand, describes the major policy initiatives to be implemented by the second-term SAR Government in five major areas in the coming 18 months to underpin our future co-ordinated efforts.

Neither the policy agenda nor the policy address is dispensable. The policy agenda systematically sets out individual policies to achieve the objectives laid down in the policy address. It also represents a co-ordinated blueprint of administration worked out by all accountable officials after months of repeated consideration and deliberations.

All accountable Directors of Bureaux have, over the past week, given Honourable Members a preliminary elaboration on the substance of various initiatives contained in the policy agenda. Continuous efforts will be made to assess the changing objectivities to ensure the initiatives are consistent with public sentiment and aspiration, and the overall interests of the community.

The policy agenda comprises five major areas, namely Vibrant Economy, Caring and Just Society, Enlightened People with a Rich Culture,

Environmentally Responsible Development, and Effective Governance. On behalf of the SAR Government, I would like to express our heartfelt gratitude to this Council for having divided the debate into five themes in line with the way in which our policy portfolios are combined to make the debate conducted over these three days more systematic and consistent.

In moving the Motion of Thanks, Chairman of the House Committee reflected Members' views on the arrangements for this year's policy address. I would like to respond to her comments here.

To start with, the Government's main objective of altering the date of announcing this year's policy address is to shorten the gap between the delivery of the policy address and the budget speech. This is to ensure that new initiatives requiring additional funding, as proposed in the policy address and the policy agenda, can be implemented expeditiously. Furthermore, such changes have enabled accountable officials to, since their assumption of office in July last year, have ample time to sum up their action plans under their respective portfolios and to ascertain their respective work priorities.

As regards the replacement of the Policy Objectives by the policy agenda this year, some Members are of the view that the policy agenda is not as comprehensive as the Policy Objectives in terms of substance. As I pointed out earlier, the new approach was adopted because of the implementation of the accountability system. While some of the policy initiatives set out in the policy agenda are ready for implementation, some are still pending further consultation. Therefore, it is inappropriate to compare the policy agenda and the Policy Objectives in a biased manner. Furthermore, the Policy Agenda was delivered to Honourable Members on the same day the policy address was delivered by the Chief Executive. We have also responded swiftly and actively to Members' request for accountable officials to attend the briefing sessions held by panels of this Council.

We understand that the timetable for release of the policy address is closely related to the work schedule of the Legislative Council every year. We undertake that we will, after the publication of the Budget in March this year, refer to this year's experience and listen to views expressed by Honourable Members before summing up the long-term arrangements for the publication of the policy address in consultation with this Council.

Since the publication of the policy address, the community generally shares the key observations made by the Chief Executive in relation to reviving the economy. They include: our priority task is to develop the economy; the Government's major role is to create a favourable business environment; we must capitalize on our existing strengths to further develop the four pillar industries and creative industries; and we must establish closer economic and trade ties with the Mainland and speed up economic integration with the Pearl River Delta (PRD).

While there were diverse views and comments on the policy address, some opined that this year's policy address was not comprehensive enough for it had merely focused on the economy and the fiscal deficits. Some criticized the policy address for lacking substantial initiatives and a timetable for implementing the policy initiatives. There were some who felt that too little had been said about problems related to the people's livelihood.

I am very grateful to Members for their comments on the policy address. It is indeed perfectly normal for the general public to view various subjects differently in such a pluralistic and open society as Hong Kong.

To revitalize Hong Kong economy is our priority task. This way forward is also a mainstream consensus of the community. In order to achieve this objective, the policy address has set out a series of specific initiatives and timetables for implementation. For instance, discussions will be held in a bid to foster closer economic ties with the Mainland, and timetables will be formulated for the purpose of improving immigration clearance at boundary crossings, and so on.

When it comes to the fiscal deficits, it must be understood that the deficit problem, if not resolved properly, is bound to become a major obstacle to the Government's effort to lead Hong Kong out of its economic difficulties. The Government is therefore obliged to address this core problem. At the same time, the Chief Executive has assured the public that assistance and care for the disadvantaged will not cease.

Insofar as the public in general is concerned, the Government's priority task is to create a conducive market environment to enable the industrial and commercial sectors to directly provide job opportunities. The Government has all along attached great importance to assisting the public in coping with the new

demand of the labour market. For this reason, we encourage the business sector to provide the public with training and probationary opportunities. Following the Youth Work Experience and Training Scheme, the Re-employment Pilot Programme for the Middle-aged was launched. Some longer-term economic planning has also started to bear fruit. The Disney theme park, for instance, has reached the stage in which the construction of park facilities is underway. Twenty hotels will be completed in three years. These schemes will bring nearly 10 000 job opportunities.

The emphasis of the policy address on the economy has precisely reflected that the Chief Executive is putting what the people think and sense as urgent as his top priority.

Madam President, I would like to say a few words on the subject of speeding up integration with the PRD.

The past development of Hong Kong and the PRD was based on the work-sharing mode of "using the front portion of premises as shops and the rear portion as plants". Now we hope this regional economic development can be upgraded further.

We believe we can develop the PRD, inclusive of Macao, into a large, modernized economic region endowed with such strengths and functions as a hub for production and manufacturing, logistics and transport, financial services, tourism and entertainment, and information flow. This can prevent individual cities from being forced to fight alone in the competition brought by globalization.

We have reached a consensus with the Central Government, various levels of governments within the PRD and the Macao SAR government with respect to such development on a mutually beneficial basis. One of the proposed initiatives is to attract small and medium enterprises from Europe, the United States and Japan, as well as enterprises from the PRD, to set up regional headquarters and offices in Hong Kong. We will encourage foreign businessmen to, in the wake of China's accession to the World Trade Organization, choose Hong Kong as their major base for access to the PRD market. Furthermore, we will strive to enable local officials to gain a better understanding of the governments of various levels in the PRD and, if necessary, put in place an effective mechanism to enhance participation by the business sector.

Madam President, I would now like to turn to another topic mentioned in the policy address, namely the population policy. To honour the undertaking made by the Chief Executive in his Inaugural Speech on 1 July 2002, a Task Force on Population Policy, comprising the Financial Secretary, a number of relevant Directors of Bureaux and me, has in the past several months analysed the demographic trends and characteristics and the problems and challenges thus brought to Hong Kong. In order to upgrade the overall living standard of the people of Hong Kong and to ensure the long-term development of the local economy, the Task Force has examined different areas and initiatives in great details.

A study report on the population policy has been submitted to the Chief Executive. Pending the scrutiny of the report by the Executive Council, we will expeditiously give this Council and the general public an account of the specific proposals on the population policy.

As regards Article 23 of the Basic Law, a controversial issue related to protecting national security, enthusiastic views have been expressed by various sectors of the community. Earlier on in the debate, the Secretary for Security stated the Government's position on the dispute over the publication of a Blue or White Bill. I trust the Secretary for Security and the Secretary for Justice would perfect the draft provisions after considering the suggestions from various sectors. The SAR Government will, in putting the constitutional requirements of Article 23 into full implementation, ensure human rights and freedoms are effectively and expressly protected, and the relevant laws are in line with Hong Kong's needs and actual situation. In this respect, I would like to urge Honourable Members to oppose Dr YEUNG Sum's amendment.

Now I would like to say a few words on the partnership relation between the legislature and the executive. The Chief Executive and all accountable officials fully respect the important constitutional role of the Legislative Council. As the roles and functions of the legislature and the executive are different, it is perfectly normal for the two organs to look at certain matters differently and tension to arise occasionally. Nevertheless, we must not look at the matter in a lopsided manner and deny the fact that the two organs can co-operate closely most of the time.

One of my priority tasks is to strengthen our working relationship with this Council. Other accountable officials have, soon after their assumption of office, attended meetings held by various panels of this Council to introduce and explain to Members various initiatives within their portfolios. Moreover, they have all along attached great importance to maintaining the partnership relation between the legislature and the executive.

The Chairman of the House Committee remarked that the Government should inform this Council of its key policies and decisions. Actually, it has been our usual practice to brief the relevant panels of this Council of our key policies and decisions as early as possible. Circumstances permitting, we will brief this Council about the relevant policies and decisions and listen to the views expressed by the relevant panels on different proposals before announcing them. One excellent example is the announcement in this Council by the Secretary for Housing, Planning and Lands of the Government's housing policies in November 2002. As for the holding of briefings in this Council, it should be understood that it might not always be possible for a briefing to be held before every announcement for various reasons, particularly when the relevant decision involves market-sensitive information. The matter must be handled flexibly. Nevertheless, we will expeditiously provide Honourable Members with information in writing, like we used to do, when such situation arises.

Madam President, against the background of globalization, the emergence of knowledge-based economy and the rapid economic development of the Mainland, we are in an era of rapid changes. The Chief Executive has clearly pointed out the future direction for Hong Kong's development. We must seize the existing opportunities and, in the Hong Kong spirit of striving to make constant improvements, gather pace to overtake our rivals.

With these remarks, Madam President, I implore Honourable Members to support the policy address.

PRESIDENT (in Cantonese): The five debate sessions have ended.

PRESIDENT (in Cantonese): Mrs Selina CHOW, you may now speak on the amendment. You have up to five minutes to speak.

MRS SELINA CHOW (in Cantonese): Madam President, the Motion of Thanks was proposed by me in my capacity as the Chairman of the House Committee with the consent of all Members of the House Committee. Dr YEUNG Sum has proposed his amendment in his personal capacity, and his amendment has not been discussed or considered by the House Committee. So, I think when I consider or speak on this amendment, I should not support or oppose it, because expressing my view, whatever it is, on the amendment will be inappropriate indeed. For this reason, I think I should not express any view on it, and I should leave it to Members to decide on their own how they will vote.

PRESIDENT (in Cantonese): I now call upon Dr YEUNG Sum to move his amendment to the motion.

DR YEUNG SUM (in Cantonese): Madam President, I move that Mrs Selina CHOW's motion be amended, as printed on the Agenda.

Dr YEUNG Sum moved the following amendment: (Translation)

"To add ", but deeply regrets that the Government has not proposed in the policy address the introduction of a White Bill on the enactment of legislation to implement Article 23 of the Basic Law" after "That this Council thanks the Chief Executive for his address"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr YEUNG Sum to Mrs Selina CHOW's motion, be passed.

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.

(Members raised their hands)

Dr YEUNG Sum rose to claim a division.

PRESIDENT (in Cantonese): Dr YEUNG Sum has claimed a division. The division bell will ring for three minutes.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr LAW Chi-kwong and Mr Michael MAK voted for the amendment.

Mr Kenneth TING, Dr Raymond HO, Mr Eric LI, Dr LUI Ming-wah, Mrs Selina CHOW, Mr CHAN Kwok-keung, Mr Bernard CHAN, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Ms LI Fung-ying, Mr Henry WU, Mr Tommy CHEUNG, Mr LEUNG Fu-wah, Dr LO Wing-lok, Mr IP Kwok-him and Mr LAU Ping-cheung voted against the amendment.

Miss Margaret NG abstained.

Geographical Constituencies and Election Committee:

Ms Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Mr Andrew WONG, Dr YEUNG Sum, Mr LAU Chin-shek, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr WONG Sing-chi, Mr Frederick FUNG and Ms Audrey EU voted for the amendment.

Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Dr TANG Siu-tong, Dr David CHU, NG Leung-sing, Mr YEUNG Yiu-chung, Mr Ambrose LAU and Mr MA Fung-kiok voted against the amendment.

Mr Albert CHAN abstained.

THE PRESIDENT, Mrs RITA FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 25 were present, four were in favour of the amendment, 20 against it and one abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 30 were present, 16 were in favour of the amendment, 12 against it and one abstained. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mrs Selina CHOW, you may now reply and you still have six minutes three seconds.

MRS SELINA CHOW (in Cantonese): Madam President, the debate over these three days has proceeded smoothly, thanks in part to Honourable Members keeping to the "rules of the game" and the ready acceptance of the new arrangement by government officials. So, co-operation between us can be considered smooth.

I wish to respond to a point made by the Chief Secretary for Administration earlier. He mentioned that Members were of the view that the Policy Objectives and the policy agenda differed greatly from each other, and that the information in these two booklets was also very much different. But he opined that they should not be compared this way. Anyhow, from Members' viewpoint, no debate can possibly be conducted without sufficient information. So, I hope that government officials must appreciate that we must always be able to put ourselves in other people's position. If they can put themselves in our

position, they would understand what we want and in that case, we would not have to make demands every time. Therefore, I actually very much welcome the remark made by the Chief Secretary for Administration earlier that a review would be conducted in March. I hope that Members will express many views and conduct in-depth discussions, in order to reach a consensus as far as possible. I trust Members will adopt a pragmatic and reasonable attitude, and I, on behalf of Honourable Members, would also like to call on the Government to adopt the same attitude.

Today, the Chief Secretary for Administration has stated his determination to co-operate with the Legislative Council and to maintain communication and establish a partnership relation with this Council. But in fact, in the many meetings between us and the Chief Secretary for Administration before, he has also expressed this view, and the Deputy Chairman of the House Committee can attest to this. Unfortunately, things just do not turn out as we wish. More often than not, shortly after he had said that, the established practices, so to speak, would become the established policies, and there were some discrepancies between his practices and the policies. Certainly, we would lodge complaints afterwards and he could always give an explanation. But could his explanation really stand? For example, regarding the studies of chicken by the working group on the avian flu, does this bear any relation to market sensitivity? There is no relation between them at all. But then, he did not attend meetings of the panel. The truth is that he forgot it, but of course, he would not admit it. As a result, we have seen government officials suffering from amnesia every now and then. We very much hope that these incidents of government officials suffering from amnesia will not recur time and again, because if they constantly suffer from amnesia and if Members have to remind them all the time, it will not do any good to both sides; and the Chief Secretary for Administration even has to think of a reason to explain things away. I believe this is not something we wish to see.

It is best to see that all Bureau Directors are here today. In fact, I must thank the Chief Secretary for Administration, for he has to convey whatever we have said to him to Directors of Bureaux. Indeed, I trust that we all wish to avoid such a tense situation, and in order to avoid it, early prevention is necessary. To carry out early preventive work, we must always remind each other of this, and work in concert to explore ways to establish a partnership.

Today, I am very grateful to everyone here. I think the way in which the debate has been conducted this time around has been satisfactory. But as Ms Emily LAU, who always has a lot of views to give, has said, surely there is still

room for improvement. I believe when we hold in-depth discussions on this, Members will give their views, so that we can do better. Of course, being the sponsor of this motion, I certainly hope that Members will support it.

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

(Members raised their hands)

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

(Members raised their hands)

Ms Emily LAU rose to claim a division.

PRESIDENT (in Cantonese): Ms Emily LAU has claimed a division. The division bell will ring for three minutes.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Kenneth TING, Dr Raymond HO, Mr Eric LI, Dr LUI Ming-wah, Mrs Selina CHOW, Mr CHAN Kwok-keung, Mr Bernard CHAN, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Ms Miriam LAU, Mr Timothy FOK, Mr Abraham SHEK, Ms LI Fung-ying, Mr Henry WU, Mr Tommy CHEUNG, Mr LEUNG Fu-wah, Dr LO Wing-lok, Mr IP Kwok-him and Mr LAU Ping-cheung voted for the motion.

Miss Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai, Dr LAW Chi-kwong and Mr Michael MAK voted against the motion.

Geographical Constituencies and Election Committee:

Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Andrew WONG, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Dr TANG Siu-tong, Dr David CHU, Mr NG Leung-sing, Mr YEUNG Yiu-chung, Mr Ambrose LAU and Mr MA Fung-kwok voted for the motion.

Ms Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Mr LAU Chin-shek, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr Albert CHAN, Mr WONG Sing-chi, Mr Frederick FUNG and Ms Audrey EU voted against the motion.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 25 were present, 20 were in favour of the motion and five against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 30 were present, 13 were in favour of the motion and 16 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negated.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 22 January 2003.

Adjourned accordingly at Eight o'clock.