

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 16 October 1996

The Council met at half-past Two o'clock

MEMBERS PRESENT

THE PRESIDENT

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

THE HONOURABLE ALLEN LEE PENG-FEI, C.B.E., J.P.

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

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

DR THE HONOURABLE DAVID LI KWOK-PO, O.B.E., LL.D. (CANTAB),
J.P.

THE HONOURABLE NGAI SHIU-KIT, O.B.E., J.P.

THE HONOURABLE SZETO WAH

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

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

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

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

DR THE HONOURABLE EDWARD LEONG CHE-HUNG, O.B.E., J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE CHIM PUI-CHUNG

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE MICHAEL HO MUN-KA

DR THE HONOURABLE HUANG CHEN-YA, M.B.E.

THE HONOURABLE EMILY LAU WAI-HING

THE HONOURABLE LEE WING-TAT

THE HONOURABLE ERIC LI KA-CHEUNG, O.B.E., J.P.

THE HONOURABLE FRED LI WAH-MING

THE HONOURABLE HENRY TANG YING-YEN, J.P.

THE HONOURABLE JAMES TO KUN-SUN

DR THE HONOURABLE SAMUEL WONG PING-WAI, M.B.E., F.Eng., J.P.

DR THE HONOURABLE PHILIP WONG YU-HONG

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE ZACHARY WONG WAI-YIN

THE HONOURABLE CHRISTINE LOH KUNG-WAI

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

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE CHAN KAM-LAM

THE HONOURABLE CHAN WING-CHAN

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE PAUL CHENG MING-FUN

THE HONOURABLE CHENG YIU-TONG

DR THE HONOURABLE ANTHONY CHEUNG BING-LEUNG

THE HONOURABLE CHEUNG HON-CHUNG

THE HONOURABLE CHOY KAN-PUI, J.P.

THE HONOURABLE DAVID CHU YU-LIN

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE IP KWOK-HIM

THE HONOURABLE LAU CHIN-SHEK

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

DR THE HONOURABLE LAW CHEUNG-KWOK

THE HONOURABLE LAW CHI-KWONG

THE HONOURABLE LEE KAI-MING

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE BRUCE LIU SING-LEE

THE HONOURABLE LO SUK-CHING

THE HONOURABLE MOK YING-FAN

THE HONOURABLE MARGARET NG

THE HONOURABLE NGAN KAM-CHUEN

THE HONOURABLE SIN CHUNG-KAI

THE HONOURABLE TSANG KIN-SHING

DR THE HONOURABLE JOHN TSE WING-LING

THE HONOURABLE MRS ELIZABETH WONG CHIEN CHI-LIEN, C.B.E.,
I.S.O., J.P.

THE HONOURABLE LAWRENCE YUM SIN-LING

MEMBER ABSENT

THE HONOURABLE HOWARD YOUNG, J.P.

PUBLIC OFFICERS ATTENDING

THE HONOURABLE MRS ANSON CHAN, C.B.E., J.P.
CHIEF SECRETARY

THE HONOURABLE DONALD TSANG YAM-KUEN, O.B.E., J.P.
FINANCIAL SECRETARY

THE HONOURABLE JEREMY FELL MATHEWS, C.M.G., J.P.
ATTORNEY GENERAL

MR GORDON SIU KWING-CHUE, J.P.
SECRETARY FOR TRANSPORT

MR DOMINIC WONG SHING-WAH, O.B.E., J.P.

SECRETARY FOR HOUSING

MRS KATHERINE FOK LO SHIU-CHING, O.B.E., J.P.
SECRETARY FOR HEALTH AND WELFARE

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

MR PETER LAI HING-LING, J.P.
SECRETARY FOR SECURITY

MR BOWEN LEUNG PO-WING, J.P.
SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS

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

MR KWONG HON-SANG, J.P.
SECRETARY FOR WORKS

MRS LESSIE WEI CHUI KIT-YEE, J.P.
SECRETARY FOR FINANCIAL SERVICES

CLERKS IN ATTENDANCE

MR RICKY FUNG CHOI-CHEUNG, SECRETARY GENERAL

MR LAW KAM-SANG, DEPUTY SECRETARY GENERAL

MISS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

MR RAY CHAN YUM-MOU, ASSISTANT SECRETARY GENERAL

PAPERS

The following papers were laid on the table pursuant to Standing Order 14(2):

Subject

Subsidiary Legislation	<i>L.N. No.</i>
Dangerous Drugs Ordinance (Amendment of Fourth Schedule) Order 1996.....	415/96
Solicitors' Practice (Amendment) (No. 2) Rules 1996.....	416/96

Sessional Papers 1996-97

- No. 11 — Companies Registry
Annual Report 1995-96
- No. 12 — Marine Fish Scholarship Fund Report for the period from
1 April 1995 to 31 March 1996
- No. 13 — Agricultural Products Scholarship Fund Report for the
period from 1 April 1995 to 31 March 1996
- No. 14 — Fish Marketing Organization - Statement of Accounts for
the year ended 31 March 1996
- No. 15 — Vegetable Marketing Organization - Statement of Accounts
for the year ended 31 March 1996
- No. 16 — Report by the Trustee of the Prisoners' Education Trust
Fund for the period 1 December 1995 to 31 March 1996

WRITTEN ANSWERS TO QUESTIONS**Regrant Premium for HYF's Central Development**

1. **MR WONG WAI-YIN** asked (in Chinese): *It is learnt that the Hongkong and Yaumati Ferry Company Ltd (HYF) and the Government are still unable to reach an agreement on the regrant premium payable for the development of superstructures on the Company's piers in Central, thus causing delay in finalizing the development project. In this connection, will the Government inform this Council:*

- (a) of the progress of its negotiations with HYF;*
- (b) whether the authorities have set a deadline for the negotiations; and*
- (c) of the contingency measures the Government has, if HYF decides to scrap the above development project in the absence of an agreement with the Government on the regrant premium, resulting in HYF not being able to realize its pledge of setting aside a sum in excess of \$600 million for improving ferry services?*

SECRETARY FOR TRANSPORT (in Chinese): Mr President, in December 1995, the Director of Lands proposed to Hongkong and Yaumati Ferry Company Ltd (HYF) the basic terms and conditions (including the land premium) for commercial development above Piers No. 4 to 7 at Central Reclamation. Upon receipt of HYF's written response on some of the basic terms and conditions in March 1996, the Director of Lands initiated negotiations with HYF, which are continuing. As regards the issue of land premium, he received a written response from HYF in late September 1996. He is now considering the response and will further discuss the issue with HYF.

The Director of Lands has not set a deadline for the negotiations, but he hopes to conclude the negotiations successfully as soon as possible.

Although the basic terms and conditions have not been agreed, HYF has already honoured part of its pledge and implemented some of the ferry service improvement items required under the development package. These include:

- (i) the purchase of one catamaran in 1994, enabling additional sailings between Tuen Mun and Central since February 1995;
- (ii) the addition of a double-deck pontoon at Tsing Yi Pier since 1995, facilitating boarding and alighting;
- (iii) the improvements of the ticket office and queuing facilities at Tsing Yi Pier; and
- (iv) the installation of anti-pollution devices on vessels to reduce air pollution.

As negotiations are under way, it would not be helpful or appropriate to speculate on the outcome of the negotiations. However, it is the Government's objective to ensure the provision of a proper and efficient ferry service for the travelling public.

Shortage of Teachers with Sex Education Training

2. **MR IP KWOK-HIM** asked (in Chinese): *The findings of a survey reveal that 60% of the schools in the territory are not able to offer comprehensive sex education courses due to a shortage of teachers with training in sex education and a lack of the required resources. In view of this, will the Government inform this Council:*

- (a) *of the progress in providing training courses on sex education for teachers, and the number of teachers who have enrolled in such courses; and*
- (b) *in view of young people's more open attitude towards sex in recent years, what measures the Education Department has put in place to encourage schools to make sex education more readily available in schools in order that students can have a proper understanding of sex?*

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

- (a) To train more teachers on sex education, the Education Department has provided the following in-service teacher training courses on sex education in the last three school years from 1993 to 1996:
- five courses each of three days for 214 secondary school teachers; and
 - two courses each of one day for 128 primary school teachers.

The Education Department plans to offer two 3-day courses for secondary school teachers and two 2-day courses for primary school teachers in 1996-97. The target enrolment for each course is 60. If there is an increase in demand, the enrolment will be increased to 75 per course and more courses will be offered.

The Education Department also sponsors sex education courses for teachers conducted by the Family Planning Association of Hong Kong. 342 secondary school teachers and 156 primary school teachers were trained through these courses in the last three school years.

The Education Department and the Family Planning Association of Hong Kong have scheduled nine sex education courses this school year to train an additional 285 secondary and 200 primary school teachers respectively. More courses will be conducted as necessary.

In addition, a variety of seminars and workshops on specific sex education topics such as life skills training and AIDS are provided from time to time. In the past three school years, a total of 1 322 teachers attended these seminars and workshops.

- (b) The Education Department has been actively promoting sex education in schools by:
- integrating sex education elements in secondary school subject syllabuses such as Social Studies, Liberal Studies,

Religious/Ethical Education, Biology, Human Biology, Integrated Science and Home Economics; and primary school subjects such as General Studies, Health Education and Social Studies;

- advising and promoting sex education during school visits by subject inspectors;
- providing teaching packages on topics such as AIDS and Sex and Mass Media, and Education Television programmes on sex education to schools;
- providing advisory and supporting services to sex education teachers through the two Sex Education Resource Centres; and
- encouraging schools to avail themselves of leaflets, booklets and audio-visual materials on sex education produced by the Central Health Education Unit of the Department of Health.

In addition to the above measures, a working group has been set up under the Curriculum Development Institute in the Education Department comprising medical doctors, social workers, school heads and teachers, and a representative from the Home School Co-operation Committee. The working group will formulate a new set of sex education guidelines for schools and recommend measures to further promote sex education in schools. The new guidelines and other recommendations of the working group will be released for consultation in March 1997.

Prolonged Delay in Two Redevelopment Projects

3. **MR ALBERT CHAN** asked (in Chinese): *The redevelopment projects in the "seven streets" in Tsuen Wan and the "five streets" in Kennedy Town have been delayed for several times, and this has troubled the residents of these two areas for a number of years. In view of this, will the Government inform this Council:*

- (a) of the reasons for the prolonged delay in implementing the two redevelopment projects;*
- (b) when it expects to be able to reach agreement with the Land Development Corporation on these two redevelopment projects; and*
- (c) when the redevelopment projects are expected to commence work and when they will be completed?*

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

- (a) The Hong Kong Housing Society (HKHS) obtained planning permission from the Town Planning Board in 1992 and 1993 for implementing the master layout plans on the redevelopment of a Comprehensive Development Area in Kennedy Town and Tsuen Wan respectively. HKHS subsequently found that if the demands for compensation and rehousing by the owners and residents were to be fully met, the projects would not be financially viable. HKHS then put forward a number of proposals for discussion with the Government on how the projects could be taken forward. Earlier this year, the Government invited the Land Development Corporation (LDC) to study, on a "no commitment" basis, the feasibility of taking over the projects from HKHS. We are discussing with HKHS and LDC an initial proposal put forward by the latter.
- (b) We are giving active consideration to the proposals prepared by LDC and HKHS and hope to work out a feasible way forward on their implementation before the end of this year.
- (c) Subject to working out a feasible way forward on the implementation of the projects, LDC will prepare detailed proposals for approval before proceeding to acquire properties. The timing for the commencement and completion of redevelopment works will depend on the progress LDC is able to make on property acquisition.

Separation of Refuse for Recycling

4. **MR AMBROSE LAU** asked (in Chinese): *It is learned that the Government has so far not implemented any measures to sort refuse at the time of collection, and this has resulted in refuse which may be recycled (such as paper) being mixed with other refuse. In view of this, will the Government inform this Council whether:*

- (a) it will formulate any policy on refuse collection to promote the awareness of environmental protection;*
- (b) it will consider taking measures to separate paper from other refuse at the time of refuse collection so as to facilitate the recycling of waste paper; if so, how soon such measures can be implemented; if not, why not; and*
- (c) it will consider providing waste paper collection boxes in a greater number of streets to facilitate disposal of waste paper by the public; if not, why not?*

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

- (a) The Government's overall objective of waste management is to reduce waste at source, to promote reuse and recycling and to ensure that what remains is disposed of in an environmentally appropriate and cost-effective manner. A consultancy study commissioned by the Environmental Protection Department (EDP) has recently recommended a number of waste reduction initiatives, including separation of recyclable materials at source. We have consulted interested parties on these initiatives to enable us to formulate a draft Waste Reduction Plan for further consultation with the public early next year.

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- (b) To facilitate the separation of paper from other refuse a series of measures have been taken; these include extensive publicity programmes and campaigns, Announcements of Public Interest on television, posters and pamphlets. The Environmental Campaign Committee has also published pamphlets on waste paper recycling. In addition, a number of particular measures have been taken to encourage separation of recyclable waste at source:
- (i) EDP has introduced a hotline service (Tel No. 2755 2750) to advise the public on the setting up of waste collection schemes to recover recyclable materials, including paper.
 - (ii) EDP has prepared and distributed a pamphlet containing details on how to organize a waste paper separation and collection scheme in residential buildings and office premises.
 - (iii) Waste paper recovery programmes are being carried out in over 50 public housing estates and over a thousand private establishments, including schools, commercial offices, banks, hotels and utility companies.
 - (iv) Since December 1992, the Urban Council has launched a waste paper recycling scheme. A number of waste paper recycling bins are placed in convenient locations such as Mass Transit Railway Corporation exits in Central, Wanchai and Yau Tsim Mong Districts to collect waste paper from the public. The Regional Council has placed similar bins in Sai Kung.
 - (v) Green Managers in Government Departments and Branches have facilitated collecting waste paper in Government offices. The quantity of waste paper collected increased by 11%, and paper consumption decreased by 22%, in 1995 over 1994.
- (c) We will, in consultation with the Municipal Councils, consider providing waste paper collection boxes in a greater number of streets.

Transport Services for Chek Lap Kok Airport Staff

5. **MR HOWARD YOUNG** asked: *Will the Government inform this Council of its plan for the provision of public transport services to and from the Chek Lap Kok airport which cater especially for the staff of the airlines and related companies working at the airport; and the estimated number of these staff that have been taken into account in drawing up the plan?*

SECRETARY FOR TRANSPORT: Mr President, in June 1995 the Transport Department commissioned a consultancy study to develop a strategy for the provision of public transport services to the new airport and Lantau. The consultants recommended the provision of a wide range of public transport services to serve the new airport at Chek Lap Kok (CLK), including the Airport Railway, airbus, conventional bus, high-speed ferry, taxi and green minibus. These recommendations were the subject of an extensive public consultation exercise which was completed in April 1996. Having considered the views from various bodies, additional bus routes have been included in the public transport network. The final network which embodies these changes is shown in the Annex.

In the planning of public transport services to serve the new airport, we have taken into account the need to provide public transport services in 1997 when workers and staff need to travel to the new airport at CLK for preparatory arrangements. We have assumed a gradual build-up of employment at CLK from about 4 000 jobs in October 1997 to around 46 000 jobs on opening of the new airport. Initially five bus routes comprising two external routes, two shuttle routes and one overnight route will be operated in mid-1997, increasing in phases to 25 bus services upon opening of the new airport in 1998. We will monitor closely the situation and introduce adjustments on the basis of the travel pattern and passenger requirements.

Annex

Public Transport Network for the
New Airport and Tung Chung New Town in 1997 and 1998

AIRPORT RAILWAY

The Airport Railway (AR) consists of the Airport Express Line (AEL) and the Lantau Line (LAL). The AEL will serve air passengers while the LAL will provide a conventional MTR service to Lantau. The AEL trains will be operated between Central and the new airport, and serve intermediate stations at Kowloon and Tsing Yi. The LAL trains will be operated between Central and Tung Chung, and serve intermediate stations at Kowloon, Tai Kok Tsui, Lai King and Tsing Yi.

BUSES (Service with *to commence in mid-1997)

Airbus Services

- six routes
- Causeway Bay (Moreton Terrace) to Ground Transport Centre
 - Sai Wan Ho Ferry Pier to Ground Transportation Centre
 - Kowloon KCR Station to Ground Transportation Centre
 - Lam Tin MTR Station to Ground Transportation Centre
 - Tsuen Wan (Discovery Park) to Ground Transportation Centre
 - Sha Tin (Yuen Chau Kok) to Ground Transportation Centre

External Services

- seven routes
- Tai Kok Tsui AR Station to Tung Chung AR Station*
 - Kowloon City Ferry Pier to Chek Lap Kok Ferry Pier *
 - Tsuen Wan (Discovery Park) to Tung Chung AR Station
 - Kwai Fong MTR Station to Chek Lap Kok Ferry Pier
 - Tuen Mun Town Centre to Ground Transportation Centre
 - Tin Shui Wai Town Centre to Ground Transportation Centre

- Tai Po Central to Ground Transportation Centre

Shuttle Services

- eight routes
- Tung Chung AR Station to Air Passenger Terminal (via Cargo Terminal) (Circular)*
 - Tung Chung AR station to Aircraft Maintenance Area *
 - Chek Lap Kok Ferry Pier to Air Passenger Terminal (Circular)
 - Chek Lap Kok Ferry Pier to Aircraft Maintenance Area
 - Tung Chung AR Station to Air Passenger Terminal (via Tung Chung Ferry Pier) (Circular)
 - Tung Chung AR Station to Cargo Terminal and Aircraft Catering Area (Circular)
 - Tung Chung AR Station to Aircraft Catering Area (via Cathay Headquarters) (Circular)
 - Tung Chung AR Station to Chek Lap Kok Ferry Pier/Ground Transportation Centre

Overnight Services

- four routes
- Causeway Bay (Moreton Terrace) to Ground Transportation Centre
 - Mong Kok KCR Station to Ground Transportation Centre
 - Star Ferry to Ground Transportation Centre
 - Tsuen Wan (Discovery Park) to Ground Transportation Centre

South Lantau Services

- four routes
- Mui Wo to Tung Chung AR Station
 - Ngong Ping to Tung Chung AR Station
 - Tai O to Tung Chung AR Station
 - Mui Wo to Ground Transportation Centre

Airport Railway Feeder Services

Feeder bus services would be operated to serve the AR stations in the urban area

on commissioning of the AR.

TAXI SERVICES

All the existing types of taxis would have access to the Ground Transportation Centre adjoining the Air Passenger Terminal.

FERRY SERVICES

A licensed high-speed ferry service between Chek Lap Kok and Tuen Mun would be introduced subject to availability of pier facilities.

GREEN MINIBUS SERVICES

Green minibuses services would be operated to serve the AR stations in the urban area on commissioning of the AR.

Highways Department's Utility Management System

6. **DR SAMUEL WONG** asked: *It is learnt that a sum of \$30 million has been approved for the development of the Utility Management System (UMS) by the Highways Department. In this connection, will the Government inform this Council whether:*

- (a) the UMS will conform to the best practices available today in terms of its overall suitability and effectiveness in minimizing disruptions to the public caused by road openings;*
- (b) the UMS will accept geographical information in digital form (that is, electronic maps) provided directly from the utilities;*
- (c) the UMS will provide direct access to the Geographical Information*

System (GIS) database used by the utilities so as to improve planning and co-ordination of road opening projects; and

- (d) *the UMS will facilitate electronic data interchange (EDI) among the Highways Department and the utilities, so that emergency road opening projects can be carried out with the benefit of having all the available data concerning the road opening sites in question?*

SECRETARY FOR WORKS: Mr President, my answers to the respective parts of the question are as follows:

- (a) The Utility Management System (UMS), being developed by the Information Technology Services Department for Highways Department, aims to improve the planning, co-ordination and control of road opening works. It will incorporate advanced and proven information technology to provide a system which, when implemented, will enhance the effectiveness of co-ordinating and controlling road opening works and improve the efficiency of administering the Excavation Permit (EP) system. This will help both government departments and utility undertakers and will further reduce the disruptions to the public caused by road openings.
- (b) The utility undertakers will have to provide their road opening plans by fax to the Highways Department where the plans will be digitized into the UMS. The fax is chosen because it can be used by both utility undertakers having digital mapping facilities and those who operate only on paper records. The Government is also developing an interface system which can receive digital maps directly from the utility undertakers and intends to make the system available at the time the UMS becomes operational.
- (c) Any utility undertaker can submit its own road opening information into the UMS and retrieve consolidated road opening information of other utility undertakers from the UMS through the interface system mentioned in (b) above. It can also retrieve other geographical information such as the various district boundaries and road openings restriction zones. Direct access to this information

through the system will improve the planning and co-ordination of their road opening projects.

- (d) The UMS will not provide the Electronic Data Interchange (EDI) function since it is outside the scope of the present system development. The implementation of EDI for utility records involves complicated administrative, financial, legal and technical considerations which need to be agreed by all parties concerned. A lengthy lead time and more resources will be required to study its feasibility. In order not to delay the implementation of the UMS, the EDI function has to be implemented separately under the Computerized Utility Record System (CURS) for which funds are being sought by the Highways Department to carry out an initial business study.

Education-related Assistance for New Immigrant Children

7. **MR HENRY TANG** asked (in Chinese): *Regarding the schooling of the children of new arrivals from China, will the Government inform this Council:*

- (a) *since the Education Department (ED) started, from April this year, distributing forms to new arrivals from China at the Lo Wu control point to assist them in finding school places for their children, how many forms have been distributed so far, the percentage of the completed forms returned and the effectiveness of the measure in arranging for school places;*
- (b) *whether the ED will consider publicizing the names of those schools which have persistently refused to admit such children without justifiable reasons, or taking other actions to impose sanction against such schools; and*
- (c) *whether consideration will be given to conducting a systematic study on the schooling needs of the children of new arrivals from China (which should include the number, age and educational standard of such children arriving in the next five years as well as the school places and related support services they need) so as to*

make better use of the available educational resources?

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

- (a) Since April 1996, the ED has made available information leaflets on educational services in simplified Chinese characters with reply slips for collection at the Lo Wu checkpoint and district offices. These leaflets are designed specifically for use by parents of Chinese immigrant children requiring assistance from the ED in school placement and other support services.

So far, over 25 000 leaflets were distributed. However, the best indicator of the demand for assistance from parents is the actual number of reply slips received by the ED.

Up to the end of September 1996, the ED received 1 164 reply slips. Based on the information provided, the ED has approached these parents and provided school placement assistance for 3 000 children.

- (b) The Director of Education has authority to place a pupil in a government school to fill a vacant place. She can also exercise her authority under the Code of Aid to do so in respect of an aided school. So far, she has not found it necessary to invoke her authority for placement of immigrant children from China. This is because according to the record of the ED, these children are placed into schools by district education offices within 21 days on average.

The ED will continue to monitor the situation closely. If there is evidence that a school with vacant places has persistently refused to admit immigrant children from China, the Director of Education will not hesitate to direct admission of these children into the school, or to impose other sanctions.

- (c) The ED has been monitoring the enrolment of children newly arrived from China since 1979. Demographic information such as age, sex, residence, distribution over districts, academic ability and

level entered has formed the basis of reliable projections on where they usually live and what their general education needs are. On the basis, strategies on the best use of available resources to meet demand have been developed. Our assessment at this stage is that apart from the five primary schools we have committed to build by 1997-98, we need in addition 14 secondary and five primary schools respectively by 2001-02.

We will continue to keep the provision of school places and our educational services under regular review to ensure that sufficient places are provided to meet demand and that our support programmes meet the needs of these children.

Protection of Chinese White Dolphins

8. **MISS EMILY LAU** asked (in Chinese): *Regarding the recent press reports about the deaths of Chinese white dolphins, will the Administration inform this Council:*

- (a) *of the number of white dolphin carcasses found in the past six months and whether it knows of the causes of death of the white dolphins;*
- (b) *whether any studies have been conducted to ascertain if the dolphins' deaths is related to the polluted waters and the infrastructural projects being carried out in the proximity of the dolphins' habitat; and*
- (c) *what measures will be adopted by the relevant government departments to prevent more white dolphins from dying?*

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

- (a) In the past six months, there have been 10 confirmed strandings of the Indo Pacific hump-back dolphin, commonly known as Chinese white dolphin, in Hong Kong. Of these, nine were examined by

Agriculture and Fisheries Department (AFD). The cause of death could only be determined for one. This was a fresh male subadult, which showed signs of having been caught and drowned in a fishing net. The remaining eight corpses were badly decayed and their cause of death could not be determined.

Past data show that there is usually a slight increase in the number of dolphin strandings during summer months which coincides with the calving season. The cause of death may possibly be a natural phenomenon of a usually higher mortality among young animals. However, further studies are necessary to test this hypothesis.

- (b) There is no evidence to associate dolphin mortality with infrastructural developments. Environmental contaminant studies aiming to establish any causal relationship between water quality and dolphin mortality are in progress. AFD has appointed a cetacean expert to undertake a two-year study on the dolphins. He is collecting blubber, liver and kidney samples from all strandings for various analyses, including organopollutants. When laboratory results from these samples become available in a few months' time, more information relating to the cause of dolphin strandings may be available.
- (c) We will establish a marine park around Sha Chau and Lung Kwu Chau where the Indo Pacific hump-back dolphins are mostly found. A Marine Mammal Conservation Working Group, comprising marine biologists, members of environmental groups and fishermen's groups as well as government staff, has been set up to prepare for the establishment and management of the marine park. There will be a vessel speed limit of 10 knots within the marine park. Trawling will be prohibited whilst sustainable fishing activities will be closely monitored and controlled through a permit system. Furthermore, a 500 m exclusion zone for vessels around the Chek Lap Kok airport platform will offer additional areas of protection for the dolphins.

As for water pollution, we have established a chemical waste treatment plant and are constructing a sewage collection and treatment network to reduce the pollution load generated from within the territory. Other sewerage improvements include new

and upgrading of sewage treatment works along north Lantau waters.

A three-year study is being undertaken by the Swire Institute of Marine Science of the University of Hong Kong to collect baseline information about the Indo Pacific hump-back dolphin, AFD has also commissioned a study in mid-1996 on the biology, population and distribution of the dolphins, which will help develop a conservation strategy for the species.

Improvement of Security Facilities in Public Housing Estates

9. **MR SIN CHUNG-KAI** asked (in Chinese): *Regarding the programme for the improvement of security facilities in public housing estates, will the Government inform this Council:*

- (a) *of the respective numbers of public housing estates that have already been provided with security facilities and those which have not been provided with such facilities;*
- (b) *of the number of crimes which have occurred in each of the public housing estates that have been provided with system A security facilities (which include security gates, close circuit television inside lifts as well as at the main entrance, doorphones and 24-hour security guards) and the number of crimes which have occurred in each of the public housing estates provided with system B security facilities (which include close circuit television inside lifts and night patrol guards from 8.00 pm to 8.00 am), since the installation of the security facilities; and*
- (c) *whether the Housing Authority will consider upgrading system B security facilities in public housing estates to system A security facilities; if so, when it will be implemented; if not, why not?*

SECRETARY FOR HOUSING (in Chinese): Mr President, we plan to complete installation of security facilities in all public housing blocks by 1997, other than those to be redeveloped shortly or without lifts. To this end, we have

identified a total of 940 rental blocks to be provided with security devices in phases. As at September 1996, we have improved 328 blocks in 38 estates: 89 with System A and 239 with System B. Works in the other targeted estates are in progress. To further enhance security in public housing estates, we are implementing a programme to improve lighting in these blocks, where necessary. We expect to complete the bulk of this programme in 1997.

Since so far, we have completed installation of security improvement facilities in one-third of the targeted estates and we have yet to fully assess the effectiveness of the two systems. The need to further upgrade System B to System A will be considered after the Housing Department has completed the security improvement programme and conducted an overall review of effectiveness.

We cannot correlate the number of crimes in different public housing estates with the effectiveness of individual security improvement systems as the crime rates available comprise crimes of all kinds and crimes which take place inside and outside rental blocks in housing estates.

Free NETVIGATOR Accounts for Public Sector Secondary Schools

10. **MR LEUNG YIU-CHUNG** asked: *The Hongkong Telecom IMS has announced that it will enter into an agreement with the Education Department to provide free NETVIGATOR accounts to public sector secondary schools in the territory. In this connection, will the Government inform this Council:*

- (a) *of the terms and implementation details of such an agreement; and*
- (b) *whether the Education Department will enter into similar agreements with other providers of Internet services?*

SECRETARY FOR EDUCATION AND MANPOWER: Mr President, In order to enhance the knowledge and skills of our secondary students in information technology, the Education Department will assist all secondary schools to access the Internet from the 1996-97 school year.

With regard to part (a) of the question, the Education Department has not

entered into agreement with any of the Internet Service Providers. The Education Department only serves as a facilitator to co-ordinate and disseminate information on the offers available and provide teacher education programmes on how to use Internet for education purposes. Aided and private schools have full discretion to choose any offer from Internet Service Providers. Government schools will use the same provider as the one to be chosen by the Education Department.

So far, the Education Department has received offers from three Internet Service Providers, namely the Hongkong Telecom IMS, the Hong Kong Star Internet Limited and the chili.net Limited, to provide free Internet accounts to all secondary schools. The offers basically comprise provision of one to two free Internet accounts, free or limited hours of connection, necessary software, hardware, training sessions for teachers on how to use Internet, hot line support services and subsequent maintenance. To assist the Education Department in its advisory and training services to teachers, the Internet Service Providers will also offer a free Internet account to the Department.

The Education Department will be issuing a school circular at the end of October to announce these offers together with a set of guidelines on the proper use of Internet in schools. The Education Department will closely monitor progress of this project.

As regards part (b) of the question, other Internet Service Providers, if interested, are welcome to provide similar free Internet services to schools. The Education Department will notify schools when such new offers are received.

Upsurge in Water-main Bursts

11. **MR FRED LI** asked (in Chinese): *According to the report on the survey of water-main bursts recently published by the Office of the Commissioner for Administrative Complaints, there were a total over 6 800 such cases in the territory in the past six years, 28% of which involved water-mains which were directly damaged because of the negligence of road works contractors. In 1995-96 alone, the number of cases involving water-main bursts has gone up sharply by 19% as compared with the average number of such cases in the preceding five financial years. In this connection, will the Administration inform this Council:*

- (a) *of the reasons for the significant increase in the number of water-main burst cases in 1995-96;*
- (b) *of the current procedures for approving and issuing road-opening permits; and whether, before issuing such permits, adequate measures are taken to advise road works contractors of the exact locations of underground water-mains; if so, of the reasons why nearly 30% of water-main burst cases in the past six years were caused by road works; and*
- (c) *whether consideration will be given to amending the relevant legislation with a view to imposing heavier penalties for causing damage to water-mains so as to increase the deterrent effect, as well as requiring road works contractors to pay a deposit in advance in order to facilitate the authorities concerned in recovering the costs for repairing the damaged water-mains; if not, why not?*

SECRETARY FOR WORKS (in Chinese): Mr President, my answers to the respective parts of the question are as follows:

- (a) One of the main reasons for the increase in number of water-main burst cases in 1995-96 is attributed to the rapid increase in construction activities arising from a large number of major infrastructural and redevelopment projects. Related activities involving road openings for utility services installations and connections are greatly increased as a result of implementing these projects. These road opening activities induce various direct and indirect disturbances to water-mains under the road causing some of them to burst.
- (b) In accordance with the Crown Land Ordinance (Cap. 28), any party who needs to make an excavation into a public road is required to obtain an Excavation Permit (EP) from Highways Department. A road opening proposal is to be submitted to Highways Department in advance of the application for the EP, to ensure proper co-ordination among all relevant utility undertakers and government departments.

The EP is issued with a set of conditions which require the Permittee, among other things, to circulate the road opening proposal to all parties concerned, including Water Supplies Department, to obtain relevant plans and information of existing services that may be affected. This circulation has to be done at least seven days before commencing the road opening works.

Bearing in mind that the actual location of utility services may deviate from that indicated on the plans, the Permittee is also required to carry out suitable investigations, including, where possible, hand-dug trial pits, to ascertain the exact utility locations before commencing the road opening works. This is a standard requirement of the EP on all road opening works.

Despite these precautions, water-main bursts directly attributable to road opening activities still account for almost 30% of water-main burst cases in the past six years. The main reasons are:

- (1) Lack of or inadequate hand-dug trial pit investigation by the Permittee to accurately locate the water-mains.
 - (2) Lack of or inadequate protective measures provided in the course of excavation or utility installations, resulting in the overloading of the water-main or excessive settlement of the supporting ground. This can be aggravated by heavy rainfall when the trench is open.
 - (3) In general, inadequate supervision by contractors of their workers and excavation plant operators, despite having necessary information on the water-mains and instructions on how to protect them from damage.
- (c) In order to increase the deterrent effect, we are considering suitable amendments to the legislation and to imposing heavier penalties on those who cause damage to water-mains, including an increase in the fines from \$5,000 to \$25,000.

The Administration, however, has reservations on the suggestion

that road opening contractors pay a cash deposit in advance in order to facilitate the authority concerned in recovering the repair costs arising from water-main bursts. We will have to consider the views of the construction industry and, internally, of relevant departments to determine its viability and the staff resource implications. The deposits will have to be substantial if enough to cover the possible remedial work and the cost is likely to be passed to the consumers, as will the (relatively small) financing of such deposits.

"999" Emergency Calls Service

12. **MR WONG WAI-YIN** asked (in Chinese): *Will the Government inform this Council:*

- (a) *of the number of Police Communications Officers responsible for answering "999" emergency calls ("999" calls) at the Police Command and Control Centre, together with the number of "999" lines in each of the police regions;*
- (b) *of the average time taken for a "999" call to get through in each police region at present;*
- (c) *of the number of complaints received by the police in each of the past three years regarding "999" calls not getting through;*
- (d) *whether there are measures in place to reduce the waiting time for a "999" call to get through; and*
- (e) *whether the existing "999" service is capable of handling calls made in Putonghua; if not, what measures will be taken by the Government to improve the situation?*

SECRETARY FOR SECURITY (in Chinese): Mr President,

- (a) In total, nine Senior Police Communications Officers (SPCO) and 63 Police Communications Officers (PCO) are deployed to answer "999" calls round the clock at three Regional Command and Control Centres (RCCCs), namely, Hong Kong Island, Kowloon and the

New Territories. There are currently 52 "999" lines over the territory distributed as follows:

Hong Kong Island RCCC	16
Kowloon RCCC	17
New Territories RCCC	19

(b) On average "999" calls are answered in 2.4 seconds in Hong Kong Island, 4.0 seconds in Kowloon and 3.7 seconds in New Territories.

(c) The figures of complaints for the last three years are:

1996 (to date)	2
1995	1
1994	3

It is understood that people seldom file formal complaints regarding waiting time for a "999" call to get through. They usually do it at District Fight Crime Committee meetings or through the media for which the police do not keep statistics.

(d) The police have taken the following measures to reduce the waiting time for 999 calls to get through:

- (i) launching a public education campaign to promote the proper use of "999";
- (ii) planning the introduction of a Calling Number Display System to help locate callers automatically and thus save time in taking their particulars. In addition, it will deter people from making nuisance calls;
- (iii) six PCO posts have been created in August 1996 for "999" manning;

- (iv) reduction of the length of recorded message.
- (e) 81% of SPCOs and 37% of PCOs have received training in Putonghua. All will receive training in handling Putonghua calls eventually. In the meantime, at least one Putonghua speaking officer, either SPCO or PCO, will be present at each RCCC at any given time.

Smart Card Scheme of Public Transport Operators

13. **MR HOWARD YOUNG** asked: *Will the Government inform this Council of the recent developments regarding the participation of public transport operators in the smart card scheme?*

SECRETARY FOR TRANSPORT: Mr President, in 1994, five public transport operators formed a company, Creative Star Limited, to develop a common contactless smart card system for use by the travelling public. Operators participating in the scheme are the Mass Transit Railway Corporation (MTRC), the Kowloon-Canton Railway Corporation (KCRC), Kowloon Motor Bus (KMB), Citybus and Hongkong and Yaumati Ferry (HYF).

The use of a common smart card for public transport necessitates the introduction of a new fare collection system for the transport operators. This includes the development and supply of a central computer system to process the daily transactions and act as a central clearing house, and the use of compatible computer systems by the individual operators.

Over 5 000 items of smart card processing equipment will be installed. They include machines for loading and re-loading value to the smart cards, adaptation of automatic fare collection gates at stations and ferry piers, processors at Light Rail Transit (LRT) platforms, and fare collection equipment on buses. The development of the initial stock of smart cards is complete and delivery has commenced. The development of the hardware and software for data processing is in good progress. Subject to satisfactory performance testing, the system is expected to be open for public use by mid 1997.

Initially, the routes accepting smart cards will include all MTR lines, the KCR domestic line, the LRT and its feeder buses, cross harbour routes provided by the KMB and Citybus, and outlying islands and new town services provided by the HYF. Creative Star Limited is encouraging a number of other public transport operators to join the scheme.

Part-time Students' Access to Tertiary Institution Facilities

14. **MR HENRY TANG** asked (in Chinese): *Will the Government inform this Council whether facilities such as libraries, research data banks and study rooms in government-funded tertiary institutions are currently made available for use by working people pursuing part-time studies, if so, what the opening hours of these facilities and their conditions of use are?*

SECRETARY FOR EDUCATION AND MANPOWER (in Chinese): Mr President, depending on the type of facilities and the demand for use, facilities in government-funded tertiary institutions are generally open to working people pursuing part-time studies in courses solely or jointly run by these institutions or their continuing and professional education or extra-mural departments with other local/overseas institutions. These government-funded tertiary institutions include the seven University Grants Committee (UGC)-funded institutions, the Hong Kong Institute of Education, the two Technical Colleges of the Vocational Training Council and the Hong Kong Academy for Performing Arts. Facilities in the UGC-funded institutions are also open to working people who are enrolled on courses provided by other local/overseas educational establishments or professional organizations.

In considering whether to open certain types of facilities to working people pursuing part-time studies, or other members of the public in general, the tertiary institutions take into account the purpose of the use, the nature of the activity and the status of the person or organization applying for use. Priority is given to academic and bona fide research activities. The intended use must also not have an adverse effect on the normal teaching, learning and research activities of the staff and students in the institutions.

Libraries and Research Databanks

For facilities such as libraries and research databanks, well-established arrangements already exist whereby certain members of the public, not only working people pursuing part-time studies, may be allowed to make use of such facilities of the tertiary institutions. These include, among others, members of Government and public bodies, quasi-government bodies and non-profit making organizations.

Students and staff of any UGC-funded institution, subject to certain rules, may make use of the library facilities of another UGC-funded institution. Graduates, alumni and in some cases, members of the public who satisfy certain requirements set by the tertiary institutions may apply for library cards, borrowers' cards, readers' tickets or other types of registration documents to make use of the facilities. Fees may be charged for such use. Registered users of public libraries run by the Government can have access to library materials in the UGC-funded institutions and the Hong Kong Academy for Performing Arts through the existing inter-library loan service by channelling their requests through their own libraries.

The opening hours of the libraries in the tertiary institutions vary, but generally they are open between 9:00 am to 9:00 pm on weekdays, and between 9:00 am and 6:00 pm on Saturdays. Some libraries are also open on Sunday afternoons from 1:00 pm to 6:00 pm. For certain reference materials, it may be possible to access on-line through computer and telecommunications systems round the clock from remote locations.

Study Rooms

Given their limited capacity, study rooms in the tertiary institutions are generally not open to the public.

*Other Facilities**(a) Laboratories*

Some tertiary institutions allow the use of laboratories by working people pursuing part-time studies, provided that they can prove they have a genuine

need to use the laboratories for testing and other academic purposes. Priority of use will, of course, be given to students on full-time courses. Generally, only applications by organizations or groups of students would be entertained. Fees may be charged.

(b) *Lecture Theatres and Seminar Rooms*

Some tertiary institutions allow use of their lecture theatres and seminar rooms by working people who are pursuing part-time studies, or members of other external organizations for the purposes of conferences or seminars. Applications are considered on a case-by-case basis. Fees may be charged.

(c) *Sports and Amenities Facilities*

Sports facilities may be open on a case-by-case basis upon request or under special arrangements in order not to deprive full-time students of their normal use. Some institutions allow alumni, graduates, guests of students or those affiliated to the institution to make use of the facilities. Student hostels are generally closed to the public except during summer vacation when some institutions rent out hostel places for conferences or seminars run by the institutions themselves or by external organizations.

Covered Pavements in Public Housing Estates

15. **MR FRED LI** asked (in Chinese): *Recently, a series of incidents involving objects falling from a height have occurred in public housing estates, some of which have resulted in injuries to pedestrians. It is learnt that such injuries are partly attributable to a lack of covered pavements in public housing estates. In this connection, will the Government inform this Council:*

- (a) *of the total number of incidents involving falling objects which have occurred in public housing estates in the past three years, and the locations identified as black spots for such incidents;*
- (b) *how the Housing Department handles such incidents which occur in public housing estates;*
- (c) *whether the Housing Department will consider making the provision of covered pavements a basic facility in public housing estates; if*

not, why not; and what specific measures will be taken to protect pedestrians in public housing estates from being hit by falling objects; and

- (d) whether the Housing Department will promote public education campaigns or adopt other measures in its efforts to prevent incidents involving falling objects; if so, what the specific plans are; if not, why not?*

SECRETARY FOR HOUSING (in Chinese): Mr President, in the past three years, there were 38 reported incidents of injuries caused by falling objects in public housing estates. The problem was more obvious in Tseung Kwan O and Tuen Mun.

The Housing Department endeavoured to identify the offenders and warned them in less serious cases. Serious cases were reported to the police for investigation and prosecution as appropriate.

Provision of covered walkways can help to protect pedestrians from falling objects. In new public housing estates, covered walkways link domestic blocks with all strategic points such as bus terminals, schools and commercial centres. In older estates, covered walkways are provided as an improvement item where feasible.

The fundamental solution to the problem requires a change in residents' attitude. Residents are reminded of the importance of preventing objects from falling outside their flats. "Falling objects from height" is one of the main themes in a territory-wide public education campaign launched by the Housing Department in public housing estates. Through posters, notices, estate newsletters, roving exhibitions and the media, residents are reminded of the danger to other people, and of their own liability arising from such irresponsible behaviour.

Local Employees Injured or Killed on Overseas Assignments

16. **MR LEUNG YIU-CHUNG** asked (in Chinese): *Will the Government*

inform this Council:

- (a) *whether it knows of the respective numbers of local employees on overseas assignments who have sustained injuries or died while at work and not at work over the past three years;*
- (b) *whether local employees on overseas assignments who have sustained injury while not at work are protected by the relevant legislation of the territory; if not, through what channels such employees can obtain compensation; and;*
- (c) *whether the Government will consider making it a statutory requirement for employers to take out additional insurance for their employees on overseas assignments who meet with accidents while not at work?*

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

- (a) The number of work-related injury cases outside Hong Kong in the past three years which were reported to the Labour Department is as follows:

<i>Year</i>	<i>Injury Cases</i>	<i>Fatal Cases</i>	<i>Total</i>
1993	(detailed breakdown not available)		734
1994	650	40	690
1995	648	34	682

We have no statistics on injury cases involving local employees while they were outside Hong Kong which are not related to work.

- (b) The Employees' Compensation Ordinance (Cap. 282) provides for the payment of compensation to an employee who is injured in an accident arising out of and in the course of his employment. But there are provisions under which certain accidents are deemed, in

the absence of evidence to the contrary, to be arising out of and in the course of employment. They include accidents which happen when the employee is travelling from or to the place of work by means of transport provided by the employer, and accidents which happen when the employee is travelling for the purposes of, and in connection with, his employment between Hong Kong and any place outside Hong Kong or between any place outside Hong Kong and any other such place.

- (c) The government policy on employees' compensation is to ensure that an employer is liable to compensate his/her employees for injuries they have sustained as a direct consequence of their work, instead of other activities not related to work. Therefore, we do not consider it appropriate to make it a statutory requirement that employers should take out additional compulsory employees' compensation insurance to cover non-work-related injuries sustained by employees who are on overseas assignments. Employers are, nevertheless, free to consider providing such insurance cover in their employment contracts with employees.

Conditioned Hours of Work and Overtime Work in Disciplined Services

17. **MISS CHRISTINE LOH** asked: *Will the Administration inform this Council:*

- (a) *by a breakdown in tabulated form, of the conditioned hours of work as well as the arrangements for compensating overtime work undertaken by officers in various ranks in the disciplined services; and*
- (b) *of the reasons for any differences in the conditioned hours of work and arrangements for compensating overtime work in the disciplined services, and whether a review will be undertaken with a view to removing such differences?*

SECRETARY FOR SECURITY: Mr President,

- (a) Table showing the conditioned hours of work as well as the arrangements for compensating overtime work undertaken by officers in various ranks in the disciplined services is attached at Annex.

Overtime work may be undertaken only when it is unavoidable and should be kept to the absolute minimum compatible with operational requirements. Apart from exceptional circumstances arising from unforeseen events, overtime must be authorized in advance by a Head of Department or an officer nominated for this purpose by the Head of Department personally.

Compensation for overtime work in the disciplined services should normally take the form of time-off in lieu. If it is impracticable to grant time-off within one month of the date on which the overtime is worked, a Disciplined Services Overtime Allowance (DSOA) may be paid to all rank and file staff, junior members of officer grades and exceptionally, some senior officers in specific case when the Standing Committee on Disciplined Services Salaries and Conditions of Service has given approval for them to receive such an allowance. An officer may, however, opt for time-off in lieu at a later date instead of DSOA, subject to the exigencies of the service.

- (b) The conditioned hours for members of the disciplined services are determined by the operational needs of the disciplined services departments, in relation to the responsibilities, complement and the actual manpower situation in a particular grade. Factors which are taken into account when conditioned hours are considered include shift pattern, the nature of the work, working conditions and the level of stress officers may experience on the job. As the operational requirements of the various disciplined services differ, it

is clearly not feasible to set uniform conditioned hours for all the services. Any changes in the conditioned hours will have pay implications.

The arrangement for compensating officers for their overtime worked as described in (a) above apply to all disciplined services. We consider the current conditioned hours and compensation for overtime work arrangements in the various disciplined services departments to be appropriate. They will be reviewed as and when circumstances dictate. We currently have no plan to amend conditioned hours in the disciplined services.

<i>Department</i>	<i>Rank</i>	<i>Conditioned hours of works</i>	<i>Arrangements for compensating overtime work</i>
Customs and Excise	Assistant Superintendent	51 hours per week	As a first priority, C&E officers will be given time-off in lieu to compensate their overtime work. If this is not practicable due to manpower constraint or operational reasons, they will be allowed to claim the Disciplined Services Overtime Allowance (DSOA). At present, the following C&E officers are eligible for the allowance -
	Senior Inspector		
	Inspector		
	Chief Customs Officer		
	Senior Customs Officer		
	Customs Officer		
			(a) six Assistant Superintendents performing drug investigation and anti-smuggling duties (with exceptional approval given by SCS); and
			(b) officers in the rank of Senior Inspector and below.
Royal Hong Kong Police	All ranks	51 hours per week	Overtime work undertaken by the following ranks is compensated by time-off in lieu, or where this is not practicable, by DSOA -
			Chief Inspector of Police
			Senior Inspector of Police
			Inspector of Police

			Senior Station Sergeant
			Station Sergeant
			Senior Police Constable
			Police Constable
Immigration Department	Director	}	These officers are at senior supervisory or managerial levels. They are expected to work some overtime as part of their normal duties. Their salaries have been set at a level to reflect this factor. They are therefore not eligible for overtime compensation.
	Deputy Director	}	
	Assistant Director	}	
	Senior Principal Immigration Officer	}	
	Principal Immigration Officer	}	
	Assistant Principal Immigration Officer	}	
	Chief Immigration Officer	}	
		<i>Conditioned hours of works</i>	<i>Arrangements for compensating overtime work</i>
Department	Rank		
	Senior Immigration Officer	}	Overtime work would normally be compensated by time-off in lieu. This category of officers are eligible for DSOA.
	Immigration Officer	}	
	Assistant Immigration Officer	}	
	Chief Immigration Assistant	}	
	Senior Immigration Assistant	}	
	Immigration Assistant	}	
Correctional Services Department	Directorate	} 88 hours in 2-week cycle	} nil
	Chief Superintendent	} 49 hours a week	} nil
	Senior Superintendent	} 49 hours a week	} Time-off in lieu
	Superintendent	}	
	Chief Officer	}	}
	Principal Officer	}	}
	Officer	} 49 hours a week	} Time-off in lieu and/or DSOA
	Assistant Officer I	}	}
	Assistant Officer II	}	}
	Technical Instructor	}	}
	Instructor	}	
Government Flying Service	Controller	}	No compensation.
	Chief Pilot	}	Senior officers are not eligible for overtime allowance nor the grant of time-off in lieu.
	Senior Pilot	}	
	Pilot I	}	
	Chief Aircraft Engineer	} 44 hours per week	
	Senior Aircraft Engineer	}	
	Aircraft Engineer	}	
	Senior Air Crewman Officer	}	

	Air Crewman Officer	}	
	Pilot II	}	
	Chief Aircraft Technician	}	Granting of time-off in lieu, or payment
	Senior Aircraft Technician	} 44 hours per week	of DSOA.
	Aircraft Technician	}	
	Senior Air Crewman	}	
	Air Crewman	}	
	Cadet Pilot	} 44 hours per week	Officers under training are not eligible for DSOA. Cadet Pilots who are required to attend for duty beyond their conditioned hours of work in connection with their training are given time-off in lieu.
<i>Department</i>	<i>Rank</i>	<i>Conditioned hours of works</i>	<i>Arrangements for compensating overtime work</i>
Fire Services	Director	}	}
Department	Deputy Director	}	}
	Chief Fire Officer	}	}
	Deputy Chief Fire Officer	} Continuous duty	} Nil
	Senior Division Officer	} with off call hour	}
	Division Officer	}	}
	Assistant Division Officer	}	}
	Senior Station Officer (Control)	} 48 hours per week	DSOA will be made payable to
	Station Officer (Control)	}	members who have performed duties in excess of their conditioned hours.
	Senior Station Officer	}	However, arrangements for time-off in
	(Operational)	} 54 hours per week	lieu should, above all, be made
	Station Officer (Operational)	}	wherever possible.
	Senior Fireman (Control)		
	Principal Fireman (Control)	} 48 hours per week	
		}	
	Principal Fireman (Operational)		
	Senior Fireman (Operational)	}	
	Fireman (Operational)	} 54 hours per week	
		}	
	Senior Ambulance Officer		
	Ambulance Officer		
		} 44 hours per week	
	Principal Ambulanceman	}	
	Senior Ambulanceman		

Ambulanceman	}
	} 48 hours per week
	}

Environmental Nuisances of Tsuen Wan Abattoir

18. **MR SIN CHUNG-KAI** asked (in Chinese): *It was mentioned in a letter of 19 July 1996 from the Planning, Environment and Lands Branch that the Administration hoped to implement certain practical measures to ensure that the Tsuen Wan Abattoir would not generate environmental problems. As the residents living in the vicinity of the Tsuen Wan Abattoir, in particular residents of the Riviera Gardens, are still suffering from the nuisances caused by the bad smell and grunting of pigs emanating from the Abattoir and pigs-carrying vehicles, will the Government inform this Council whether:*

- (a) *the facilities in the Tsuen Wan Abattoir have been improved to bring the sanitary standard of the abattoir to that set for the Sheung Shui Slaughterhouse which will be built soon; and*
- (b) *it will consider improving the traffic arrangements in the vicinity of the Tsuen Wan Abattoir so as to avoid pigs-carrying vehicles passing through the residential area?*

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

- (a) Tsuen Wan Slaughterhouse is a private-sector project built in 1979. It is licensed under the Public Health and Municipal Services Ordinance (Cap. 132). Its facilities and operation comply with the licensing conditions and relevant public health requirements. Sheung Shui Slaughterhouse is a government project being built now. It is not practical nor economically viable to bring the standards of the Tsuen Wan facilities up to that of the Sheung Shui Slaughterhouse, unless the premises were demolished, redesigned and rebuilt. However, in order to address the residents' concern and upon the advice of government, the Tsuen Wan Slaughterhouse has implemented measures to further reduce the odour and noise generated from its operation. These include more frequent hosing down of the pig unloading area and the lairage area, repairing

broken windows facing Riviera Gardens and closing windows during slaughtering hours. These measures have already brought about significant improvements to the area. Furthermore, a working group with representatives from Tsuen Wan District Office and relevant government departments, Tsuen Wan Slaughterhouse management, District Board members and representatives of Riviera Garden was formed in July 1996 to identify and monitor practical ways of reducing and containing noise and odour nuisances emanating from the Slaughterhouse. At the working group meeting on 23 August 1996, the Slaughterhouse management agreed to consider further increasing the frequency of manual hosing down and employing a consultant to explore the feasibility of using odour neutralizer. The Working Group will meet again later this month to review the effectiveness of the mitigation measures.

- (b) The operator of Tsuen Wan Slaughterhouse has obtained the agreement of the pig delivering lorry drivers that they should not pass through Riviera Gardens via Wing Shun Street. To ensure this is done, Transport Department has prohibited the south-bound traffic at Wing Shun Street from turning right into the slaughterhouse.

Tampering of Taximeters

19. **MR CHOY KAN-PUI** asked (in Chinese): *In regard to cases involving the tampering of taximeters, will the Government inform this Council:*

- (a) *whether there is an upward trend in the number of such cases in the past three years;*
- (b) *of the maximum and minimum penalties imposed by the court for such an offence in the same period; and*
- (c) *what measures are in place to ensure that taxi passengers would not be cheated?*

SECRETARY FOR TRANSPORT (in Chinese): Mr President, the number of taxi drivers prosecuted by the police for tampering with taximeters was 11 in 1994, four in 1995, and 15 in the first nine months of 1996.

In the four most serious cases, three have already been heard by the courts. One offender was prosecuted for false accounting, one for attempting to obtain property by deception, and one for going equipped for stealing. Each of these offenders was fined \$10,000. The fourth case is still under investigation by the police.

In the other cases, offenders were prosecuted for using a taximeter with a broken seal. Of the cases already heard by the courts, the fines imposed ranged from \$500 to \$2,000.

The police have given high priority to combating offences involving tampering with the taximeter and other general taximeter offences. From January to September 1996, the police have mounted 510 operations and made 1 273 arrests. This compares with 626 operations and 1 268 arrests for the whole of 1995.

Taximeters are required by law to be submitted to the Transport Department every six months to be tested, stamped and sealed. Since October 1992, all new taxis have been required by Transport Department to install a new type of taximeter which has anti-tampering devices to protect the electronic circuit. So far, half of the taxi fleet are already fitted with the new taximeter. We will continue to discuss with the taxi trade and encourage taxi operators to speed up the pace of conversion.

Also, regulations are being drawn up requiring taxi drivers to issue receipts to passengers on demand. We aim to introduce the new regulations in early 1997 and to have full implementation by 1998.

A number of measures have been introduced to promote honesty among taxi drivers. The mandatory display of driver identity plates encourages drivers to exercise self-discipline. The maximum penalty for overcharging has been increased to \$10,000. Information booklets on taxi services have been published to set out the rights and obligations of both taxi drivers and passengers.

Funding for Voluntary Agencies Providing New Immigrant Services

20. **MR IP KWOK-HIM** asked (in Chinese): *New arrivals from China face a lot of problems after arriving in the territory. At present, many voluntary agencies (VAs) provide various services to help new arrivals integrate into the community. However, it is difficult for the VAs to further develop these services because of limited resources and such services cannot be provided to more new arrivals. In this connection, will the Government inform this Council:*

- (a) *whether there are any plans to allocate more resources to the VAs to further develop such services; if so, what the specific plans are; if not, why not; and*
- (b) *in view of the current situation in which many VAs are allocated funds by the Government to provide their services on an annual basis, which makes it difficult for them to make long-term plans for providing services for new arrivals from China, what measures does the Government have to rectify the situation?*

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

- (a) Many voluntary agencies or non-governmental organizations (NGOs) are used by Government to provide services designed to address problems faced by new arrivals. In addition, new arrivals are, of course, entitled to use the full range of social services for example, education, employment services, medical and health services and social welfare services, available to all other members of the public in Hong Kong. As regards specialized services, the Education Department subvents NGOs to provide special induction and extension programmes for the children of new arrivals. The Home Affairs Department has sought assistance from local organizations in organizing orientation and language programmes at District level. The Social Welfare Department subvents the International Social Service (ISS) to provide a range of post-migration services. These include enquiry and information services, orientation programmes,

social groups, short-term counselling and casework services, referral services for those in need of further assistance, and language courses.

In view of the increasing influx of new arrivals, it is clear that these specialized services will need to be expanded as necessary to cope with demand. For example, the subvention to the ISS has been doubled this year to provide for a major expansion of their services for new arrivals. Subject to the availability of resources, the Government departments concerned will enhance their efforts in assisting new arrivals next year. Their plans in this regard can be announced only once funding for them has been secured in the budget estimates for 1997-98.

- (b) NGOs should face no particular difficulties in the long-term planning of their services simply because funding for them is allocated annually. Once Government has agreed to subvent an NGO service, it is highly unlikely to withdraw such support at short notice and thus long-term planning for its development should be possible. It should be noted that the recurrent funding for Government services is also allocated annually but this does not prevent long-term planning for such services.

MEMBERS' MOTIONS

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR JAMES TO to move the following motion:

"That the Mental Health (Amendment) Regulation 1996, published as Legal Notice No.298 of 1996 and laid on the table of the Legislative Council on 10 July 1996, be amended in section 3 -

- (a) in new regulation 5(2) -

- (i) by repealing paragraph (b) and substituting -
"(b) a member of the Executive Council;"
 - (ii) by renumbering paragraphs (d), (e) and (f) as paragraphs (j), (k) and (l) respectively;
 - (iii) by adding -
 - "(d) a member of the Urban Council;
 - (e) a member of the Regional Council;
 - (f) a member of a District Board;
 - (g) a Justice of the Peace;
 - (h) a public officer;
 - (i) a mental hospital visitor;"
- (b) in new regulation 5D -
- (i) in paragraph (a), by adding "after exercising the power conferred under regulation 5A or 5C (as the case may be)" after "7 days";
 - (ii) in paragraph (b), by adding "after exercising the power conferred under regulation 5B or 5C (as the case may be)" after "7 days".

MR JAMES TO (in Cantonese): Mr President, I move the motion standing in my name on the Order Paper.

The Mental Health (Amendment) Regulation 1996 is a subsidiary legislation, in which a section provides that letters sent by a patient to certain specified persons may be exempted from examination. The provision states that a member of the Legislative Council is regarded as a specified person. Therefore, letters from patients to Legislative Council Members may be exempted from examination.

If we make inference in accordance with this spirit, when a patient writes a letter, whether it is a petition or a complaint letter to people such as Executive Council members, members of the three-tier Councils, Justices of the Peace,

mental hospital visitors and public officers, the letter should be exempted from examination. My present amendment just serves to fill what is missing in the law. I understand the Government is also agreeable to the amendment.

As regards section 5D, it is only a technical amendment. I hope Members will agree with the technical amendment I have made.

Question on the motion proposed, put and agreed to.

MOTION OF THANKS

PRESIDENT (in Cantonese): "Motion of Thanks." Before I call on Dr the Honourable LEONG Che-hung to move his motion, for the efficient conduct of the debate on the motion, I would like to briefly explain the procedure. Members have been advised by circular that under Standing Orders, amendments to the Motion of Thanks may be moved without notice at any time during the debate. As it is not possible to know all possible amendments to the motion before the start of the debate, it is not practicable to propose a joint debate in this case. Hence, we will follow the conventional procedure in the debate on this motion and amendments to the motion.

After Dr LEONG Che-hung has moved the motion, I will propose the question on the motion and call on other Members to speak on the motion. A Member called on to speak on the motion may, if he/she wishes, move his/her amendment. If I consider the amendment to be in order, I shall propose the question on the amendment. This question, the question on the amendment only, is then open for debate by all Members and concerned public officers, including those who have spoken on the original motion. But Members may not move a further amendment to the amendment being considered, unless it is of a purely technical nature.

After all Members and public officers who wish to speak have spoken, I shall put the question on the amendment to vote.

After the amendment has been voted upon, depending on the result, the Council continues with the debate on the original motion or on the motion as amended. Members who have not spoken on the original motion may speak. This is, even if a Member has spoken earlier on the proposed amendment, he/she may speak on the original motion or on the motion as amended.

In short, whenever an amendment to the motion is moved, all Members and concerned public officers may speak on the amendment. Once a decision on the amendment has been taken by this Council and the debate on the motion, or on the motion as amended, continues, only Members who have not spoken on the original motion or, in case the motion has been amended by an earlier amendment, on the motion as amended, may speak and may, if they wish, move further amendments to the motion, or to the motion as earlier amended.

To facilitate consideration of whether a proposed amendment complies with the Standing Orders and to allow the Secretariat to copy the amendments for distribution to Members for consideration, I will invite Members who are contemplating the moving of amendments to pass their proposed amendments to the Clerk. If you do not do this, we may have to suspend the sitting many times in the course of the debate.

I now call upon Dr LEONG Che-hung to move his motion.

DR LEONG CHE-HUNG: Mr President, I rise to move on behalf of the House the motion under my name as printed in the Order Paper. In doing so, I am very much aware of the fact that my comments may not represent the views of all the Honourable Members, although I am sure part of them will. As it is, I am given to understand that there will be amendments moved to the motion today. This will be epoch making which has not happened under the 150 years of British rule. We should welcome this, for this is what democracy is all about. Regrettably, it is democracy coming too late.

I am also acutely aware that this will be the last time legislators will have a chance to comment and criticize the policy of a colonial government. A page in our history would have been turned by this time next year. It is important for us therefore to take stock of what the British Government has done for Hong Kong in the last 150 years and to learn from its mistakes or omissions in all aspects of her colonial governance. Hopefully our comments can pave the way for the next government. This must be our responsibility as elected representatives. This we will be so judged by the people of Hong Kong, and this we will be so scrutinized by history.

"Policy address without policy" offers little useful advice for the next government

Mr President, few would dispute the punchiness of the emotion-charged speech. There are those who have even labelled it as provocative. These are

obviously areas of concern. More importantly, most would consider it as an attempt to lament his own grievances, if not frustration, and a means to glorify the achievement of the British Government and the Governor in the development of Hong Kong. Little wonder that many have named it as a policy address without policy. To many, it is a valedictory speech delivered a few months too early.

Whilst few would doubt the contribution of the British Government in the making of Hong Kong, yet instead of blowing his own trumpet, it would have gained more political mileage for the Governor and the sovereign state were he to opt for a self reflection and self assessment approach and come out with issues that the British Government had regrettably not done and areas that the British Government should have done to make Hong Kong an even better place. Such attempts would no doubt also assist his successor in the way forward though under a different flag, benefiting the smoothness of the transition, and ensuring the efficient setting up of an effective government for the benefit of Hong Kong people.

Instead, the policy address laid down a 16-point yardstick by which his successor should be put under the microscope. This is downright unfair for whoever he/she may be before he/she could steadily stand on his/her feet.

Commitment to Hong Kong after 1997 a lip service?

A departing sovereign and a co-signatory of an agreement for the transfer of sovereignty has the obligation to ensure that the terms of transfer is being properly executed. To this end, the Governor has this to say: "Britain's moral and political commitment to Hong Kong will remain ". Yet there is very little reference, if at all, to how Britain will have this implemented. How much will this commitment be a lip service and how much is it going to be a reality?

There was a strong reference to the fact that Britain still retains a lot of business commitment and involvement in Hong Kong which must be protected. There is also a mention of the continuation of the education, professional and cultural links and there is a mention of the continuation of the use of the English language. All these, none would dispute that they are important. Yet, are these where the concern of Britain in Hong Kong after 1997 will place the heaviest emphasis, whilst the welfare of the people which Britain hands over to another sovereign without their consent is water under the bridge?

Governor mute on assisting Legislative Council over this difficult year

It is a well-known fact to the Administration, to this Council and to everyone in Hong Kong that this year will be a difficult year for the Government to maintain governance and perhaps for this Council to perform its role. There will be a Chief Executive (Designate), his/her governing team designate, and other bodies that may work in conflict with this Council.

There are loads of bills that must be scrutinized and passed with or without amendments, before 1997, for Hong Kong to keep on functioning. It will be a great burden indeed. Regrettably, not a word was mentioned of how the Government intends to assist this Council over this difficult period.

Instead, government officials have repeatedly hinted to the press that it is for the Government to introduce the necessary legislation and for the Legislative Council to pass them. In short, it is the Legislative Council that will have to bear the brunt if there should be any shortfall in the passage of bills. Yes, Members of this Council have sworn to do the job and I have no doubt we all will. Yet as representatives of the public, it must also be our duty to ensure that each and every bill, irrespective of its effect, must be properly scrutinized for public good.

Let me state to the Administration in no uncertain terms that this legislature would scrutinize any bill and accord them with priorities basing on public need and public interest with no distinction between Government Bills and Members' Bills. The House is therefore appalled by the suggestion, albeit a hint, that extra funding to study bills, if needed, should be used only on Government Bills! We stand opposed to this attitude!

Legislators have constitutional rights to table Members' Bills

Furthermore, the Administration is not without fault for many of the bills could have been introduced years before when time is not as pressing. It is unfair that the Government should opt to introduce midnight bills and lay the blame on Members of this Council. Both the Governor and the Administration have not only once but on many occasions, criticized Members of this Council for introducing Members' Bills, saying that "they take up the Administration's time", "they block up the bills committee's slot".

Let me say this to the Governor and the Administration that introducing Members' Bills, is a constitutional, inherent right of Members of this Council. Furthermore, let me represent this House in advising the Administration that many Members' Bills are introduced as a result of frustration. Frustration at the snail pace movement of the Government, frustration at the *laissez-faire* attitude of the Government over any suggestion or request by Members of this Council that has no "legislative effect" but responding to public views.

We are all in the same boat, Mr President, trapped in a rapid. To come out safe requires not only hard work of each individual but also mutual respect, trust and co-operation.

Legislators must not turn Legislative Council into lame duck

Members must also do their part. Of the 60 Members in this Council (including you, Mr President), many have agenda of their own and their political affiliation that may even override their legislative commitments. There are those whose mind may well be set on spending more efforts on the Preparatory Committee or the Selection Committee. There are others who feel that it is time for them to prepare for the 1998 election and have therefore shifted efforts from the legislature to their district work.

Be that as it may, I would appeal to colleagues to do their utmost for this current Council, for it is this Council they have sworn and committed to work for, and it is this Council they are so elected to serve until it is somehow dissolved. We should never be the culprit of making our own legislature a lame duck or a crippled one. This so much we, as legislators, should pledge and this, I have no doubt that all of us will pledge.

Getting low scores in social issues

Let me now turn to social issues, Mr President, and regrettably I have to stress that the score in the policy address is not too impressive either.

Take the area of health. It would be obvious that the Governor is either, if I can say, not exactly in touch with reality or that he is not being briefed with the right statistics.

To wit, whilst the media and the public are screaming at the long waiting hours in the public hospitals' accident and emergency departments, the Governor actually stated: "We pledged to cut waiting times from 60 minutes to less than 30 minutes. We have done so." There will be those in the Administration, of course, who will argue that the average of all the emergency departments together may well be within 30 minutes. There are times of the day that the emergency departments are nearly empty and you do not even have to wait. Yet when you are suffering pain at the "peak hours", it is the suffering that you have to endure, with the clock ticking away, for two to three hours that actually counts.

On the way to bad old days in health sector

When it comes to specialist out-patient appointments and admission to hospitals for non-emergency treatment, the pledge for shorter waiting time was only temporarily attained. The honeymoon period was short-lived. Today, it is of no surprise to be given an appointment date after the transfer of sovereignty to see a specialist. Only two days ago, I received a complaint from a patient with severe abdominal pain, because she harboured stones in her kidney, but was given an appointment on 22 April 1997. This, Mr President, is by no means an isolated case.

Camp beds are now no more the exception. In one hospital in the New Territories alone, the average occupancy rate has been over 95% for the past six months. With the ever increasing patient load and the insatiable need of the public, the bad old days are not only returning, but they are already here!

Lacking of long-term health policy remains the culprit

Mr President, all these are the result of the lack of a long-term policy. I have mentioned these within and outside this Council to *ad nauseum*. It is embarrassing for the medical profession to push for this, but the fact remains that our last health care policy paper is of 1974 vintage — a very good year indeed! Let me remind the Administration once more that the 1974 White Paper denoted that its recommendations should cover the next 10 years, that is, up to 1983, by which time it must be assumed that we must move to new and higher heights!

One might take comfort from the fact that the Policy Commitment

appended to the policy address has mentioned that the Government is pledging to look at the financing problem of health care and the charging policy, the appropriate balance between primary, secondary and tertiary health care, as well as the interface of public and private sectors. Regrettably, Mr President, all these will not be completed until 1998.

Furthermore, the scope of the new initiatives are far from complete. The Government should well be advised to look at at least two other areas:

- (1) The role of traditional Chinese medicine in the whole public health care spectrum of tomorrow;
- (2) The setting up of health targets, that is, the pledge to decrease the incidence of preventable diseases within a certain period through people changing their behaviours — be it smoking, alcohol consumption, exercise, diet, avoidance of accidents, sexual attitudes and others.

I hope, Mr President, all these could be forthcoming and be forthcoming quick. It would do the public, this or the next Administration, no good to lament when it is "too little and too late".

Areas deserving thanks to the Governor

Mr President, it would be unfair of me or of this Council to be all criticism and no commendation. It would be just as unfair too to just focus on this year's policy address alone, for such would be tantamount to taking out of context the Governor's policy in total for Hong Kong which must be a continuum. We have to see the policy addresses since his arrival in Hong Kong. In this context, Mr President, few would dispute, although some may say that it is inadequate, that the Governor has given us his set of medium planning of five years.

In the last five years, we have seen more generous spending and additional commitments for public goods, though most of them are to catch up with long-term shortfall, and for which we have to owe our thanks to our economic windfall of the past few years.

There is no doubt too that Mr PATTEN has cultivated a more open and accountable government by urging every branch and department in his

Administration to set up policy commitments and pledges with regular progress reports.

Similarly through the Governor's personally flair, he has managed to get the public involved and to give response to the work of his Administration and thus enhance public awareness especially on social issues, though some may consider these as window dressing.

Failure to leave valuable legacy for next government

Yet, this Government, this departing sovereign state, has not gone far enough. It has not left any useful legacy for the next government through coming out frankly with areas that it has failed to achieve or improve, the reasons behind, as well as the possible solutions for problems left untouched.

Mr President, it must be considered as an honourable gesture for any outgoing government to depart with a vision and solution for the next government to prosper, instead of leaving it with an insolvable basket of problems. Regrettably, Mr President, such is not found in the British Government's final policy address.

Question on the motion proposed.

MR ALLEN LEE (in Cantonese): Mr President, after listening to the Governor, Mr Christopher PATTEN's policy address this year, I do not think I have much to say to him. However, after observing the work which the Governor has done in Hong Kong in the past four years, and the opinions he expressed when he first arrived at Hong Kong, I just cannot help voice out what I think.

The Governor, Mr PATTEN, said in the swearing-in ceremony held at the City Hall on 9 July 1992 (I believe many colleagues here were not present at the City Hall at that time) and I quote: "My fifth task is perhaps the most vital and challenging of all. I have heard it said that the relationship between Britain and China, and therefore the position of Hong Kong, is still bedevilled by misunderstandings and the lack of trust. I will do all that I can to remove misunderstandings and to build up trust. Trust is a two-way street. Good co-operation with China is my sincere aim and my profound wish. It is vital for the next five years, vital for the future of Hong Kong." What the Governor has

achieved in this area is obvious to all and it is needless for me to say anything more. Also, I do not wish to criticize his relation with the Chinese side given this is his last policy address. I just feel terribly sorry. Why must Hong Kong face complicated political problems today? Why was this Council stripped of the "through train"?

The Governor has posed 16 questions very skilfully in paragraph 89 of his policy address. I cannot but repeat his questions as follows:

- Is Hong Kong's Civil Service still professional and meritocratic? Are its key positions filled by individuals who command the confidence of their colleagues and the community and owe their appointments only to their own abilities?
- Is the Hong Kong Special Administrative Region (SAR) Government writing its own Budget on the basis of its own policies, or is it under pressure to respond to objectives dictated by Peking?
- Is the Hong Kong Monetary Authority managing Hong Kong's Exchange Fund without outside interference?
- Is Hong Kong behaving in a truly autonomous way in international economic organisations?
- Is the Hong Kong legislature passing laws in response to the aspirations of the Hong Kong community and the policies of the SAR Government, or is it legislating under pressure from Peking?
- Are Hong Kong's courts continuing to operate without interference?
- Is the Independent Commission Against Corruption continuing to act vigorously against all forms of corruption including cases in which China's interests may be involved?
- Is Hong Kong continuing to maintain its own network of international law enforcement liaison relationships?
- Is the integrity of the Hong Kong/Guangdong border being maintained, including the separate border controls operated by the

Hong Kong Immigration Department?

- Is the Hong Kong press still free, with uninhibited coverage of China and of issues on which China has strong views?
- Are new constraints being imposed on freedom of assembly? Are the annual commemorations and vigils of recent years still being allowed?
- Are foreign journalists and media organizations in Hong Kong still free to operate without controls?
- Is anybody being prosecuted or harassed for the peaceful expression of political, social, or religious views?
- Are Hong Kong's legislators, at successive stages of the transition, fairly and openly elected, and truly representative of the community?
- Are democratic politicians continuing to play an active role in Hong Kong politics, or are they being excluded or marginalised by external pressure?
- Is the Chief Executive exercising genuine autonomy in the areas provided for in the Joint Declaration and Basic Law?

After asking a series of questions, what message has been conveyed? Simply, the Governor is extremely mistrustful of China after four years. It is just that simple. So, what is the function of the Sino-British Joint Declaration (JD)? Why did Britain sign the JD? After 1 July 1997, the Governor surely will resign from his governorship and return honourably to his country. Will Hong Kong then become a place where there is no law and order as well as freedom of the press; where the Independent Commission Against Corruption will no longer exist; where the control will be in the hands of China; and where everything will be lost? If this is the case, why will Britain implement the JD? What are there in the JD? Does the Governor remember who were the signatories of the JD? I remember very well that the then British Prime Minister, Mrs Margaret THATCHER, came to Hong Kong to promote the JD, saying that both Britain and China had a great commitment to Hong Kong. So,

can we say the six million Hong Kong people were being cheated? I believe the Honourable Mrs Selina CHOW, who is sitting beside me now and at that time, shares the same feeling with me.

Paragraph 94 of the policy address is even more interesting. The anxiety of the Governor is Hong Kong's autonomy could be given away bit by bit by some people in Hong Kong, instead of being stripped away by Beijing (this is of course full of inconsistencies). Who are those people? He has not told us. He said we all know that over the last couple of years we have seen decisions, taken in good faith by the Government of Hong Kong, appealed surreptitiously to Beijing — decisions taken in the interests of the whole community lobbied against behind closed doors by those whose personal interests may have been adversely affected. That is damaging to Hong Kong because it draws Chinese officials into matters which should fall squarely within the autonomy of Hong Kong. In other words, some people have gone to Beijing "to make a snitch". Talking about "making a snitch", I recall one incident. In 1991, it is said that a very powerful British entrepreneur went to No. 10, Downing Street to make a snitch to the Prime Minister. What did he say? He said the then Governor, Mr David WILSON, had failed to safeguard the interests of the British businessmen whereas Hong Kong was a British colony. Later, Britain announced, to put it in a better term, the resignation of Mr David WILSON, but in the fact he was "fired". But at that time, the British Government did not announce who would become the next Hong Kong Governor and this had never happened before over the years. It was only after the general election in Britain was held more than half a year later that it was announced Mr Chris PATTEN would be the Governor of Hong Kong. What happened was not just making a snitch. To Hong Kong people, it was a "big report" as even the Governor lost his post.

Being an eloquent person, Governor PATTEN is extremely good at politics. But concerning his achievements in Hong Kong, I think different people will have different opinions. On the issue of the Comprehensive Social Security Assistance for the elderly, the Governor has all along refused to accept the unanimous view of this Council over the past three years. I think Hong Kong should take care of those people, especially the elderly, who are not capable of looking after themselves, so that they can lead a dignified life. I feel very disappointed that the Governor and his Government did not agree with our proposal.

Recently, I have an opportunity to visit, just like in the past, some elderly's

homes and talk to the elderly living there. They were not leading a dignified life but the Government has turned a deaf ear to their plight. They have mentioned some government officials' names, saying that they want to stage a protest. I think the present Government is incapable of dealing with this. We can only wait for the SAR Government to deal with it.

On housing, Governor PATTEN has on past occasions claimed that 60% of the Hong Kong population could have their own homes by 1997. As to how well he has done this, I believe not only the Governor himself, but all of us know it as well. The Liberal Party has all along urged for the selling of public housing estates to the grass-roots level. We have talked to him about this for several years but he never listen to us. We are disappointed not only because he is inconsistent with his political agenda and his policy on China, but we are also greatly disappointed with the way he handled the issue concerning the people's livelihood.

As this policy address is the last one delivered by a British Governor, we should give our support for the sake of politeness. The Liberal Party has attempted to find proposals that are worth supporting but has failed to find any. Neither can it tell what proposals are worth supporting too. I think there is no point to say anything more. We just hope that Hong Kong can have a smooth transition and learn a lesson from history that we, Hong Kong people, will work hard for our future.

Mr President, my colleagues of the Liberal Party will vote against this motion.

MR MARTIN LEE (in Cantonese): Mr President,

Who miss the colonial days most

This is the last year for the policy debate to be conducted under British colonial rule. Some may think that the Governor's last policy address merely serves as a cosmetic gesture for British rule over the last one and a half century. There are also others who think that when one is going to leave, his words would be kind too.

Under the political circumstances of the present day, it will not an easy

task to give British rule an impartial evaluation. But it will be extremely easy for one to "beat the underdog" and, at the same time, "pledge one's allegiance".

Today, the people who criticize the Governor most severely are those who have been most benefited, in the past, from the rule of the colonial government. They were appointed to district boards, advisory boards, statutory bodies, the Legislative Council or even the Executive Council. Today, they make a clean break with Britain in the hope that their past could be wiped off, claiming that they "love the country and love Hong Kong". In fact, they are the ones who miss the privileges bestowed by the colonial system most, and they are the ones who enjoy free political lunches most. Let us look at those Hong Kong people appointed as members of the Preparatory Committee to see how many of them were formerly appointed as Members of the Executive Council or the Legislative Council by the colonial government.

The colony's past and my past

In 1949 when I was 12 years old, my father took the whole family from Guangzhou to Hong Kong, whilst most of my schoolmates went to Taiwan with their families. I did not know why my father had made such a decision. It was not until I had entered the University of Hong Kong then my father told me the reason. He said for years he had spared no efforts in making contributions to the Nationalist Government. However, when he saw that the government was so corrupt and he was powerless to do anything even though he was a monitoring member, he decided not to live under the rule of such a government. He hoped that his children could be brought up in a stable environment in the future, and therefore he chose to take us to this colony — Hong Kong.

When my family first came to Hong Kong, my father was jobless and we lived in poverty. As my father was accomplished at the studies of Chinese ancient civilization, he gave Chinese tuition classes for HAN Suyin, a famous American writer, and Father TURNER, an Irish priest, after coming to Hong Kong. It was not until he had obtained a teaching post at the Wah Yan College then our family began to lead a settled life.

Later, I went to Britain to pursue a law degree. When I returned to Hong Kong, I was penniless. However, the Hong Kong society has provided me opportunities that enable me to gain success in my career step by step. When I look around me today, people who have similar experiences as mine can be seen

everywhere, including Members who are sitting here. For a Chinese to grow up in a British colony, where he also got married and made a career, it has nevertheless given him a feeling of uneasiness. It would be particularly foolish in terms of politics to give an evaluation of British rule and to positively assert the contributions Britain has made during her governorship, at a time when the handover is imminent. It would then be the wisest tactic to make a clean break with Britain. But there is an old saying in Chinese that reads, "When you drink water, think of its source." May we ask ourselves, Honourable Members, whether we could have been so successful if we were not in Hong Kong?

I must point out that the colonial rule, which has spanned a century and a half, is not entirely impeccable. In the early days, the Chinese were oppressed and discriminated against by the ruling power, and corruption was prevalent. At that time, the government was autocratic, sealing itself off from the outside world. Economically, the British capitalists held sway, and most Executive Council Members were appointed from taipans. However, I must also point out that the British have established a common law system in Hong Kong, enabling the people to do their best according to what they are good at in a free and stable environment that is governed by the rule of law.

The colony at present

Signed in 1984, the Sino-British Joint Declaration (JD) provides that Hong Kong is to be reverted to China in the form of "one country, two systems; a high degree of autonomy; Hong Kong people governing Hong Kong" and it officially announces that Hong Kong as a colony will come to an end.

Subsequently, Hong Kong entered a lengthy transitional period of 13 years. I wish to remind Members that when the JD was signed in 1984, China, Britain as well as Hong Kong have admitted that there are differences between Hong Kong and China in respect of economy, politics and social cultures. This explains why the idea of "one country, two systems" was conceived and was finally written in the JD. The Chinese leaders at that time also held the view that to enable Hong Kong to maintain its stability and prosperity after its reversion to China, it was essential for Hong Kong to maintain her own unique system. On the other hand, China would not force Hong Kong to adopt what was applied in Mainland China.

However, after 12 years, what I see today is that the concept of "one

country, two systems", which was widely supported by the Hong Kong people in 1984, is now moving further and further away from us. We have to be aware that the set of systems, including the common law system, the civil service system and the parliamentary system, left by Britain in the course of her decolonization, was also regarded by the Chinese Government as beneficial to Hong Kong 12 years ago. In his reply to the Hong Kong Students Union, Mr ZHAO Ziyang, the then Premier of China, indicated that Hong Kong would be governed in a democratic manner by people in Hong Kong in the future. Unfortunately, however, the Chinese Government later tried to freeze the systems at the 1984 level. At the same time, the Chinese Government claimed to be representing the future Special Administration Region Government and, in such capacity, interfered with Hong Kong's internal affairs during the transitional period. Surprisingly, the British Government has not only failed to voice any objection, but also accepted it mutely. This enables the Chinese Government to interfere with the internal affairs of Hong Kong during the transitional period with a justifiable cause, whereas public opinion in Hong Kong are being excluded. Hence, the Sino-British Joint Declaration has become the "Sino-British Joint Destruction of the Declaration".

When I listened to the Governor's last policy address, I had the feeling that the British Government and Governor PATTEN appeared to be in a schizophrenic state. On the one hand, they jointly destroyed the JD with the Chinese Government, while on the other, 16 benchmarks were set out to assess the state of "one country, two systems" in Hong Kong. While these 16 benchmarks are sound, it is precisely the British-Hong Kong Government that has, on past occasions, trampled on these benchmarks by breaching the JD in respect of the agreement on the Court of Final Appeal, restricting the number of overseas judges as well as including in our legislation an extended definition for acts of the state, which subsequently opens up a large loophole in our common law system. Regarding the protection of human rights, the British-Hong Kong Government sternly opposed the establishment of an independent human rights commission and a legal aid body independent of the Government. On the question of the provisional legislature, though it kept on saying that it objected to the establishment of the legislature, it merely looked on unconcerned and avoided taking any legal action to prevent the operation of the provisional legislature in Hong Kong before 1997. Such behaviours have seriously undermined the continuation of the system of law and order as well as human rights. I believe history will make a due evaluation of the Governor and, what

is more, I believe the long river of history will judge the Governor not by a single act but by whether or not the sound systems of Hong Kong can be continued. I hope the Governor can understand that there is still a chance for him to realize this goal in the coming 200-odd days by trying his best to make up for the mistakes he has made. Otherwise, I am afraid that the saying — "when a man is gone, his administration also goes with him" — would be the most neutral and kindest remark that history can give to Governor PATTEN.

In the past transitional period of 12 years, we fully appreciated how the Chinese Government interpreted the concept of "one country, two systems". It is in fact meant to apply to Hong Kong the system in practice in Mainland China as the day for the changeover of sovereignty is approaching. Moreover, the Chinese Government has already given up the solution to the problems of Hong Kong it adopted 12 years ago. Instead, it will put Hong Kong under its absolute control.

Some people say that if Governor PATTEN had not come to Hong Kong to "mess things up", there would be no bickerings between China and Britain, and there would be no provisional legislature.

In the 1991 Legislative Council election, the democratic camp won an overwhelming victory and took most of the directly elected seats. The result has indicated the trend of popular aspirations, but it has also given the Chinese officials an excuse to demand "an inspection of the tickets for the through train" with a view to driving people off the train. At that time, Governor PATTEN was busily preparing for the election of the Conservative Party.

When the Chinese officials subsequently told Hong Kong to learn from Macau the proportional representation election, I believe Governor PATTEN was still wondering why he had failed in the election held in Bath.

The operation of the Preparatory Committee, which is led by the Chinese Administration, has absolutely nothing to do with Britain or Governor PATTEN. However, we can see that the whole mode of operation, including the way the Chief Executive is to be selected, is a direct duplicate from mainland China. This is because it is the habit of the Chinese officials to know the result of the election beforehand so that they could keep their minds on carrying out the election.

I believe that were it not for Governor PATTEN's political reform package, there would not be any provisional legislature. However, the work of the provisional legislature would then be done by the Legislative Council elected in 1995. This is because to enable the Legislative Council elected in 1995 to go through the transition, the British Government would have to accede to the demand for "an inspection of the tickets". The 1995 election would then have to be carried out according to what was conceived by the Chinese Government. When the Chinese Government had had control over the Legislative Council elected in 1995, there would naturally be no need to establish the provisional legislature. But the scenario would then be: Members from the Democratic Party and I would not have the opportunity to debate the policy address in this Council any more. In the Legislative Council's agenda for the next week, there would possibly be a bill seeking to strip the Hong Kong Bill of Rights Ordinance (BORO) of its essence, and on the Wednesday after next, there would be a bill which seeks to amend the election law. This is because the Legislative Council elected in 1995 would, just like the provisional legislature, become a rubber stamp controlled by the Beijing Government. If Members who are sitting here do not agree with my viewpoint, you are welcome to negate what I said just now with concrete action after joining the provisional legislature.

The colony's future and my future

The JD has already announced the termination of Hong Kong as a colony 12 years ago. But that does not mean Hong Kong has no future, nor we have no future. I do not know whether history will judge me as dust or a meteor. I only know that my future is closely linked with Hong Kong and China. The success of "one country, two systems" will also mean to be a success for China. If China can accommodate to this system of Hong Kong, it will be beneficial to both Hong Kong and China.

I have to point out, in particular, the destructiveness of the provisional legislature. Right now, no matter they are the people who "love the country and love Hong Kong", or Chinese officials and candidates for the Chief Executive, such people are placing strong stress on the importance of the rule of law. But I wonder whether they really understand that the rule of law does not depend solely on an independent judicial system.

The lesson drawn from Nazi Germany is well known to all. During the period of the Weimer Republic before the World War II, Germany had a sound judicial system, with judges upholding justice for the people. Although the

judges remained the same after the Reichstag came under the control of the Hitler-led Nazi, they were no longer be able to uphold justice. The reason is simple — the Reichstag was already controlled by the Nazi. Instead of endorsing sound legislation to safeguard the people's rights, the Reichstag endorsed vile legislation to suppress the people. Even judges have become instruments of the Nazi for suppressing the people.

I would like to reiterate that without democracy, there would not be any rule of law. The establishment of the provisional legislature for the purpose of stripping the BORO of its essence, reinstating the vile legislation and suppressing the people's rights has marked the beginning of the collapse of the rule of law. Whether you sit by idly and remain indifferent or look on unconcerned; or trim your sails and act against your own conscience, you will have to face the stern trial of history at the end of the day anyhow.

Colonization is drawing to a close and a new era will soon come about. However, "one country, two systems" will not just come down from heaven. Democracy, freedom, human rights and the rule of law are not things to be bestowed by those in authority. As the saying goes, "A thousand miles' journey begins by taking the first step". The success of "one country, two systems" depends on every one of us.

Some people hold that as the provisional legislature will definitely come into being and now it is too late to do anything about it, we can only accept the reality. Yet I wish to point out that while success may not yet come by at the present moment, as long as we continue to strive for our cause, we have not yet failed. We would really have failed if we give up. So long as the Chief Executive and the Legislative Council are not returned by general election, we will have to continue to fight for our cause. The strive for democracy will be a long battle, and I am confident that democracy and the rule of law will eventually emerge in Hong Kong and China. I hope that Members who are present today will, when such a day comes, receive the applause and find themselves well deserving it!

Finally, I would like to express the various feelings and views of Members with a few verses. I cannot think of any that were composed by others. So, I have composed a few lines as follows:

Be this the time, in the fight for democracy, to make a U-turn,
or the time to stand firm?

Be this the time to have the Basic Law burnt,

or the time to have it supported and confirmed?

Be this the time to have the Joint Declaration spurned,
or the time to have it pledged and affirmed?

Mr President, these are my remarks.

DR DAVID LI: Mr President, the Governor, in his address two weeks ago, dwelt at some length on the recent successes of Hong Kong.

It is true that, as the end of colonial rule approaches, Hong Kong continues to grow and prosper. The people of this city have every right to take pride in their achievements.

Indeed, if we look further back, the record is little short of astounding.

Since 1945, our population has multiplied tenfold. Prosperity — for virtually all of our people — has grown at an even faster rate. It has exceeded the wildest dreams of the 1950s and 1960s. We are one of the richest communities in the world today.

It is important that, as we enter a new era of our history, we are aware of the reasons for Hong Kong's success. Common sense tells us that no single ideology or nationality can take all the credits for our accomplishments.

The energy and entrepreneurial abilities of the Chinese people have played an essential part. However, no other Chinese community has reached such a level of economic development. At least, not yet.

The British system of justice and positive non-interventionist government has made a vital contribution. Yet no other British-governed territory has attained our degree of wealth. Not even Britain itself.

Next year, this unique blend of people and institutions will watch the red, white and blue flag come down — and the red and yellow flag go up.

It will be an unprecedented event. Two proud countries will peacefully exchange sovereignty over a city that surpasses both of them in *per capita* economic terms. Our people will continue living and working in harmony, reaching ever greater heights.

My only regret, Mr President, is that the transition the Governor described two weeks ago could have been even better.

Britain's conduct as we prepare for the transfer of sovereignty will not be remembered as totally honourable.

First, there has been a lapse of morality.

The United Kingdom chose — for reasons that no one has ever really explained — to leave a small group of Hong Kong people stateless. It disappoints me to see the United Kingdom demean itself in this way.

Is Britain not ashamed to be the only major country in the world to have different classes of citizenship and passports — some of which are almost worthless?

300 million European citizens have the right to live in Britain. Yet a few thousand ethnic minorities here are treated like outcasts when all they want is some peace of mind.

Let us examine a second, broader issue — the economic and political vision of our colonial Government.

Historically, Britain has tried to insulate Hong Kong from the Mainland.

For many decades, there was little alternative. China was cut off from the world. China trade and investment contributed relatively little to Hong Kong. Our economy grew despite the Mainland — or at least regardless of it.

China's open door policy changed this state of affairs radically. Our economic growth since the late 1970s has been because of China.

Yet the British still saw integration or co-operation with the Mainland as a danger to Hong Kong. For years, no moves were made to teach Putonghua in our schools. Cross-border co-ordination of infrastructure development has been tentative.

Perhaps the most costly example of this British preference for Hong Kong isolationism was the Port and Airport Development Scheme. It will provide a superb infrastructure. But what greater economies and opportunities could we have gained had it been planned for an integrated Pearl River Delta?

Alas, the vision was not there.

This brings me to the third, and the saddest, example of Britain's record as the sun sets on the colonial regime.

The transfer of sovereignty was initially envisaged as seamless. We all remember, do we not, the "through train"?

It was a simple formula, and it was a bold one. It reflected well on the pragmatism and goodwill of the two nations concerned.

Institutions put in place under the British would remain intact on 1 July 1997. This Council would carry on doing its work. It would straddle the transition, thus providing the continuity that we all considered a major priority.

Then, something went wrong. Whether it was pride, misplaced idealism, or a plain lack of understanding, matters not. But for whatever reason, Britain decided to re-interpret the rules.

The original intent of those who drafted the rules was the maintenance of consensus. That has been erased. In its place, we have had to endure disunity, uncertainty and mistrust.

When we needed progress, we got delays. When we needed dialogue, we got bickering. When we needed diplomacy, we got press leaks. There have been times when I have felt like saying "grow up"!

It is a tribute to the people of Hong Kong that they have put up with this recklessness in good humour and with patience. The fact is, Mr President, it has been unnerving and unnecessary.

The repercussions could have been more serious. As it is, confidence in our future has withstood the erratic behaviour of this Government. I think the community is reconciled to a transition in which the seams will show.

This will pass. However, I cannot help wondering how much more everyone would have benefited if this dislocation had been avoided.

When King Canute ordered the tide to retreat, he wanted to prove to his admirers that there were limits to his power. He knew he could not command the sea to withdraw.

While the tides of history are flowing over Hong Kong today, our last Governor invites us to believe that he can ordain their course.

We all know that our community is not in total agreement about some aspects of the transition. Some would like to see the tide rise faster, some would like it to be slower, others would prefer it to flow in a different direction. People have various opinions about the pace of political reform.

A successful transition needs harmony in the community. We should not be divided between those who believe we can order the tide to go back, and those who know that we cannot. All of us in the community, whatever our personal preferences, must accept the differences between an ideal world and the real one.

This is where we need leadership.

Walter LIPPMANN, the American writer, said,

"The final test of a leader is that he leaves behind in other men the conviction and the will to carry on."

If LIPPMANN is correct, it is perfectly possible for the British to provide leadership over the next eight months. It is possible, that is, if they do not seek to undermine their successors.

For that reason, Mr President, I welcome the Governor's promise of co-operation with the next Chief Executive. I trust that he is sincere in this intention, which I would like to see extended wherever it can contribute to a successful transition.

In short, I hope this Government, in its final days, will put the interests of our six million people before all else.

And I mean all else. This is not the right time for grand posturing. This

is not the right place to fight the coming British election campaign.

It is a time for conciliation, pragmatism and perhaps some good manners. If our leaders can deliver that, the history books could still pass a glowing judgement on this last colonial Government.

If not, our memories of the final British administration will, sadly, always be tainted by that one thought. It could have been better. The colonial world will end, to use the words of T S ELIOT, "not with a bang but a whimper".

What then?

In many ways it is interesting how little will change.

We will face the same future that lies before us now, one of sizeable challenges and enormous opportunities.

As now, our people will expect improvements in the environment, education, transport and housing. They will expect our streets to be kept safe. They will expect our Government to be kept clean and fair.

We in the financial community will expect Hong Kong to continue rising in stature as the financial centre of China and Asia.

Most of all, as this policy address fades from our memories, Hong Kong will continue its integration with China.

We have bridges to build. Bridges that will lead to prosperity by bringing the Mainland and the world closer together. Bridges for the 21st century, Mr President.

Mr President, I have voiced reservations about the Governor's address, in particular, the need for conciliation. In that spirit, I support the motion.

MR IP KWOK-HIM (in Cantonese): Mr President, on a policy address delivered by the Governor of the last era, the expectations of the Hong Kong people are, in fact, already not too high. At this historical moment when Hong Kong is going to revert to China, Hong Kong people only hope that Hong Kong

can have a smooth transition, that the community can develop steadily, and that Hong Kong can continue to maintain its prosperity and stability on a long term basis. However, this policy address has run counter to the wishes of the Hong Kong people.

This last policy address delivered towards the end of the colonial rule for 150 years is "inherently handicapped" insofar as content is concerned. It is naturally difficult for the Administration, as a sunset government, to have any ambitious plans. Looking through the policy address embodying tens of thousands of words, there is not much substance other than self-appreciated success claimed by Governor PATTEN from Hong Kong's stories of success. It can be said there is nothing new and there is no new policy at all. On the contrary, the fact that Governor PATTEN has always been the one triggering off much controversy in the past few years over such issues as the political reforms, the provisional legislature and the major infrastructural projects straddling 1997 and so on, has not even been mentioned in the policy address. But anyhow, it is impossible for the facts to be covered up. By way of his policy address, Governor PATTEN has given vent at one go to his grievances sustained from criticisms and the setbacks he suffered over the past few years. The whole policy address is overwhelmed with a bitter taste that "time is not with him" and of "a feeling of helplessness when seeing flowers wither and drift".

Astonishing remarks

Mr President, Governor PATTEN, once the top man of the Conservative Party in Britain, is no simple politician. Although this policy address of the last era contains historical value *per se*, the Governor knew very well that if the address contained nothing worth quoting, it could hardly attract attention from the public, the mass media and popular opinion worldwide. Therefore, staking everything on this single chance, he strongly rebuked the setting up of the provisional legislature as a "bad idea" in stern terms in the address which would bound to provoke Sino-British arguments. Moreover, he alleged that, without naming anyone specifically, some people in Hong Kong are betraying the interests of Hong Kong and giving away bit by bit the autonomy of Hong Kong.

On political issues, the whole policy address can be conclusively described as "shifting the blame onto others and shirking one's responsibilities". First of all, the noble Governor PATTEN has even gone so far as to mention in the policy address, which is meant to be published openly, that over the last couple of years,

some people had been "making a snitch" to Beijing but without pointing out clearly whom he was referring to. Just as the Governor has always emphasized, Hong Kong is a society ruled by law. If there is evidence that a case has been reported secretly to Beijing by someone, it should be made public to let the Hong Kong people judge by themselves whether the autonomy of Hong Kong has been given away. But now, after making the accusation, the Governor tried to dodge by simply saying that "as a "scrupulous Governor", I will not disclose the details". How irresponsible he has been Governor PATTEN is undoubtedly using such kind of "ungrounded accusations" to incite one against the other, arouse suspicion and confrontation among the Hong Kong people in order to bring about the effect of dissimilation.

It is an indisputable fact that by 30 June next year, Britain's colonial rule will formally end. However, Britain still does not accept this fact to date. Reading between the lines, it is not difficult to find from the policy address that Britain attempts to continue its colonial rule beyond 1997. Governor PATTEN says, in "all righteousness", that "Britain's moral and political commitment to Hong Kong will remain, inscribed in a binding international treaty spanning the next 50 years." In this connection, I believe not many Hong Kong people can really appreciate this "strong sentiments of kindness" of the British. The Hong Kong people has yearned to get rid of the British colonial rule that has spanned more than a century. Who has the need for them to remotely control the affairs of the Hong Kong Special Administrative Region (SAR)?

OVERRATING ONESelf AND OVERCONFIDENCE

Mr President, Governor PATTEN has even gone so far as to call the Chief Executive of the future SAR "my successor". Moreover, he has worked out "ten key elements" for the work to be carried out by the SAR administration and has also set out 16 benchmarks for judging whether Hong Kong is successful in future. As a matter of fact, the answers to these questions have already been undertakings made in the Basic Law and there is no need at all for the Governor to put forward the questions. It is indeed embarrassing of him to praise himself for knowing the Basic Law much better than the Bible! If the reason for his queries is he does not trust China, how could Britain give Hong Kong back to China merely by virtue of the Sino-British Joint Declaration? Therefore, the Governor's "posing of the questions without feeling ashamed" is simply because he intends to spread some ungrounded pessimistic sentiments and to scare the

people in Hong Kong by portraying that Hong Kong will plunge into total darkness in future after the withdrawal of British rule.

Obstinacy will only lead to a blind alley

Mr President, what makes it even harder to understand in regard to the Governor's motive is that in the policy address, he opposes the setting up of the provisional legislature by making remarks that are even stronger and more provocative than those he made in the past when criticizing the provisional legislature.

There are causes to and effects arising from every case. I believe that the Hong Kong people still remember well that shortly after Governor PATTEN came to Hong Kong in 1992, he put forward his "political reform package" and derailed the "through train" with his own hands, causing Sino-British relations to deteriorate since then. Now four years have lapsed. Not only has Governor PATTEN failed to be aware of his mistakes, he has also made further excuses to cover his mistakes by confusing right and wrong — "the dispute was never — despite the artillery thud of propaganda — about breaches of the Joint Declaration or the Basic Law", and "a provisional legislature, allowed to operate before 1 July, would be destabilizing". As a matter of fact, the establishment of the provisional legislature is to avoid the emergence of a legal vacuum after the handover of sovereignty in 1997 with a view to maintaining social stability of Hong Kong. Earlier on, Mr LU Ping, Director of the Hong Kong and Macao Affairs Office of the State Council, has reiterated that the provisional legislature will not operate "side by side" with the existing Legislative Council. Judging from the three important missions which Mr LU Ping said the provisional legislature should have, namely, (1) to deal with the nationality and election issues; (2) to enact legislation relating to the right of abode and immigration; (3) to solve the problems concerning the appointment of judges to the Court of Final Appeal, a legal vacuum will appear after 1997 if there is no provisional legislature, and that will be unimaginable indeed.

Nevertheless, what is even more baffling is that Governor PATTEN interpreted the establishment of the provisional legislature as the "cause" instead of the "result" attributable to the British side and obstinately twisted the fact by fabricating to the extent of slander that the Chinese side proposed the dissolution of the Legislative Council because of its dissatisfaction with the result of the election: that too many democrats were elected which has made it difficult to

keep the Legislative Council under control, so that the Chinese side decided to dissolve the Legislative Council. As members of the public in Hong Kong are clearly aware, after the 17th round of the Sino-British talks on our political system broke down in 1994, Chinese officials, including Mr LU Ping, Director of the Hong Kong and Macao Affairs Office of the State Council, and Mr ZHOU Nan, Director of the New China News Agency of Hong Kong, have pointed out clearly once and again that Legislative Members returned by the "three violations" political reform package would not be able to straddle 1997. Members should clearly recall that even on the day of election, the New China News Agency has issued a statement to clearly spell out this stance. In any case, Governor PATTEN cannot disregard this fact by interpreting the motive of establishing the provisional legislature as a conspiracy of the Chinese side in getting rid of the democrats so that they cannot go through the transition. It is entirely due to the credit of Governor PATTEN that the 60 incumbent Legislative Members have to "get off the through train".

During this latter part of the transition period when stability is what the society in Hong Kong needs most, Governor PATTEN has time and again made remarks to stir up arguments, vowed to "provoke confrontation and refuse co-operation" with the provisional legislature, interfered in the preparation for the setting up of the SAR Government and incited conflicts. If someone is to be accountable for "affecting social stability", such a person must be Governor PATTEN.

Co-operation? — "Listen to his words and watch his acts"

Mr President, in the policy address, Governor PATTEN keeps on saying that he will give the greatest possible assistance to the Chief Executive (Designate), and that it is his obligation as well as his desire. However, if the Hong Kong people can recall, when the Preliminary Working Committee was first established, Governor PATTEN said he would co-operate with the Preparatory Committee. He also openly declared that he would provide "the best co-operation and assistance" before and after the setting up of the Preparatory Committee. However, when the Preparatory Committee put forward the ten demands for co-operation, how much has he done to meet the demands? Now he says that he will offer the greatest possible assistance to the Chief Executive in accordance with the needs in this regard. However, apart from the empty undertaking, no concrete proposal has been given. Furthermore, the provisional legislature, being the first legislature of the SAR Government,

should have already come under such severe criticisms from Governor PATTEN, we really have to "listen to his words and watch his acts" to see how he will "fully support" the work of the Chief Executive of the SAR Government.

Living in the slit — the Civil Service

The first of the 16 benchmarks for a successful Hong Kong as proposed by Governor PATTEN has already queried whether Hong Kong's Civil Service would still be professional and meritocratic. Nevertheless, judging from the Governor's move of reiterating his opposition to the provisional legislature and using it as an excuse to refuse co-operation with the Preparatory Committee, he is precisely hoping that the Civil Service will lose its professional spirit of political neutrality and he is pushing it into the slit of confrontation. The Basic Law provides that the SAR Government shall be accountable to the legislature of the SAR. The smooth transition of the Civil Service to continue its service with the SAR Government also raises the question of whether the Civil Service should be accountable to the provisional legislature of the SAR. Nevertheless, Governor PATTEN claims that the Hong Kong Government has to "draw a clear line of demarcation" with the provisional legislature. As a result, the multitude of civil servants will be at a loss when co-operating with the Preparatory Committee during the transition period. This will not only deal a serious blow to the morale of the civil servants and affect their confidence in the transition as well as its continuity, but will also add invisible pressure to their work. In order to maintain the efficiency of the Civil Service, the civil servants should not be involved in the whirlpool of politics. This is most crucial to the prosperity and stability of Hong Kong.

Overstating Achievements in regard to the People's Livelihood

Mr President, since the Governor has taken up the governorship more than four years ago, he has made more than 600 undertakings. Although the "final calculations" made in the last policy address show that as much as 93% of the undertakings have been fulfilled, this is only a game with figures. For the remaining 7% unaccomplished undertakings, all are important issues, such as housing, Vietnamese migrants, old age benefits, that are of concern to the people of Hong Kong.

Later on, Members from the Democratic Alliance for the Betterment of Hong Kong (DAB) will express the views of the DAB in regard to various aspects of the people's livelihood, and I will concentrate on the aspects of environment, planning and education.

On the environmental aspect, the policy address has pointed out that one of the immediate issues is to control emissions from motor vehicles in order to improve air quality in Hong Kong. The Administration has also undertaken to work out and publish the road-side air pollution index, establish additional air pollutant monitoring stations in order to assess the air quality and monitor the level of toxic air pollutants and so on. In spite of these, it is disappointing to note that the policy address has failed to put forward any proposals in regard to the improvement of the air quality of the tunnels, an issue that is of the public's concern at the present moment. At present, the air quality of three privatized tunnels is being controlled by only one ordinance which has no legal binding effect while the five public tunnels are "even not controlled by legislation" at all. The Administration should really consider enacting legislation expeditiously to improve the current situation so that the health of the public can be safeguarded.

On the planning aspect, the Secretary for Planning, Environment and Lands mentioned in the Policy Commitments that by the year 2011, Hong Kong will need approximately 3 000 hectares of new land, half of which will be used for the construction of the port and used as reserve areas, while the rest of the 1 500 hectares of land will be used for residential, commercial and other purposes. Under the premise that a full study on the needs of the future port of Hong Kong as well as the port development in South China and Southeast Asia are yet to be conducted, the DAB has reservations about the premature planning for future port facilities and the allocation of 1 500 hectares of land.

Mr President, in the policy address, the Governor clearly states that education will lay a strong foundation for Hong Kong's future. However, it is disappointing to find that the part on education is, just as usual, lack of new initiatives, with limited space devoted to education too.

Taking into Account the interests of the whole and look before leaping

In the face of improving Sino-British relations, it is very important, as far as the interests of Hong Kong are concerned, that both the Chinese and British sides can work hand in hand to deal with various transitional affairs efficiently. No matter how unwilling Britain is, British rule is due to come to an end. It is

the sincere hope of the Chinese side and the Hong Kong people that Britain could walk out from the illusions and come to terms with reality; that she could concentrate on her own business during the last few months of the transition period, comply with the requirements of the Sino-British Joint Declaration, guarantee that the sovereignty be handed over smoothly, and create no more new troubles by inciting new confrontations. If the British side intends to continue its colonial rule, the consequence must be, as quoted from the Aesop's Fables, "grasp all, lose all". Both the British side and Governor PATTEN are invited to look before they leap.

Thank you, Mr President.

MR LAU WONG-FAT (in Cantonese): Mr President, the last policy address for Hong Kong under British rule is special in a way that it does not quite resemble a policy address. It is more like a political valediction for the expression of feelings, giving vent to emotions and recollecting the past and pondering on the future. It is not too surprising that the Governor used plenty of rhetorical words and phrases to sing the praises of Britain and himself, giving positive recognition to Britain's 150 years of governance over Hong Kong and what the Governor has done since he took over the governorship. However, the 10 progressive key elements together with the 16 benchmarks, which assess the current situation, presented by the Governor as his parting words to his "successor", so to speak, are open to discussion.

These parts of the policy address remind us of ZHUGE Liang of "the period of Three Kingdoms" who was entrusted with the care of the orphaned emperor by LIU Bei. In *Chushibiao*, a memorial that the profoundly loyal ZHUGE Liang wrote to petition the emperor before setting out for the northern expedition, he repeatedly advised the fatuous and incompetent emperor of the strategies to rule the country. However, it is neither appropriate nor necessary for an outgoing Governor of a British colony to tell the Chief Executive of a special administrative region under the Chinese sovereignty how to govern Hong Kong and how to gain international recognition. According to the provisions concerned, the Chief Executive shall be returned by election and shall be responsible to the Central Government of China and the Hong Kong Special Administrative Region (SAR). The Chief Executive is not "an oaf" of the British-Hong Kong Government. Moreover, the Chief Executive's governance over the territory will be subject to the limitations stipulated in the Basic Law and the monitoring of the people of Hong Kong. Therefore, the remarks the

Governor made will only bring about suspicion and disputes, they will certainly not have any positive effect.

Apart from this, the Governor even put forward his theory of a "successful transition", differentiating it from a smooth transition. In his policy address, the Governor has not elaborated what a "successful transition" really means apart from saying that so long as the right destination can be reached. However, he has drawn an analogy on other occasions by saying that it is not too important to have a patient sent to the hospital smoothly, what matters is that the patient can leave the hospital successfully. Let us not discuss whether the Governor was comparing the reversion of Hong Kong to China to patients receiving treatment in hospitals. What he was trying to convey is apparently that if Hong Kong does not follow his policies and yardstick, including the constitutional reforms that he advocated, the transition of Hong Kong will not achieve much success.

Mr President, the assurance of a smooth transition for Hong Kong was provided in the Sino-British Joint Declaration as early as some ten years ago. A smooth transition has since continued to be used and become a common goal that people from all sectors in the community aspire to. Obviously, smooth transition is not tantamount to the narrow definition of an absence of bumps along the way, as what the Governor said. In fact, smooth transition includes the transition of the original system and lifestyle, the transition of stability and prosperity, and the smooth transfer of the ruling authority. These are precisely the things that the masses of Hong Kong aspire to. Should we still say that a transition with these goals realized unsuccessful? The theory of a successful transition is indeed superfluous.

The policy address has aroused another bitter controversy by alleging that some people in Hong Kong have "made a snitch" on Beijing. The Governor has categorically stated that he was anxious about this and warned that the autonomy of Hong Kong could be given away bit by bit by those people who had appealed to Beijing. To make it sound so serious is, I think, an overstatement of the gravity of the problem indeed. In Hong Kong, everyone has the right and freedom to express their views. It is natural and normal that some people choose to reflect their opinions to Beijing. Their liberty to exercise this right and their freedom should be respected. Was it not the case that not long ago, Members of the Executive Council and the Legislative Council as well as leaders of political parties have frequently visited London to have their opinions reflected behind closed doors? Their opinions are not entirely supportive of the

British-Hong Kong Government or the Governor's administration. Yet, we have not heard of anyone saying in so doing, the autonomy of the British-Hong Kong Government would be jeopardized. Even if those people who have political convictions different from those of the Hong Kong Government are seen as making a snitch on Beijing for reflecting their opinions to Beijing, it is unnecessary for the Governor to feel anxious unless he presumed that the Chinese Government is not in the least capable of making judgements and that once appeals are brought to its attention, it would make no distinction between the right and wrong, ignoring the Joint Declaration and the Basic Law and meddling in the affairs of Hong Kong. If the Chinese Government is really such a government, the question of whether there is anyone making a snitch on Beijing will make no difference so far as the destiny of Hong Kong is concerned. I believe that those who have confidence in "one country two systems, Hong Kong people ruling Hong Kong and a high degree of autonomy" will not consider people reflecting their opinions to Beijing as such a serious matter.

Mr President, the Governor's position on the provisional legislature is well known to everyone. He is simply reiterating the position he has all along been adopting by saying that he would draw a clear distinction with it and that he would not assist in the establishment and operation of the provisional legislature. Yet, the concerns repeatedly expressed by the Governor in the policy address about the operation of the provisional legislature in parallel with the Legislative Council before the reversion of Hong Kong to China are unwarranted. The Chinese Government has already stated that the provisional legislature will only carry out preparation works for enacting legislation for the Hong Kong SAR before 1 July 1997 and that it will not exercise its powers before that date. Therefore, there should not be any problem of two legislatures operating concurrently. With the termination of British rule over Hong Kong in some 200 days, it is illogical and unconvincing to suggest that China will, during this period of time, risk committing the serious crime of violating the Joint Declaration and interfering in the administration of the British-Hong Kong Government over Hong Kong in a hasty manner.

On the one hand, the Governor seeks to greet the provisional legislature with all-out resistance and rejection, but on the other, claims that he will fully support the first Chief Executive. Members of the forthcoming provisional legislature and the first Chief Executive (Designate) are important components of the first SAR Government. Given the close working relationship between the executive and the legislature, whether the British-Hong Kong Government can really throw its weight behind the first Chief Executive while it strongly opposes

the provisional legislature has yet to be proved. Let us just wait and see.

Mr President, as clearly pointed out by the title of the policy address, Hong Kong is now in the process of transition. At this point in time, the most important task for Hong Kong is to make proper preparation for transition and create favourable conditions for the establishment and operation of the Hong Kong SAR. It would not be meaningful if we remain entangled in arguments such as why Hong Kong is successful, who makes the bigger contribution, who makes a smaller one, and whether Hong Kong should really have its "spark" burnt out "in a brilliant blaze". Given the recent improvements in Sino-British relationship, I believe it is the hope of the masses in Hong Kong that the relationship between the two countries can continue to be improved so that the transition of Hong Kong will proceed in a more harmonious and smoother manner.

Mr President, I so submit.

MR SZETO WAH (in Cantonese): Mr President, the policy address has listed out in great detail a total of 16 benchmarks for Hong Kong in implementing the state of "one country, two systems". But what is important is not to set out these benchmarks, but how to fight for and ensure the materialization of these benchmarks. What has Mr PATTEN done to achieve this during his term of office? What will he do in the period when his days are being counted down?

To see something as a unified body of contradictions, and to analyze the contradictions therein is a way of understanding the matter and handling it.

11 years ago, that is, in early July 1985, the Basic Law Drafting Committee held its first plenary meeting in Beijing. At the meeting, I spoke on the theme of "Solving Two Contradictions Simultaneously", exploring the issue of smooth transition for Hong Kong and its prosperity and stability after 1997. The two contradictions I mentioned are, firstly, the contradiction between socialism and capitalism, and secondly, the internal contradiction of capitalism itself.

Today, I still express my opinions along this same train of thought. However, having gained 11 years of practical experience, I realize, on review, that my understanding of two points at that time was seriously inadequate.

Firstly, the socialism in question is no longer the socialism practised in the

era of LENIN, STALIN or MAO Zedong. Instead, it is the socialism with Chinese characteristics. Likewise, the capitalism in question is not the capitalism practised in the era of MARX or ENGELS. It is the capitalism which is going to stride into the 21st century.

Secondly, the contradictions between socialism and capitalism will sometimes evolve and appear in the form of internal contradictions of capitalism. In the reverse, the internal contradictions of capitalism will sometimes evolve and take the form of contradictions between socialism and capitalism. In fact, these so-called two contradictions are in fact the same contradiction.

The most fundamental contradiction between socialism and capitalism rests with the contradiction between public ownership and private ownership. But under the socialism with Chinese characteristics, collective ownership in the rural areas has disintegrated long time ago and state-owned enterprises, which still remain in a dead alley, can hardly find the way out and consequently become a heavy burden. On the other hand, the individual economy enjoys a prosperous development and foreign investments from capitalist societies play a dominate role. At the same time, Chinese investments in Hong Kong are making desperate efforts to earn money in the way capitalism operates. For this reason, this most fundamental contradiction, that is, the contradiction between public ownership and private ownership, does not exist any more. Now, capitalists and consortia no longer have to worry about their assets being confiscated.

Nevertheless, the "adamant adherence to the four cardinal principles" has become the main manifestation of the superstructure of the socialism with Chinese characteristics, with the Party leadership as the nucleus. Such a superstructure is contradictory to its own economic base, and the contradiction is becoming more and more intense. The contradiction between this superstructure and the economic base as well as the superstructure of capitalism is even more acute. The interaction between a superstructure and its economic base is well-known to all. If the superstructure of the capitalism originally practised in Hong Kong fails to ward off the penetration and corrosion of and attack on the superstructure of the Chinese-characterized socialism and surrenders, the original economic base of capitalism will certainly suffer damage. Such being the case, how can prosperity and stability be achieved?

Certain shortsighted capitalists and consortia in Hong Kong, who are no

longer plagued by the anxiety of ownership yet spurred on by the desire to preserve their self-interests and to obtain preferential treatment, have not only refused to resist such penetration and corrosion of and attack on the superstructure characterized by Chinese features, but they have even made efforts to court with them. This has not only sparked off acute contradictions among capitalists as well as contradictions among consortia, but also intensified the contradictions between capitalists, consortia and the middle and lower classes of society. As a result, the internal contradictions of Hong Kong continue to develop and intensify, with Hong Kong eventually becoming a society full of extreme contradictions. Such being the case, how can prosperity and stability be achieved?

Even though there will be no change in the system of ownership, such a society will in no way be a capitalistic society that is going to stride into the 21st century. Instead, it would look a bit like the capitalistic society in the era of MARX and ENGELS.

External factors can only take effect through the interaction of internal factors. Now both external and internal factors are available. Now they have already taken effect. In the future, they will give off a even greater effect.

LENIN predicated long time ago that capitalism was dying. Since then, almost one hundred years have lapsed but capitalism has not only survived, but has also continued to keep its strong vitality. At least, the capitalist state in Hong Kong was given the promise that it will live on for another 50 years. Why did LENIN's prediction fail to come true? The most important reason is that a capitalistic society is equipped with a self-perfecting mechanism that will constantly co-ordinate and solve the internal contradictions that take place within the society. Such mechanism is the dramatic changes of democracy, which is also engaged in a process of constant improvement. Quite a number of societies which are in want of such a mechanism have already perished, have they not? If we try to compare the capitalism practised in the eras of MARX and ENGELS with the capitalism prevailing nowadays, the reason will be crystal clear.

Of course, we very much hope to see that the superstructure of Chinese-characterised socialism can be improved as its economic base evolves. But this will take quite a long time. Our immediate concern is how to preserve our original superstructure and improve it so as to implement the "one country,

two systems". The key is to ensure "a high degree of autonomy" on the basis of democracy.

The true essence of "Hong Kong people ruling Hong Kong" connotes that "the Hong Kong people" is not just John Doe or any Hong Kong people, instead, he should be someone elected by the Hong Kong people through a democratic process to represent their interests and is subject to their monitoring. As the election of the Chief Executive, the Selection Committee and the Provisional Legislative Council is now underway, one just cannot help sighing and feeling sad on hearing the farcical sound of the "gongs and drums". Amidst the sound of the "gongs and drums", the 16 benchmarks are turned satires.

In order to implement "one country, two systems", we must fight for "a high degree of autonomy" on the basis of democracy. In the fight for a democratic political system, we must surmount all difficulties, and be steadfast and persevering.

" I would rather be a superb meteor,
With every atom of me in magnificent glow,
Than a sleepy and permanent planet."

Jack London's motto is too tragic and heroic for the Hong Kong people or anyone. Why must it be a meteor? Is it not true that a star, a fixed star like the sun, will also be in everlasting and magnificent glow?

We and our next generations do not long to see that "History will stand and cheer". We and our next generations only hope that we can be dignified people and lead a happy life.

Mr President, I so submit.

4.02 pm

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

MISS EMILY LAU (in Cantonese): Mr Deputy, I agree with the several Members who have just spoken that the policy address delivered by the Governor

seems to serve as a channel for him to vent his dissatisfaction or even to redress his own case, in a bid to "pave the way" for the glorious withdrawal of Britain.

However, Mr Deputy, I believe you will also agree with me that the desired audience of this policy address is neither this Council nor the people of Hong Kong, but the British and the international media instead. In this aspect, the Governor is very successful, as his address was broadcast live by the Cable News Network (CNN) of the United States and he is able to get his message across to the whole world instantly. His address was positively received and highly-praised by the western countries, particularly Britain, and so I heard.

Mr Deputy, I believe you will also share the view that this shows the tactfulness of the Governor in this respect, but what we are discussing today is how Members look at the Governor's policy address.

As a backbone element of the democrats and a member of The Frontier, I would like to briefly spell out my views on what Governor Chris PATTEN, as well as the British Government, have achieved over the past few decades, particularly the past few years, in such aspects as democracy, liberty and human rights. I hope that the western media would not view Governor PATTEN with an indulgent attitude, giving only words of praise. Rather, they have also to listen to the heartfelt words uttered by the representatives elected by the people of Hong Kong.

Mr Deputy, in fact, as I have mentioned before, Governor PATTEN may well be described as the best Governor Hong Kong has ever had, but that was not difficult to achieve, given the terribly poor performance of his predecessors. I share the views put forward by some Members earlier that upon Governor Chris PATTEN's assumption of office, the entire civil service system becomes much more open before, and is fair and transparent. He even forces policy secretaries to make pledges every year and formulate policy commitments so that reviews can be conducted in the following year to see what have been done and what have not. This is an unprecedented policy that none of his predecessors has ever pursued. It seems that some of the policy secretaries have been compelled to do so as a result of the repeated efforts of the Governor in pushing them. It is learnt that the implementation of such policy was made possible because the Chief Secretary also threw her support behind it. The policy is really superb and I hope that in the future, whoever assumes the office of Chief Executive and

whoever sits on the legislature would ask the government officials to continue with this practice. This is an excellent policy that sets a good precedent as well.

In the areas of democracy and the people's livelihood, Governor PATTEN has done more than any of his predecessors. Although in the aspect of democracy, I personally hold that what he has done is still far from enough and I have voted against his political reform package.

Governor PATTEN has allocated a lot of money to improve the people's livelihood. Of course, you may say that it is because the Hong Kong Government is rich, but the former Governors were not willing to spend more even though the government's coffers were full. Such being the case, Governor Chris PATTEN's performance in this respect deserves recognition and we must recognize that. That said, we still have a lot of problems that most media do not wish to address.

Mr Deputy, the Governor mentions in the policy address that for him, the greatest frustration is that he has not been able to seek recognition for his policy via the test of the ballot box. I feel it strange. Why could he not? I want to have direct election but, thanks to the objection of the Liberal Party, my proposal was voted down by 21 to 20. My long-cherished hope was therefore dashed. That being the case, certainly I could indignantly say that a direct election is impossible. However, why cannot Governor PATTEN hold a direct election? I feel that he is only "making sarcastic comments" and I would like him to give us an explanation. If he wants to seek recognition for his policy via the test of the ballot box, why could he not? He even seems to be implying that if he really did that, he would have won the support of the public. I could not tell whether this is really the case because, according to the Governor's self evaluation, over 60% of the population still supported him. This is a very high rating, even surpassing those of John MAJOR and the President of the United States. I really cannot figure out why he could not do so. I hope that Governor PATTEN or government officials who will be speaking later could, in their replies, explain to me why the Governor could not do so. Otherwise, I would feel that the Governor is just "shedding crocodile tears" or "making sarcastic comments". In fact, I believe Governor PATTEN should be held responsible and, over the years, Britain should also be held responsible, for failing to implement democratic policies in Hong Kong. I very much regret that the Governor has said something like that in these very last days.

In the concluding paragraphs of his policy address, Governor PATTEN even says that he hopes to have the luck to be a witness for such a day. Mr Deputy, I am now 44 and Governor PATTEN is several years older than I. I have said on several public occasions that I believe I could not see the day when Hong Kong enjoys democracy. But he says he hopes to "have the luck". What does he mean? The point is not about whether or not he "has the luck" but about what he can do to achieve this aim. We, at least, have filed our request and fought for our course. However, the Governor just sat there, standing aloof from what he clearly knows he could do. Instead, what he is doing now is only "making sarcastic comments", and this has made us profoundly furious.

Meanwhile, the Governor also says that whenever there is a fair test of public opinion in Hong Kong, it serves to demonstrate that approaching two-thirds of the electorate would support a democratic agenda. That is also somewhat weird. Does he refer only to the past elections or to all opinion polls? This shows that he is really tactful in speaking. I assume that he is referring to all opinion polls and if this is really the case, the statement he made immediately refuted the result of the opinion poll conducted in 1987 by his predecessor Lord WILSON. This is because according to that opinion poll, which was conducted by the Administration, only 15% of the respondents supported the 1988 direct election. Coming to this point, I become extremely angry again. If that poll had shown support for direct election, we would have introduced the election in 1988 and the situation now would not have been as bad.

Of course, I cannot blame Governor Chris PATTEN, for the decision not to introduce direct election in 1988 was made in 1987. However, the Governor and the British Government he represents should also be held responsible. In this policy address, the Governor sounds as if he were an onlooker or a third party, pointing an accusing finger at this and that. Who does not know that trick! The point is he should point the accusing finger right back at himself and examine what he has failed to do. However, he only knows how to make carping and thoughtless comments. It is because Governor Chris PATTEN and his predecessors have all failed to do what they should do that put the people of Hong Kong in great sufferings. Why does he not say something fair?

Mr Deputy, given that Hong Kong has come under British rule for such a long period, there are two questions we must raise though the British must be reluctant to answer. The first question is the one I put to Mrs Margaret

THATCHER, who arrived at Hong Kong on 21 December 1984 after signing the Sino-British Joint Declaration in Beijing, when I was a correspondent for the Far East Economic Review. I asked her at a press conference whether it was morally acceptable for Britain to hand over millions of Hong Kong people to a communist regime; or from the perspective of international politics, whether the highest moral standard was to safeguard the interests of one's own country? There is no problem for the handing back of the land, in particular for many of those who wish to become Chinese citizens. They can become Chinese citizens any day they want. However, some people would like to remain British citizens. As the Honourable Dr David LI has earlier mentioned and as the Deputy President has expressed concern over the years, the ethnic minorities in Hong Kong would be rendered stateless next year. It is very much a disgrace if we do not try our best to fight for these people. Apart from the thousands of ethnic minorities, there were also some Hong Kong Chinese who came to my office many times just to tell me that they wish to become British citizens. However, they were dumped by Britain into the rubbish bin unless they have talents, money or academic qualifications to become one of the 50 000 families eligible to enjoy the right of abode in Britain. Or else, they would be shut out of the door. I hold that Britain has a moral obligation. There is no need for Britain to take notice of those who want to revert to China because they are free to do so. But for those who do not want to do so, Britain is duty-bound to take care of them.

Earlier, Mr Deputy has also raised another question which I support whole-heartedly and the question is: While Governor Chris PATTEN has been shooting his mouth off, what has he done in reality? It is mentioned in the policy address that the provisional legislature should not be set up and that reports should be submitted to the United Nations in future. Moreover, the policy address has set out sixteen benchmarks. I concur with all these but the problem is, while the Governor spells out in such detail what the Chinese Government should and should not do, what if the Chinese Government fails to do accordingly, particularly we must take into special consideration that the setting up of the provisional legislature is bound to happen. Although the Chinese Government will send delegates to the United Nations Human Rights Committee next week as observers, I am not optimistic about that at all. At present, many people like to create an atmosphere of optimism on every occasion, saying that the Chinese Government might submit reports on Hong Kong since it has sent delegates to act as observers. I could not perceive such a message though I earnestly hope that the Chinese Government will do so.

The problem is the Chinese Government has repeated time and again that it will not do certain things but Britain still could not say firmly how it would react. If the Chinese Government fails to achieve all of the 16 benchmarks, what would the British Government do? Is it not "empty talk" that deceives the people of Hong Kong if Britain can do nothing about it? I feel that it is meaningless. Britain is anything but dreaming if she thinks that she has already explained the matter clearly by saying something like that and she can thus have a glorious withdrawal.

Therefore, Mr Deputy, I reiterate that Britain cannot guarantee anything insofar as what would happen to Hong Kong after 1997 is concerned. But the most basic thing the British must do is to tell the people of Hong Kong that should anything untowards happen to them in future, the British Government would welcome them to go to Britain. I believe this is the only guarantee that the British Government can give to the people of Hong Kong and this is what the British should do. Mr Deputy, I hope that you and other Honourable Members would give me support because many people may say that it is useless to ask if one knows for sure that the answer must be no. Sometimes Hong Kong people would have this way of thinking, saying that as we have been asking to no avail for so many years, there would be no point for us to ask again. Why should we stop asking? I am not going to stop until the day I drop dead.

Earlier, Mr Deputy, many of any colleagues mentioned the most interesting part of the policy address and that is the part referring to "surreptitious appeal". Governor Chris PATTEN says that his anxiety is not that this community's autonomy would be usurped by Peking, but that it could be given away bit by bit by some people in Hong Kong. I agree with the latter part of what he says, and so do many people of Hong Kong. This also reflects that he is a wise speaker because he can always strike a sympathetic chord in the hearts of the listeners. The listeners would always concur with what he said, thinking that all those who always appeal surreptitiously to Beijing or even to London are "bad" guys. I agree with all these but what does it reflect? The answer is there is something wrong with our political system. Our government cannot act as the master of its own affairs and there is an overlord above it. This explains why the people I mentioned resort to appealing surreptitiously to the overlord. In this respect, should we hold the Governor responsible for not allowing us to elect our own government? If our government is an elected one, there is absolutely no need to appeal surreptitiously to anyone. Even if there exists such a need, people should go to the Government House to air their views instead. If our Legislative Council is elected, people may come to this Council to express their

opinions.

I feel that the Governor is quite naive because he says that his anxiety is not that Hong Kong's autonomy would be usurped by Peking. Frankly speaking, it may not be his anxiety but it is my utmost anxiety. What lies before us is the fact that Hong Kong's autonomy is being usurped by the Beijing Government. I would say that to me, the Chief Executive is more appointed than selected. I feel that even those 400 members of the Selection Committee have no right to select because the decision rests with Beijing itself. I believe every member of the public would agree with me that the election is no more than a "show" in a sense that everyone knows who will be chosen well before the election starts. In addition, the provisional legislature is also appointed. If these two institutions, which occupy such an important position, are appointed, is it not evident that Beijing is usurping the autonomy of Hong Kong? Why did the Governor say something like that? I think the Governor is really going too far.

Another issue I would like to raise also concerns the selection of the Chief Executive. It was mentioned during the discussions at some of the Legislative Council Panel meetings that the selection exercise was not governed by any law regulations. At present, when even the election of village representatives is governed by law, how could the election of the first Chief Executive of the Hong Kong Special Administrative Region be governed by no law at all? How could the candidates canvass for votes, and even corruption and bribery are not governed by any rules or regulations? With their arms folded, the British time and again claimed that they had made it clear to the Chinese Government that the election had to be fair and open. But does it mean that Britain has already done her part just by saying something like that? Can we say that Britain is just "talking glibly"?

Of course, Governor Chris PATTEN was taking the chance to vent his own grievances. But the strategy formulated by Britain has been finalized no matter what and, that is to say, Britain will fully co-operate with China without reservation. We can clearly see that whenever the Deputy Prime Minister leads hundreds of people to Beijing to fight for pecuniary interests and contracts. Therefore, I hope that Governor Chris PATTEN can think twice because what he says can cheat nobody in Hong Kong. He should not think he could hide what he has done in the past by being criticized by the Democratic Alliance for the Betterment of Hong Kong. I believe, most seriously, he will be strongly reproved by the democrats.

Lastly, I would like to talk about liberty. What worry Hong Kong people most is the possibility of losing liberty. The recent WANG Xizhe case has

aroused much fear in Hong Kong because in future, Hong Kong will no longer be given the chance to accept those whom we regard as "prisoners of conscience". These people have to go into exile just because they thought differently from the Chinese Government and criticized it. Recently, when the candidates running for the Chief Executive were asked to express their opinions on these cases, they just tried to dodge the question. Some of them said the matter should be dealt with in pursuance of the law and the law referred to is Article 23 of the Basic Law. But how will he go about it by complying with Article 23? In what way will the legislation in relation to subversion against the Central People's Government be enacted? The enactment of such legislation will not only prevent people such as WANG Xizhe to come to Hong Kong, but also put us, the democrats in Hong Kong, in a dangerous position. Mr Deputy, I believe this incident will make a lot of people visualize that they will lose the freedom of rescuing people engaging in democratic movement. The Secretary for Security is shaking his head to imply that he does not agree with me. I hope he can assure us next week that we can still enjoy this freedom. We are extremely worried because "liberty" of this kind is very sensitive. We fear that once we lose such kind of freedom, we will lose other kinds of freedom as well. I hope that the Secretary for Security can slowly, bit by bit, tell us what is going to happen.

Mr Deputy, I reiterate that the giving up of one's own citizens and the failure to discharge the obligations under the Sino-British Joint Declaration whole-heartedly are all major blemishes. If the British Government is not going to wake up to reality before it is too late, she will definitely not be able to have a glorious withdrawal.

MR NGAI SHIU-KIT (in Cantonese): Mr Deputy, Hong Kong has entered the crucial period of the latter part of the transition. We require the pragmatic hardwork and support from different sectors of the community to enable Hong Kong to have a smooth transition and to welcome the new era of "one country, two systems, and Hong Kong people ruling Hong Kong" in her best condition. In view of such, the basic policy of the last Governor of Hong Kong should be to carry out the preparation work for the transition in a pragmatic way. With the Sino-British relationship changing gradually from confrontation to co-operation, it is obviously the commitment and responsibility of the last Governor to ensure a stable and smooth transition for the community of Hong Kong.

Regrettably, we cannot find the above policy commitment in this year's

policy address, nor any positive preparation for the transition. The Governor stands firm with regards to his political reforms, as such, he has overlooked the importance of a smooth transition to the well-being of the community as a whole. How ridiculous it is when he says, "Governors have lived for Hong Kong."

Mr Deputy, this year's policy address is totally devoid of substance, there are more political comments than recapitulation of work done. The reason is that the Governor may have taken too much to heart the fact that his political reforms will soon be doomed, he is so disturbed that he has forgotten the main direction for his policy, and has also forgotten his responsibility to ensure a smooth transition for Hong Kong. The "benchmarks" spelled out in paragraph 89 have revealed the Governor's confused feelings. Being the chief administrator of Hong Kong, the Governor was in effect dropping a bomb to the confidence of the public when he raised different queries on the future of the community and listed out a lot of unclear factors. The situation is just like a relay race in which one of the runners, before passing on the baton, already announces to the audience that he doubts whether the team-mate who is going to receive the baton will run in the opposite direction! Mr Deputy, there are only nine months to go before the existing government is to be replaced by a new one, everybody who is concerned about Hong Kong would expect the Governor to make some concrete arrangements to assist the work of the Preparatory Committee as well as to ensure a stable transition and smooth transfer. However, in his policy address, the Governor kept on defending his political reforms as well as criticizing and querying the provisional legislature, instead of undertaking any commitment with regard to a smooth transition. This is utterly worrying, disappointing and regrettable.

Paragraph 53 of the policy address spelled out that, "the (Sino-British) dispute was never about breaches of the Joint Declaration or the Basic Law." In that case, as the British side insists on implementing the political reforms, thereby damaging the "through train" arrangement for the Legislative Council, it is just natural for the Chinese side to formulate corresponding strategies and set up the provisional legislature to make up for the temporary absence of a legislature for the future Special Administrative Region (SAR), so as to ensure that we could have a smooth transfer of government and stable transition period. Why does the Governor keep enmeshed in the past dispute instead of adopting a positive attitude and making preparations for the transition?

The Governor said categorically that he would give the greatest possible assistance to the Chief Executive (Designate) but will not assist in the establishment and operation of the provisional legislature. He has also openly urged the Chief Executive (Designate) to co-operate with the existing Legislative Council. But how could the Chief Executive (Designate) co-operate and work together with a legislature that would not going to straddle beyond 1997? It is just adding trouble to the work of the Chief Executive (Designate). Mr President, all people in Hong Kong know that our last Governor has not committed actively to ensure a smooth transfer of Government and a smooth transition for Hong Kong! Obviously, the prosperity and stability of Hong Kong would be affected and challenged. As such, what the Governor has been doing is not in line with the interests of Hong Kong people or that of China and Britain either.

Mr President, it is worrying that the policy address does not contribute any substantial content concerning the direction of the future economic development. As a matter of fact, the local industries should and would develop towards the high-tech dimension. Certainly, the hardwork of the industrial sector is an important factor leading to the upgrade of technology and the structural transformation of the economy. However, for the government officials concerned, as policy-makers and administrators, should they not know what sort of new technology we need, and how we are going to study and design the scope for different technologies, and how to join hands with the industrial and commercial sector to solve the problems and difficulties brought about by the introduction of technology? All these are the issues that we look to the policy address for advice and direction. Yet, regrettably, the policy address is utterly silent in this regard.

Mr President, if we take the chapter on trade and industry of this year's policy commitment as an example, with regard to the progress of the "Community Electronic Trading Service", it is mentioned that "the delay was caused by an inadequate understanding of user requirements and consequent errors in the computer programmes." Mr President, it is just like trying to catch fish from a tree if the computer programmes are written without understanding fully the needs of the users first. If the "performance pledge" of each government department is made without adequate understanding of the needs of the public, it would still be an empty talk no matter how solemnly the promise is made. In view of such, the Government's failure to acquire an adequate understanding of the needs of the commercial and the industrial

sector, including technology needs, I am afraid, is very much the blind spot with regard to the efforts to motivate local economic transformation.

Mr President, it has been said time and again that our industrial and commercial sector should go high-tech, it seems that this is the direction towards which our economy should develop. Under such situation, the government officials who are responsible for technology matters indeed have to work hard and catch up with the world and understand fully the different aspects of the new technologies. They have to be well-equipped in order to match with the development of the commercial and industrial sector, so as to open up a new way for the economy of Hong Kong, which is the new direction for economic development that we have always been talking about.

Mr President, these are my remarks.

MR CHENG YIU-TONG (in Cantonese): Mr Deputy, Mrs Margaret THATCHER, the former British Prime Minister, describes Governor Chris PATTEN in her autobiography as a "very articulated person". This remark can be confirmed by the policy address he has just delivered recently. Not only is the Governor very eloquent, he can also be regarded as a master of political tricks, concept confusion, and in juggling with right and wrong.

However, when commenting on the merits and demerits of an administrator, we definitely need to have a basic criterion, and that is, whether or not "he" can improve the general public's quality of living, create bright employment prospects for workers, curb the incessantly expanding polarity between the rich and the poor, and whether or not "he" can provide a perfect condition for social establishment and economic development. To render "a country prosperous and the people living in peace" is a knack which should not be neglected by any governor.

The Governor, who is well versed in party politics, has made it his usual practice, whether intentionally or not, to focus on the views of the political parties without listening to the opinions of the labour sector when drafting the policy address. Perhaps it was because he thought that the present policy address could only last less than a year, and that most probably the policies mentioned may not be implemented as scheduled; so instead of being pragmatic, he made an unprecedented wild boast in the policy address, trying to cover up the

inglorious history of the "colonial invasion" of Hong Kong and the past mistakes that had been made by the colonial government. It is solely his wishful thinking that this could pave the road for an honourable retreat of the British colonial government and himself from this sunset arena. How could we accept such an address which was written in flowery language but was "in negligence of the common people's livelihood"?

The labour sector can be said to have pursued the issue of unemployment in Hong Kong with perseverance. To the Governor, this may be a platitude without any stimulus being exerted at all. However, what I would like to emphasize here is that: the Governor has boasted about Hong Kong's economic development as well as the increase in gross domestic product (GDP) in his policy address; he has also written a lot about Hong Kong's GDP per head which is more than US\$20,000. Yet he has not faced up to the reality —the probable social crisis which is attributable to the problems of unemployment and disparity of wealth has yet to be solved.

Mr Deputy, the policy address has set out a list of achievements attained by the PATTEN Government. I cannot deny that the government under previous Governors has, in response to the pressure and demands from different social strata, made some concessions and perfunctory moves, as well as redressed to a certain extent some of the problems that the Hong Kong society has to face. However, the fact that the government has always liked to make a claim for such deeds which should be done without mentioning as works of boundless beneficence has in fact been making itself a laughing stock.

Here, I would like to ask the Government whether it knows that the problem of structural unemployment in Hong Kong has already pushed the workers into financial straits and rendered their days wearing on like years? Does the Government know that the employment rights of the workers, under the so-called free economy, are being suppressed by the employers (including the Government itself) through such unreasonable means as massive importation of foreign labour, change in employment terms and conditions, or deliberate suppression of wages? Does the Government also know that those elderly persons who have once contributed to the prosperity of Hong Kong but now have to live on Comprehensive Social Security Assistance can only pass their sunset years with some \$20 a day?

Since I am a worker "who fight for the labour sector and face up to the

grassroots", I have the obligation to remind members of the public that they have to take heed and be aware of some false fronts put up by the Government in order to confuse you:

First, I want to remind you that if you are a middle-level or grassroot-level employee who is still unaware of the fact that the Government has always been playing tricks with figures on the issue of employment and unemployment, then you may be prone to deception.

In 1989, the unemployment rate of Hong Kong was just 1.1% and only 3 000 unemployed people were on public assistance. When Governor Chris PATTEN took up his post, the unemployment rate was 2%. Over the four years since then, unemployment rate has kept climbing up. In 1995, it even attained the climax of 3.6%. Recently, the unemployment rate has been fluctuating from time to time but the number of unemployed persons on public assistance is always on the increase. To date, the number is as high as 12 000.

What I mean is that Hong Kong is now facing a structural unemployment problem. The people unemployed are the less educated unskilled workers. Not only are they denied of the chance to enjoy the fruit of our prosperous economy as mentioned by the Governor, they are also being forced to retire prematurely or be thrown into the plight of having to stay idle.

In order to tackle the crux of the unemployment problem, the Government should put in more efforts to retrain the middle-aged workers, to assist them in job seeking, as well as to enhance their productivity. Otherwise, the well-experienced workers will be left idle, resulting in a waste of manpower resources. As a matter of fact, with technology progressing by leaps and bounces, the past recruitment requirement which emphasized on workers' "working experience" has already been changed. At present, a job-hunting worker who would settle with "low wages" is the one who gets the job. Therefore, the training and retraining programme provided for the unemployed should also include certain psychological counseling so as to prepare them for the kind of "all come to naught" psychological impact.

Second, I have to remind you that if you are one of the small proprietors of small and medium enterprises or the manufacturing industry, and up till now, you are still unclear that the Government is insincere in assisting you to improve the operating environment, then you may similarly be prone to

deception.

The Hong Kong Government has recently released the amended figures of forecast in regard to foreign trade. The estimated export value of Hong Kong products as amended, in particular, is a 5.5% negative growth, which is lower than the original forecast of zero growth. Thanks to the 9% real growth of re-export trade that the overall export of Hong Kong products can still maintain an increase of 6.5%. This is another evidence which proves that the Government is fond of playing with figures.

In July this year, the Government set up a Small and Medium Enterprises Committee to assist the Government in understanding more clearly the problems affecting the development of small and medium enterprises. This obviously will slow down the Government's pace in helping the small and medium enterprises than that expected by various sectors. This simply cannot be compared with what the Financial Secretary has emphasized earlier on — the Administration would continue to give major support to the service trades (including the financial and investment industries). In view of such, I am afraid that the economy of Hong Kong will become more and more one-sided. Without the support from the manufacturing industry, our economy would easily be affected by the turbulence in the international market and its risk resistibility would also become very poor, while the crises that may arise could have widespread impact.

The prosperity of Hong Kong brought about by effective governance as boasted by the colonial government, in fact, does not exist until the recent decades. What is more, the achievements attained today actually rely largely on the industrious Hong Kong workers as well as the intelligent and diligent small-scale entrepreneurs who provide the major driving force for our economy. On the other hand, it is incomprehensible to me that while the Government keeps flaunting the remarkable economic growth of Hong Kong, the wage level of the Hong Kong employees keeps falling instead of rising. The public's quality of living is also lowering alongside with the negative growth in wage level. They obviously cannot enjoy the so-called "affluence" as referred to by the Government.

At present, consumer spending is on the low side and various businesses are suffering from depression. Yet the Government is enthusiastic in encouraging the businessmen to make "hot-money" investment, but this will not only make all

the "employees" suffer, but the operators of the manufacturing industry and the retail service trades are also victimized. I just cannot figure out where has the wealth brought about by the economic growth in Hong Kong gone over these years?

Third, I have to remind you that if you or your relatives are among our experienced construction workers and are still unaware of the fact that the various major infrastructural projects conducted by the Hong Kong Government during the transition period will not provide you with any gratifying employment opportunities, then you may also be prone to deception.

I recall that in the early '70s when the construction of the Mass Transit Railway was still underway, workers of the "three construction streams" in Hong Kong indeed have a golden age during which they "did not have to worry about jobs". Workers of other sectors were also being benefited. At that time, workers in general were really exhilarated and excited. Nevertheless, such large-scale projects as the construction of the new airport and the related works today have in no way brought about such pleasure to the Hong Kong workers, why? It is because the Government has deliberately opened up the market for imported labour, thus breaking the rice bowls of local workers.

Under the efforts and pressure from Members of the labour sector in this Council and from various parties, the Government has earlier on replaced the General Importation of Labour Scheme bearing the quota of 25 000 workers with the Supplementary Labour Scheme with a quota of 2 000 workers. An employment centre has also been set up for the new airport project to assist local workers in job seeking. As a result, unemployment problem in the construction industry seems to have slightly relieved. However, we have recently received complaints from some workers that only two among the 50 electrical technicians referred by the employment centre to the contractor of the new airport project were employed. The reason for their being rejected is that most of them are over 45 years of age. Obviously, the "lip service" paid by the Government could not genuinely help the local workers to enjoy employment priority. This is indeed infuriating.

In regard to importation of labour, I would like to remind the Government that apart from scrapping the idea of importation of labour in disguise, it should also start dealing with the issue of British nationals having the privileges to work

in Hong Kong visa-free.

According to government statistics, there were 23 700 British staying in Hong Kong in 1994, but the figure has increased to 34 500 by February 1996. Facts reveal to us that unlike the past, when the British staying in Hong Kong were mainly the well-paid expatriate employees, quite a number of British workers engaging in menial labour have come to Hong Kong to look for jobs, thus affecting the job opportunities of local workers. With a large proportion of the works in the airport project falling behind schedule, I am afraid, therefore, that there will be an influx of British workers of the "three construction streams" into Hong Kong hunting opportunities during this period, particularly when the British economy has been sluggish for a long time. This is what the Hong Kong workers cannot tolerate.

In sum, Members from the labour sector in this Council have never had much expectation for Governor Chris PATTEN who always "indulges in empty talk but never get to work", but to this policy address which "reports only the good news but holds back the unpleasant information", they have to undoubtedly express an extremely great disappointment.

Mr President, if I were the Governor, I would "stand up front the window and search my soul" in the Government House, asking myself the following questions:

- The Hong Kong Government has already possessed a efficient and capable Civil Service, do I still have to worry that the civil servants and members of the public do not know how to choose the elite?
- The Hong Kong Special Administrative Region will have its own financial and monetary systems which operate independently as well as the right to take part in international economic organizations. Besides, it will also have a hitherto effective system to manage financial matters and foreign exchange funds. Is it a redundancy for the Hong Kong British Government to have so much "guesswork" over it?
- Insofar as the transition of the Legislative Council is concerned, the

Chinese Government is prepared to establish a provisional legislature to ensure that there will not be any temporary absence of a legislature. Why is there a need for the self-contradictory gesture of enabling co-operation with only the future Chief Executive but not the future legislature, giving an impression of an affirmative co-operation with the Chief Executive, albeit in an abstract sense, and yet again a negative co-operation with the Chief Executive in actual terms, thus causing our senior officials to become schizophrenic?

- It has already been stated in the Basic Law that Hong Kong can have its own legal system and final adjudication authority free from any external interference. Will this excessive worrying atmosphere be disadvantageous to the interests of Hong Kong and go against the wish of a glorious retreat cherished by oneself?

Mr President, as the saying goes, "Gorgeous is the scene of a setting sun, but regrettably dusk has come". As sunset is approaching, it is inevitable that people will feel down-hearted. Nevertheless, since the gorgeous setting sun is there, why should we be afraid of the dusk? To me, the scene of "a rising sun through the clouds" is a manifestation of vitality and expectations. Hereby, I sincerely hope that Governor Chris PATTEN will treasure the forth coming transient period of eight months and be pragmatic in working towards "returning something good to the public".

Thank you, Mr President.

4.40 pm

THE PRESIDENT resumed the Chair.

DR YEUNG SUM (in Cantonese): Mr President, our Governor Mr PATTEN has delivered the last policy address in his term of office. He has set out in this address the factors leading to Hong Kong's success as well as some benchmarks for governing Hong Kong in the future.

I would like to respond to some of the points the Governor has made. First of all, it seems to me that the Governor has been emphasizing that

democracy, the rule of law, human rights, freedom, as well as improvement on people's livelihood are established by the British Government and the Hong Kong Government for the Hong Kong people and that such have been well-established here for a very long time. Mr President, I would like to point out specifically that democratic development, protection of human rights and freedom, as well as improvement on people's livelihood in Hong Kong are closely related to the continuous efforts and strives made by the Hong Kong people over the years, they are not granted unilaterally by the British Government and the Hong Kong Government.

I shall talk about democracy first. As a colonial government, the Hong Kong Government has all along been neglecting the fact that all people enjoy equal rights in election. As a result, members of the public were not able to elect through general election the Legislative Council Members who would monitor the operation of the Government on behalf of the public. During the '80s, the Hong Kong Democratic Foundation urged the Hong Kong Government to launch direct election in 1988. However, the Hong Kong Government missed the chance as it was apprehensive of China's opposition. Not until 1991 were part of the seats in the Legislative Council returned by general election. Such history is traceable. I am afraid that, if it were not for the preparation of an honourable retreat for the Hong Kong British Government, the introduction of civic education and political reform in the recent years would not have been placed on the agenda.

With regard to human rights and freedom, the Public Order Ordinance and the Broadcasting Authority Ordinance, both of which seek to deprive the public of the freedom of assembly, demonstration, association and speech, have long been existing. Three persons walking in the street towards the same direction may be charged with illegal assembly. You probably have heard of it as well. Such ordinances which clamp down on human rights could only be amended after some democrats were elected to the Legislative Council in 1991. As a result, the Governor could thus have the chance to flaunt plausibly how free and open the Hong Kong society is. During the '80s, my friends and I were prosecuted by the Hong Kong Government because we have used "loudspeakers" near the Star Ferry Pier to voice our opposition to the conservative Basic Law. We were convicted by the court of an illegal use of loudspeakers in public areas. We could only be acquitted on the charges later upon appeal. The Diaoyutai Incident recently has also reminded me of the Diaoyutai Campaign in the early '70s. I was bullied by the police during the demonstrations and the assemblies

in those days, and the scenes are still fresh in my mind. After graduation from the university, I took up community organization work as my career and assisted the public to make use of social actions to improve their living environment. It was not uncommon for police suppression on the representatives of the residents in those days. In the '70s, the Hong Kong Government even kept a Pressure Groups Report which showed that some social organizations in which I also participated have long been closely monitored by the Hong Kong Government. It is not until such has been disclosed by the British press that the Hong Kong Government was forced to give an explanation for that in public.

As regards people's livelihood, the Governor has pointed out in the policy address that the gross domestic product per head in Hong Kong is US\$23,200, which is even higher than those in Australia, Canada and Britain. Besides, there is HK\$320 billion in the reserves for the Special Administrative Region. However, the singleton elderly on the Comprehensive Social Security Assistance can only receive \$1,935 per month. How can they lead a respectable life? Furthermore, there are still 150 000 people on the waiting list for public housing. And the retirement protection, after being debated for more than 20 years, can only turn out to be the unsatisfactory Mandatory Provident Fund. No doubt, the economic achievements that Hong Kong has attained could be seen by all. But the community has also paid a huge price for them, for instances, environmental pollution, high unemployment rate brought about by an economic restructuring, employment opportunities of local workers being affected by importation of labour, exorbitant land prices rendering most of the employees working hard basically for the major land developers. The recent descriptions and comments made by the Hong Kong Oxfam Group and the Hong Kong Council of Social Service on disparity of wealth in Hong Kong can truly reflect the misery behind Hong Kong's prosperity.

Mr President, relatively speaking, the situation of "the rich getting richer and the poor getting poorer" does exist in Hong Kong. In addition, the problem of disparity of income in Hong Kong is also the most serious one among the four little dragons of Asia. In his policy address, the Governor kept boasting about the achievements of Hong Kong's prosperous economy. However, could the quality of living and opportunities of the public be improved in the wake of such economic development?

Mr President, although my views differ from the Governor's as expressed

in his policy address, I must admit that the administration of the Hong Kong Government has become more open and transparent since Mr PATTEN took up his office. Mr President, the last policy address of the Governor has also indicated that within this period when Hong Kong will soon be handed back to China, both the Chinese and the British Governments are busy discussing the handover matters, but my heart is sinking. As early as in 1983, some of my friends and I have already spoken out in support of China's recovering the sovereignty over Hong Kong in 1997, and we have also put forward the orientation of a "democratic return". However, since the signing of the Sino-British Joint Declaration, I can see that the Chinese Government has been interfering more and more in Hong Kong's affairs. One cannot help feeling how distant will a high degree of autonomy be after 1997. Besides, the Chinese Government is determined to dismantle the Legislative Council returned by the election held in 1995 and replace it with a provisional legislature which indicates democratic retrogression and lacks legal basis. This has profoundly disappointed those Hong Kong people who have "social conscience". The provisional legislature and the election of the Chief Executive which is undemocratic and limited to a "small circle" of people have stripped us of our optimism towards the democratic development after 1997.

Mr President, what is even more distressful is the attitude of the Chinese Government in dealing with the democratic campaigners. While WANG Dan will face heavy penalties again, WANG Xi-zhe, the "Double Ten Declaration" participant, is also forced to flee afar. Mr President, what all these intellectuals want is but a more democratic and open China. What is wrong about this? It is only because their proposition cannot be accepted by the Chinese Government that they are subject to political persecution. After 1997, can human rights and democracy continue to run on with a high degree of autonomy in our society when Hong Kong's sovereignty is in the hands of China? I do not intend to be "ashes", nor do I want to be "a sparkling meteor". I only want to hold fast on to my principles of democracy, human rights and freedom, and to do whatever I should according to my conscience, without fear of those in power and authority.

Mr President, I so submit.

DR PHILIP WONG (in Cantonese): Mr President, in paragraph 43 of the policy address, Governor Chris PATTEN says, "But while I shall be leaving, Britain will not be departing. Britain's moral and political commitment to Hong Kong will remain in the next 50 years." This is a blatant display of his colonial mentality. I can remember that not long ago Mr PATTEN has been

lobbying busily in Western countries, he said on a number of occasions that it was utterly wrong to think that Britain would wash its hands off Hong Kong's affairs after 1997. He also claimed that Hong Kong was not just an asset to China, but was also an asset to the international community and so on. Hong Kong is a territory which Britain had grabbed as its own, she certainly will not "wash her hands off it". The British Consulate to be set up in Hong Kong after 1997 will have thousands of staff members and it is said that it will be responsible for providing "duty-bound" services for the British "population" here which is to the tune of millions. In fact, the British Government is trying to prolong its colonial influence. In ruling Hong Kong, Britain has all along been regarding Hong Kong as its own "asset", however, just before China resume the sovereignty over Hong Kong, Britain all of a sudden emphasizes that Hong Kong is an "international asset". The way that Governor Chris PATTEN spelt out their ambition and strategy in such a frank manner enables the people in Hong Kong to see clearly that Britain, while paving the way for the continuance of her political and economic privileges after her withdrawal from Hong Kong, is also actively soliciting and making use of foreign political forces to turn Hong Kong into an arena for international politics as well as a lever against mainland China. Governor Chris PATTEN's last policy address is actually a written confession of someone who has no future but is unwilling to face it squarely, and reluctant to resign himself to the fact that China is going to take Hong Kong back, and he is someone who refuses to "see through the vexations of worldly affairs" and has even tried to plant obstacles.

Rivers and mountains may be changed but it is hard to alter a man's nature

In the very first paragraph of his policy address, Governor Chris PATTEN wrongly puts the handover of political power as "the handover of sovereignty". I have criticized this point on a number of occasions. He also wrongly names the Chief Executive elected by the people of Hong Kong in pursuance of the Basic Law as his "successor", the successor to a Governor appointed by Her Majesty in accordance with the "Letters Patent", trying to make the handover of political power a private deal between him and his "successor". In addition, he also tries to give all sorts of instructions to the future Chief Executive and the Special Administrative Region (SAR) Government. It sounds, according to him, as if Hong Kong could not survive without Governor Chris PATTEN. In paragraph 89 of his policy address, he sets out "10 key elements" and "16 benchmarks" for the world to watch Hong Kong with "special interest". All these show very clearly that Britain is determined to try every means to interfere in the affairs of the future SAR and to sow the seed of discord between Hong Kong and its future sovereign country. They also prove that in the course of the

occupation of and withdrawal from her colonies, Britain has always tried to disintegrate the community and stir up confrontation, contradiction and hostility among people of different nationalities, different strata and different clans.

It proves futile to stir up confrontation

The "surreptitious appeal" mentioned by the Governor in paragraph 94 of the policy address is in fact not an exclusive right of the people of Hong Kong. This is in fact the most skilful trick of colonialists and Westminster politicians. The unleashing of the Opium War by Britain was not just attributable to the availability of cannons and gun ships and the need to fight for a share in the market in the wake of the industrial revolution, but was also attributable to the "surreptitious appeal" made by the opium traders among the commercial and political sectors with regard to the enormous benefits that could be harvested after invading and carving up China. As a result, the Parliament voted 271 to 262 in favour of the resolution that waged this unjust war, a difference of only nine votes. When we glanced through the historical records, it is not difficult to find a lot of confidential documents putting forward views to the authorities. According to Governor Chris PATTEN, all these may perhaps be termed "surreptitious appeals" as well. As the last Governor, he should, if he is not being forgetful, be aware that he is now here to take the place of his predecessor simply because some people has made "surreptitious appeal" in London. If not for those "surreptitious appeal", he might even have problems finding a place for a "bath" now in Britain!

The fact that Mr PATTEN has, in his capacity as a Governor and in a formal document like the policy address, behaved like a nagging woman gossiping about trivial things is really regretful. If Governor Chris PATTEN is going to turn all expression of political views and reflection of public opinions through channels that are not open as "surreptitious appeal", then I believe Governor Chris PATTEN himself and some British people would have made numerous such appeals all their lives. A statesman, who should be accommodating, generous, open-minded and reasonable, should work for the interests of the people, instead of being petty, low and impulsive; even if he loses, he would not "kick up a fuss". However, as a matter of fact, to many people, Governor Chris PATTEN is just an out-and-out politician.

Seeing through the Vexations of Worldly Affairs and be more Pragmatic

In recent years, the opinion of the majority in Hong Kong is preferring stability to turmoil, co-operation to confrontation, smooth transition to commotion. All along, Hong Kong people have been expecting that Governor

Chris PATTEN would be more pragmatic, and would adopt a more constructive and friendly attitude towards a smooth transition and the handover of political power, so as to co-operate with the Chinese side and to make more substantial achievements. However, he has disregarded Hong Kong people's interests, instead of reflecting on the reasons leading to the serious setbacks in the Sino-British relationship, he has used caustic remarks in more than half of his policy address to make up excuses for himself. He has even tried to alter the existing mode of transition under which the economic system, ways of life, law and the principle of an executive-led government will remain unchanged. As such, he is challenging the sovereignty of China, and trying to destroy the work of the SAR Government. In a word, he wants to have another, his own so-called, "successful transition".

Recently, there are signs showing that he does not do what he should do but works a lot on what he should not do. For example, as reflected by some in the industrial circle, a lot of industrial premises have been left vacant and a great amount of enterprise fund has thus been frozen. In the face of such a problem and other social, livelihood and economic problems derived from the restructuring with regard to the uses of properties, Governor Chris PATTEN merely stands aloof without seeking remedies or offering solutions. On the other hand, bills that would change the policy principles of various trades and industries are not only being accorded priorities, but they are also made to be passed into law before 1997. For instances, the bill that seeks to scrap the inter-bank Interest Rate Agreement, the bill relating to the legal profession as introduced this year, the Broadcasting bill and so on are all pushed through this Council despite strong oppositions from the sectors concerned. What is his intention? Is he trying to change the original characteristics of Hong Kong before leaving by throwing all trades and industries into "chaos" so to enable foreign consortia to replace of the original operators? The people of Hong Kong understand that he did all that out of his colonial mentality and practice. He is not able to see through the vexations of worldly affairs because his sight is blocked by dusty vanity. He would continue to play the role that his home country and some Western forces want him to play. We have to watch his new tricks with "specific caution" indeed.

Work with concerted efforts and draw in collective wisdom

Mr President, China is going to resume its sovereignty over Hong Kong in slightly more than 200 days. By then, as the representative for Britain's colonial

rule, Governor Chris PATTEN will be leaving Hong Kong in the wake of the lowering of the "Union Jack". This will mark the end of his political life in Hong Kong which is characterized by his defiance of the Joint Declaration and the Basic Law. The title of "Governor" will also be gone with the wind. I believe, the people rooted in Hong Kong will work with concerted efforts, draw in collective wisdom and strive with determination to make a smooth transition and the "one country, two systems" a success in accordance with the Basic Law, thereby opening a new era in the history of Hong Kong in which we will be able to make greater contributions to both China and the world.

I so submit.

MR EDWARD HO (in Cantonese): Mr President, we were informed by the Governor last year that this year's policy address would not be in the usual format, for it would be the last policy address delivered by a British governor before the transfer of sovereignty back to China after 150 years of British administration.

In these 150 years, the world has witnessed tremendous political changes and the sun has set over the British Empire long before it gives up its last and most celebrated colony in 1997.

During the same period of time, China has also gone through a tumultuous era with spasmodic revolutions, civil and foreign wars. After years of turbulence and readjustments, it has found its direction towards economic growth. In the past 16 years, China's economy has experienced leaps and bounds and the standard of living of its people is improving steadily.

However, with 1.2 billion people, China has a long and difficult route ahead before it can catch up with the western world. What the world should give to China is understanding and time so that it could achieve its objective of improving the quality of life for its vast population. In a period of rapid social changes, in the absence of evidence that would give rise to doubts, the world should accord trust to the Chinese leaders who have their own way of governing their country.

In like manner, Hong Kong has gone through immense changes, most of the time its fortunes were inextricably intertwined with that of mainland China. We must not overlook the benefits in terms of manpower and other resources which we have gained from China over the years and which are on the increase in

recent years, those things which have made Hong Kong the international metropolis as it is today. More importantly, we must not overlook the ever increasing potentials of the huge China market.

Mr President, whilst the Governor recounted the successes of Hong Kong's past, he must not forget that over the past 150 years although China has never recognized that Hong Kong's sovereignty was in the British hand, it still tolerated and observed an unequal treaty. What's more, China has been unceasingly assisting Hong Kong in its development.

After the reversion of Hong Kong's sovereignty to China in 1997, the Basic Law has guaranteed in detail that Hong Kong will have a high degree of autonomy. The Governor could have saved a lot of verbiage in his address on his so-called benchmarks for the future Hong Kong Special Administrative Region (SAR). In fact, such benchmarks were of not much use, it only reflected that he has doubts on the Chinese Government as to how it could honour the provisions of the Joint Declaration and the Basic Law. If there were to be benchmarks, it will be all of the 160 articles of the Basic Law, not just the 16 benchmarks that the Governor has cited.

It is the task of the Chinese Government and the future SAR Government to ensure how the concept of "one country, two systems" could be applied in conjunction with the Basic Law, and that all its provisions will be complied in letter and in spirit.

The Governor's last policy address is given the title: "Hong Kong: Transition". Indeed, the last days of Mr PATTEN as Governor of Hong Kong should focus upon how Hong Kong will have a smooth transition, or a "successful transition", as he put it. But, the Governor has offered very little substantial contribution in his address towards a "successful transition".

On the contrary, the intransigent attitude of the Governor over his own political reforms, and his staunch objection and refusal to recognize and co-operate with the soon-to-be-formed Provisional Legislative Council for the SAR remained to be a major stumbling block which will greatly affect progress of a host of important issues essential to be resolved before the handover.

I do not intend to re-open the arguments over the Governor's political reforms here. As I have referred to on many occasions in the past, but just in case the Governor forgets, I would like to reiterate that the disappearance of the "through train" and the institution of the provisional legislature was entirely the

result of his own deeds.

Mr PATTEN's political reform had not received extensive support in this Council as he had claimed. At that time, Members of the Council had moved different amendments to his proposals but the amendments were defeated by only one vote, notwithstanding that Mr PATTEN's supporters included three Government members who were obliged to vote on his side. If those amendments have been agreed to, history would have to be rewritten and we would not have to see today's polarization of our community on the provisional legislature, nor the depth of ill feelings and mistrust between this Government and the Chinese Government that put the smooth transition in doubt. On the contrary, we might be able to see that, except for some provisions under the Basic Law, all 60 Members of this Council could be able to serve until June 1999.

Mr PATTEN mentioned in his speech that the dispute was never "about breaches of the Joint Declaration or the Basic Law". He said: "Had we agreed to an unfair election, we might have received some people's blessing." This remark is in line with the former Chief Secretary's speech to this Council in 1992 with regard to the then policy address. At that time he said that some Members of this Council suggested "that the constitution of the Election Committee should be designed, or to put a less polite description, rigged, to ensure that pre-selected people can have their candidature rubber-stamped by such a Committee." I challenged him then, as I challenge the Governor now, to make public the names of those people who have suggested such an unfair election. My own position has all along been very clear, and I have told the Governor in the Government House myself before, my position is that I support electoral arrangements that are open, fair, and democratic and that which are built upon the letter and the spirit of the Basic Law.

Mr President, the Selection Committee is an inevitability. Shortly after that would be the election of the first Chief Executive of the SAR as well as the provisional legislature. There will be many important matters that would occupy the minds of the people of Hong Kong then.

Nevertheless, for most Hong Kong people, they will continue to work busily for a living. To them, they do have definite expectations concerning the Government and they will expect the Government to look after the affairs of governance efficiently and in an open and accountable manner. This Government should solve major problems that only the Government can do: problems of housing, of transportation, and the maintenance of the rule of law

and order. They also expect the Government to tackle the problems that are still afflicting the disabled, the elderly, and the unfortunate ones who cannot look after themselves. And, when the economy is slack, they also expect that the Government will adopt measures to relieve the problem of unemployment.

We are happy to note, from the booklets on Progress Report and Policy Commitments, that the governmental engine is running unceasingly. On the whole, I am satisfied with what the Government is doing to keep its pledges albeit not always at the required speed. We are fortunate to have a professional civil service that we can rely upon.

However, it is not difficult to find that in the policy addresses the Governor has sometimes overstated the successes and understated the problems. For example, housing remains one of the most serious problems in Hong Kong. Home ownership falls far short of the Governor's pledge in his first address by 60%. Not only that, for tens of thousands of people in an affluent society such as this, it still remains an elusive dream to have decent and adequate accommodation.

We have recently learnt from the Secretary for Planning, Environment and Lands that all the land required for the Housing Authority (HA) up to the year 2001 has been identified and allocated. What he has not stated was that the HA has been asking consistently for land to be provided at a regular time and in a regular manner. That the Administration has not done so has now resulted in a severe bunching up of a great number of housing units towards the end of the Long Term Housing Strategy (LTHS) period. My latest information in that some 62 000 units have to be provided in 1999-2000, and another 98 000 in the year 2000-2001. Such a record-breaking amount of supply has never been mentioned before, and it would be rather difficult to co-ordinate sufficient manpower as well as other resources for such purpose, given today's policy on manpower resources. In other words, the possibility that the Government could achieve the targets of the LTHS is very slight.

The problem of housing shortage is attributable to an inadequacy in infrastructure, which has severely limited the amount of usable land on which new towns or housing estates can be developed. Much more forward investment on infrastructure has to be made in order to cater for future needs.

Forward planning and investment are the aspects which the Government have been seriously lacking in the last few years before the transition. We cannot look for much in this address which covers a mere period of nine months,

nor do we expect that this would be a address with projections. The problem is that a mutually tolerant and mutually understanding relationship between the present Government and that of the future has yet to be established.

Mr President, the Governor's policy address sounds as if it were a farewell speech for Hong Kong. However, his job will not have been completed until midnight of 30 June 1997. In future, we will certainly have occasions to give an appraisal on him. Mr President, in rendering the term "appraisal", my personal assistant has first given it a Chinese equivalent meaning "praise". I would like to wait till then to give him an appraisal, which could be one of praise, but now is not the time for it!

DR LEONG CHE-HUNG: Mr President, may I have your leave to move a motion without notice to adjourn this debate to enable Mr Ronald ARCULLI to move his motion under the Interpretation and General Clauses Ordinance which is on the Order Paper?

PRESIDENT (in Cantonese): In view of the fact that the motion standing in the name of Mr Ronald ARCULLI on the Order Paper must be dispatched of today, I in my discretion give Dr LEONG the leave to speak again and move that the debate on the Motion of Thanks be adjourned so that this Council can vote on whether we should proceed with Mr ARCULLI's motion. Dr LEONG Che-hung.

DR LEONG CHE-HUNG: Mr President, I move that the debate on the "Motion of Thanks" be adjourned to enable Mr Ronald ARCULLI to move his motion under the Interpretation and General Clauses Ordinance which is on the Order Paper and that the debate on the "Motion of Thanks" be resumed immediately after Mr Ronald ARCULLI's motion has been dispatched of.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the debate on the "Motion of Thanks" be adjourned to enable Mr Ronald ARCULLI to move his motion under the Interpretation and General Ordinance which is standing in his name on the Order Paper and that the debate on the "Motion of Thanks" be resumed immediately after Mr Ronald ARCULLI's motion has been dispatched.

Question on the adjournment proposed, put and agreed to.

MEMBERS' MOTION

INTERPRETATION AND GENERAL CLAUSES ORDINANCE

MR RONALD ARCULLI to move the following motion:

"That the Prison (Amendment) Rules 1996, published as Legal Notice No. 300 of 1996 and laid on the table of the Legislative Council on 10 July 1996, be repealed."

MR RONALD ARCULLI: Mr President, firstly I am grateful to Members for the indulgence for allowing my motion to interrupt the Motion of Thanks debate and to yourself for permitting Dr LEONG to move the motion without notice.

Mr President, I move the motion standing in my name on the Order Paper. The motion seeks to repeal the Prison (Amendment) Rules 1996 under section 34(2) of the Interpretation and General Clauses Ordinance.

A Subcommittee under my chairmanship was formed to study this and other items of subsidiary legislation gazetted from 5 July to 13 September 1996.

Three meetings had been held with the Administration to examine the Prison (Amendment) Rules 1996 and members proposed a number of amendments to improve the provisions. Although the Administration did its best to accommodate members' views and suggestions, in the time available, it has not been able to provide draft amendments for the Subcommittee's consideration because of the lack of time. Taking into consideration the need to report to the House Committee on 11 October 1996, the Subcommittee concluded at its meeting on 9 October 1996 that there was insufficient time to consider the Rules and the proposed amendments and indeed for Members to consider them as well. The only solution was therefore that I should move a motion to repeal the Rules at today's sitting.

The repeal of these Rules is not the end of the matter as Members agreed at the House Committee meeting on 11 October 1996 that a Subcommittee should be formed to continue the scrutiny of the Rules. We therefore hope that the

proposed amendments could be finalized within the shortest possible time and the Administration could gazette the Rules with the agreed amendments as soon as possible.

Mr President, I beg to move.

Question on the motion proposed.

MR JAMES TO (in Cantonese): Mr President, I agree with what the Honourable Ronald ARCULLI has just said. In fact, I merely wish to put this on record in clear terms. The Prison (Amendment) Rules 1996 was indeed tabled in this Council on 10 July 1996. But since the Council chamber had to undergo renovation during the summer recess and many Members were not in Hong Kong then, the time available for examination of the Rules would really be very short when in the past we would normally have four to five weeks (or even longer with an extended period) to complete such task. However, we managed to hold several meetings for in-depth discussions within a tight schedule.

We do appreciate the progress made by the Government and the effort it has put into trying to provide the answers, and so on. The discussions were held with sincerity from both sides, with a view to perfecting the Rules as far as possible, so that whilst on the one hand the Government can maintain order in the prisons, on the other, it will see to it that things will be done in accordance with the Hong Kong Bill of Rights Ordinance and in harmony with the present situation of the Hong Kong community. Therefore, the motion moved by Mr ARCULLI, seeking to repeal the relevant Rules, is merely a technical job to obtain more time for a study of the issue. I hope that Members would not mistake this as resistance to the proposed improvements. Indeed, the Rules as they stand are already much improved than what they used to be. Only because we think that we should not deal with the matter perfunctorily that we hope to have more time for consideration. Personally speaking, I am rather optimistic about the progress and I anticipate that the work can be completed within the next month or two.

SECRETARY FOR SECURITY: Mr President, the proposed amendments to the Prison Rules were conceived after a thorough examination of the Prison

Rules and existing practices. The new rules represent a significant improvement to the existing arrangements. As we have emphasized in our discussion with the Subcommittee, we recommend these improvements to Honourable Members, having regard to two principles. The first principle is that these amendments serve to ensure consistency of the Prison Rules with the Hong Kong Bill of Rights Ordinance.

The second principle is that these amendments are modelled on the prison legislation in countries such as the United Kingdom and the United States, which have proved to be feasible and acceptable. We are satisfied that these improvements would work well in the penal system in Hong Kong, as demonstrated by similar rules in penal systems in other developed countries.

From the outset, we have made genuine efforts to put forward a package of reasonable and workable amendments, and we have kept an open mind to suggestions from Honourable Members. Before the amendments were submitted to the Executive Council for approval, we consulted Honourable Members on various occasions, including the Legislative Council Panel on Information Policy and the Legislative Council Panel on Security. These discussions have proved to be very useful in helping us to refine our proposals along the way. We are grateful for the Honourable Members' views and have, as far as possible, incorporated them into our proposals.

The amendments were laid on the table of this Council on 10 July 1996 in accordance with established legislative procedures. We were aware of this Council's workload in the intervening summer recess, so we set the commencement date of the amendment at 1 November 1996, four months after the amendments were tabled in this Council. In all good faith, we believe that this timetable should have given Honourable Members time to consider the amendments.

Looking back on the progress of discussion at the Subcommittee stage, I can appreciate Honourable Members' feelings about the time constraint in studying the tabled amendments before the deadline for moving their own amendments. Nevertheless, the Administration has done its best to address the Subcommittee's questions, has attended three meetings in less than one week's time, and has provided two detailed written replies with a number of proposals dealing with the Subcommittee's concern.

We regret that notwithstanding our efforts to seek common ground, the Subcommittee nonetheless still seeks a motion to repeal the amendments. The

result of this motion would delay the implementation of the improvements to existing Prison Rules, at the expense of inmates in correctional institutions in Hong Kong. But we will nonetheless aim to re-introduce the Rules, amended as necessary, in discussion with the Subcommittee as soon as possible.

Thank you, Mr President.

Question on the motion put and agreed to.

MOTION OF THANKS

PRESIDENT (in Cantonese): Council will now continue with the debate on the Motion of Thanks moved by Dr LEONG Che-hung.

DR HUANG CHEN-YA (in Cantonese): Mr President, Hong Kong is now on the verge of drastic changes, and the political changes in 1997 will be a vigorous challenge that we need to overcome. In addition, both our economy and society will be faced with a diversity of challenges as well. Regrettably, the policy address only seeks to leave the bulk of problems to the future Special Administrative Region (SAR) Government. It has not put forward any solution, nor made any attempts to tackle the problems promptly. Such stalling tactics will only make the problems more complicated and more difficult to be solved. I think the Government must carry out reforms in three aspects in the way ahead. First, it should reorganize its operation; second, it should reformulate its economic policy; and third, it should reformulate its medical policy.

Let me first explain why the Government should reorganize its operation. To begin with, the Government's data projections are always unreliable, thus causing it to commit mistakes frequently when making decisions and hindering it from taking prompt actions. The incorrect projections of fiscal reserves and the population growth are two most obvious examples. While the former case has resulted in the failure of the Government to match its expenditure with the demands of the public, the latter case has resulted in the Government's underestimation of the demand for various kinds of social services. Besides, the Government has always underestimated the number of housing units that it should build. As a result, the supply could never meet the demand and property prices will in turn continue to rise. The Government should therefore conduct a

comprehensive review in this respect, enhance its ability to gain prompt access to data and make accurate projections.

Apart from the inability to obtain update information, the decision-making process that proceeds as slowly as snails does also render the Government's actions unable to meet the needs of society. The Government should seriously review the flow of its decision-making process. The number of new immigrants has been on the increase for many years, but the Government just sit there and let the issue of services shortage persist over the years. Why does it not formulate any policies in advance? While the relocation of the population to the New Territories is a long-term plan of the Government, the increasing demand for cross-border sea and land transport is a trend that has been existing for years. Why did the Government not take any corresponding measures in respect of roads and the railway network in the New Territories? As for community services, outdated population data obtained two years ago would be used as base to formulate plans for facilities to be used four or five years later. Furthermore, as it takes time for the plans to get through different government departments, the facilities will very often become outdated and fail to meet the demand upon completion. In view of that, the Government must revise the flow of its decision-making process to minimize such instances of delay.

Third, the Government has been stressing constantly in recent years that cost-recovery is its financial principle. However, as the Government is a monopolistic service provider, the service charges will not be affected by market competition. As a result, it does not have any incentive to cut costs to enhance effectiveness. The high charges levied by the Electrical and Mechanical Services Department has, for many times, attracted criticisms. The hotel industry has also complained about having to pay different departments exorbitant inspection fees for their services. Yet, the Government has never explained why the staffing for inspection cannot be streamlined. During last year's review on the charging policy, Members had repeatedly criticized the manpower requirement as well as cost effectiveness of each work item of various government departments. In recent years, reorganization is a common practice among enterprises. It is because the cost and the time required for many work processes could be economized by reducing the number of staff members involved. Work that originally required three or four staff members to handle could be effectively and efficiently completed if it were handled by just one person. I think the Government should review its operation across-the-board. In this way, not only could the Government enhance its work performance and

reduce the operation costs, but the charges required to sustain the trading fund and also the charges for other chargeable items could also be reduced. Unless the Government undertakes to review and reorganize the flow of its operation and bring down the costs, the Legislative Council should not allow the Government to increase charges on the ground of cost-recovery.

Mr President, one shortcoming of the policy address is that it has overlooked the need to reorganize its economic policy. The economy of Hong Kong is now coming to a turning point and its rate of economic growth is falling continuously. While a large majority of the manufacturing sector has disappeared, new industries have yet to mature. Investment from the private sector is meagre and there is little support from the Government. The second Industrial Technology Centre and the Science Park will only be completed many years later. This has proved very clearly that the Government's planning is seriously lagging behind the actual development. This may well be described as a "slow remedy given to a critical situation".

Mr President, technological innovation, capital and manpower are three major factors that bring about economic growth. Technological innovation can facilitate the continuous growth of the economy. The economic downturn in Hong Kong in recent years has reflected that Hong Kong's position as an exporter for low-skill manufacturing industries is being severely challenged. Even the Guangdong Province could no longer rely on its cheap factory plants and labour to maintain its advantageous position. The labour-intensive process will also be relocated to the interior and northern China over time. For these reasons, manufacturers can no longer run their business by setting up factories in southern China whilst using Hong Kong as the sales outlet. Hong Kong must identify a role for its manufacturing sector and should seek to facilitate the growth of the manufacturing industries through technological innovation.

Besides, in spite of the development of tertiary education in recent years, the Government has not made good use of the resources of universities to facilitate the growth of the economy. From the experience of the United States, directional research fund awarded by the Government is an important factor in fostering the development of new manufacturing districts, such as the Silicon Valley. In recent years, the development of research studies in American universities has become the locomotive of manufacturing industries. Why does the Hong Kong Government not institute a mechanism to encourage tertiary institutions to inject more resources to facilitate the development of industrial

and commercial products?

The Government should implement actively the following measures: First is to enhance the co-ordination between tertiary academic institutions and the industrial and commercial sector. Second is to set up a directional research fund for applied technologies to help factory owners to pass through bottlenecks that hinder their product development, and third is to offer concessions for the development of technological innovative products to encourage the growth of these manufacturing industries.

Over the years, the manpower planning of the Government has failed to meet the needs of the territory's economic development, thus resulting in a peculiar phenomenon where "there are jobs with no workers, and workers who cannot find jobs". Therefore, the Government must reorganize the existing policy on manpower planning including the integration of relevant foundation courses in secondary schools, the strengthening of professional training and on-the-job training in tertiary institutions, particularly in respect of information technology, the rectification of the lack of service-related programmes in the Vocational Training Council and the provision of an opportunity for the working population to pursue continuing education.

Notwithstanding that last year, the Financial Secretary has finally responded to the demand for the provision of support to the service sector which the Democratic Party has been striving for over the years, and has taken the first move, the policy address this year has, regrettably, failed to keep up the good effort, as it did not put forth new initiatives pertaining to the development of the service sector. We are of the view that the Government must formulate measures to encourage skills enhancement within the service sector and maintain Hong Kong's status as an international financial centre.

Hong Kong's status as an international financial centre has been successively rocked by scandals. Among the local adult population, only 9% have invested in the securities market, which is a percentage lower than that in other international financial markets. One of the main reasons is the lack of confidence in the impartiality of such intermediaries as stock brokers. Cases of "rat trading" frequently occur and the Jardine Fleming Unit Trust has caused quite a furore for a case of its involvement in "rat trading". However, the Securities and Futures Commission pretended to be unaware of the issue and simply sit idly by. It is indeed a huge laughing stock that the investigation in

the internal management of an Unit Trust should take three years. How possibly can people have confidence in the operation of funds in Hong Kong? From the results of a survey published by a finance consultant earlier, 46% of the interviewees believed that the industry was not under adequate regulation while only 10% considered the existing regulation adequate. This shows the pressing need for a review on the existing regulation of funds but the policy address has not mentioned a single word in this regard. The lax criteria for a person to be qualified as a director, the arbitrary exaggeration of the company's performance in the Prospectus, the fact that bonus is arbitrarily awarded to directors and the repeated refusal of the Government to set up a complaint hotline for investors all point to the Government's apathy about the rights of investors as well as the territory's status as a financial centre. I call on the Government to address these issues squarely and spare no effort in revising the law expeditiously to step up regulation and safeguard the rights of investors, thereby ensuring that the status of Hong Kong as a financial centre will not be given up to Singapore eventually.

Mr President, I think medical service is the third aspect which warrants reorganization. My comment on the part relating to medical services in the policy address is simply: "Delays in treatment harm the patients".

This year's policy address has hardly made any new proposal in respect of medical services. I hope it was not a result of the Health and Welfare Branch officials undue concerns in that they feared that the medical expenditure may grow too fast, so before finding the way to pool funds, they resolved to hold up all provisions and let things run their course? In fact, the total medical expenditure in Hong Kong merely accounts for 4.7% of the Gross Domestic Product. This percentage is one of the lowest among advanced communities in the world, lagging far behind the 6.1% and 12.7% of Britain and the United States respectively. Of the total medical expenditure, the amount spent on public medical services only accounts for 43%. When compared with other advanced countries, over 70% of Hong Kong citizens are made to bear a heavier burden than people in foreign countries do. Take the United States as an example. Although the medical services there are mainly provided by the private sector, the public medical expenditure still takes up 44% of the total expenditure, which is slightly higher than that in Hong Kong. The social welfare available in Hong Kong is just minimal. If the Government even declines to undertake the provision of medical services, a commitment that concerns the safety and well-being of the people, then it is not making a decision that a government with a conscience should have made.

If the Government is concerned genuinely about the increasing needs for public medical services, it should be aware that an effective means to solve the problem is to provide effective community-based medical services. Where the public is less likely to contract diseases, there will automatically be less problems relating to funding. If the public stands an ever increasing chance to contract diseases, naturally there will be greater need for funds. This is an obvious rationale and I think there is no need to carry out a review to prove it. Besides, Government officials have also acknowledged the cost effectiveness of disease prevention.

Over the years, old officials have been replaced by new ones, but the policies introduced by the new officials are no better than the old ones. Medical services in Hong Kong have still been focused primarily on the treatment of diseases, the resources allocated to disease prevention is pitifully limited. I think it is mainly due to a misconception of government officials that it will take ten plus or even 20 years for the efforts put in disease prevention to bear fruits and they will not be the ones credited for the achievement by then. In fact, a host of clinical tests have proven that bringing hypertension and cholesterol under control could have significant results in reducing the incidences of heart attack and stroke in just a few years' time. In 1995, about 9 000 people died of these two diseases. It is believed that some 10 000 to 20 000 people would require in-patient treatment and are temporarily or permanently deprived of the ability to work or to take care of themselves because of these two diseases. The economic losses incurred amount to tens of millions of dollars a year. A thorough and territory-wide control scheme aiming at bringing hypertension and vascularsclerosis under control can improve the health of the public and effectively reduce the expenditure of the Hospital Authority (HA) and that on social welfare in a cost-effective way, why does the Government refuse to launch such a scheme?

Effective prevention measures for many other kinds of diseases including cancer have already been identified and I am aware of the work carried out by the Government in respect of prevention. However, in the first place, too little has been done. The budget of HA for the year 1996 to 97 is \$20 billion, but that allocated to the Department of Health is only \$2.46 billion, of which a mere \$800 million is earmarked for the prevention of diseases and health promotion. In addition, emphasis is still laid on immunization for children and general health care services, but the prevention of the major fatal diseases in Hong Kong is

completely ignored. Secondly, the development of health centres for the elderly and women is far too slow. The role of the existing four health centres for the elderly and two woman's health centres is just nominal. The Government has spent a considerable sum of money to organize large-scale activities to promote health education. However, apart from providing us with chances to enjoy the performance of pop singers, how effective are these activities in preventing diseases? I cannot find any statistical analysis in this regard.

To conclude, the Government should reorganize the direction, objective and structure of medical services and set up a prevention-oriented medical system. Working direction and plans should then be drawn up under this premise accordingly. Health centres for the elderly and women should be set up in each administrative district. Simple services in monitoring hypertension, diabetes and so on should be provided in community centres while territory-wide control schemes for hypertension, vascular sclerosis and cancer should be introduced. Participation and cooperation from the private sector should also be enhanced. It is only in this way, then can the needs for medical services and the growth of medical expenditure in Hong Kong be reduced and the health of the people be safeguarded effectively.

MR HENRY TANG (in Cantonese): It is basic courtesy to say thank you upon receipt of a gift from somebody. But it would be hypocritical to keep on thanking somebody for nothing. Mr President, I am not a hypocrite and I do not know how to behave in a hypocritical way. So it is hard for me to say "thank you" to the last policy address under the British colonial rule.

The policy address by Mr PATTEN is solely a means for him to give vent to his personal sentiments. I can appreciate that as the Governor will soon leave his post, he must have a lot of thoughts and feelings. Furthermore, having been wronged in the Sino-British rows, he has, naturally, a whole bag of grievances to pour. As a result, his policy address gives us an impression that it is "more lyrical in style than pragmatic in perspective". Nonetheless, after the departure of Mr PATTEN, Hong Kong people still have to live on. Can such a policy address, which is devoid of content in spite of its literary grace and ample famous quotes, support the daily lives of the general public? So, it is impossible for me to say "thank you" to Mr PATTEN on behalf of the Hong Kong people.

A number of Members of this Council are prepared to move amendments to this Motion of Thanks, this situation could perhaps be attributable to the fact

that this policy address has "no content at all". The Secretariat of this Council has informed me that the Honourable LEE Cheuk-yan and the Honourable LEUNG Yiu-chung would move amendments. One of them would comment on the inadequacy of democracy in Hong Kong while the other would reprove the collusion between the government officials and the businessmen. These would all be added after the wording of today's motion. All of a sudden, various ideas are presented in front of us. As a matter of fact, any dissatisfaction with the past policy addresses or any dissatisfaction with the government's policies such as funding in education, scientific and technological research, employees retraining programme, land policy, quality of public housing, property prices and water charges and so on can be debated again and again up to 1997. In fact, I would like to initiate a motion debate on what the Government should do to attract overseas companies producing high-technology products to invest in Hong Kong after the building of the Science Park; I would also like to discuss the issue of providing one social worker to each school as well as the problem of inadequate graduate teaching posts in primary schools. All these are important issues which have been debated for a long time, and so far, responses have yet been made by the Government. Should I move an amendment to today's motion on these again? What is the purpose of doing so?

Mr LEE Cheuk-yan has wanted to trace the reasons why the British Government failed to introduce democracy in full scale in Hong Kong. In fact, to look forward for prospects is better than to look back. Without a "through train", how are we going to ensure a steady and continuous development in our political reform, and how are we going to ensure that democracy could develop steadily and continuously in Hong Kong? These are in fact questions which we should give thoughts to now. As to the allegation of collusion between government officials and businessmen, I cannot agree with that either. Does it mean that if all capitalists have abandoned Hong Kong, the grass roots of Hong Kong would then be able to enjoy the fruits of our prosperous economy? A point of view antagonistic as such will only serve to dissimulate the people of Hong Kong. It is not only unconstructive but will also affect our social stability.

Generally speaking, the "last" of anything will always make people

nostalgic. But if I am asked whether I would feel nostalgic about the last policy address under the British rule, I think, I would, from the bottom of my heart, describe it as: "frivolous" and "helpless".

Mr President, these are my remarks.

MR CHIM PUI-CHUNG (in Cantonese): Mr President, this policy address of the Governor's should in fact be called Mr Chris PATTEN's commentary. It is full of his comments on both the events he has witnessed in Hong Kong during the past four years as well as the past situation of Hong Kong under the British rule. He has also made a forecast of the future situation that Hong Kong will have to face. Just like horse commentators and football commentators commenting on horse races or football matches, what the Governor has put down was not surprising at all.

In Mr PATTEN's commentary, many items are worth discussing and assessing. Our Governor, Mr PATTEN is a human being, he is not God. He has his own viewpoints and even when he is speaking on behalf of Britain, his views may not be perfectly valid. His commentary is full of deceit, pride and arrogance. As a politician, all these are in fact his stumbling blocks. We can all tell what his future in the British political arena will be like, or perhaps even what his future political life will be like. We can all see that he is already over fifty years old now. At some point of time, I have complimented him on part of his work and I was only speaking the truth.

Mr President, we can see that Mr PATTEN has referred to his successor seven times in his commentary. He was completely wrong because he is the very last Hong Kong Governor and the term is the last one. The person who is going to govern Hong Kong does not succeed him, but he will be a brand new Chief Executive of the Hong Kong Special Administrative Region (SAR). Certainly, the Chief Executive's work is not passed on to him. Instead, after the British Government has returned the authority and sovereignty over Hong Kong to China, the Chinese government will then delegate the powers to the SAR Government. Therefore, the Chief Executive is not his successor. From this trivial thing, we can see his attitude and his way of "playing with words".

Secondly, he has talked about the political reform package. We must

understand clearly that Mr PATTEN was only implementing the Chinese policy of the British Government, and the political reform package was passed by merely one majority vote on 29 June 1994. This contributed to his pride since even if there was one more vote against it, he could still manage to get one more vote in favour of the package. Of course, this is the reality in politics but the British government should still be held responsible for Mr PATTEN's production of the political reform package which in turn barred the democrats from remaining in this Council after 30 June 1997. Certainly, though, some Members have expressed in their comments and their speeches then that they were not willing to remain on the original track. Nevertheless, if there was not any political reform package as produced by Mr PATTEN, I believe that they would be forced to remain despite their reluctance. Therefore, as regards the refusal to co-operate with the future provisional legislature, it is useless to be impudent as facts speak louder than words.

Thirdly, what is worth discussing is the politically neutral position as referred to by some Branch Secretaries. It is undeniable that the British style of political stratagem which Mr PATTEN has introduced to Hong Kong is something new to the local community. But that does not mean that such is his own innovation. Are many Branch Secretaries feeling at ease? They are in fact holding the attitude that it is better not to bother with it as there are only a few months (formerly, over a year) left and all they will do is to mark time. As a result, they all keep silent. Under the leadership of two to three persons, they all hold the attitude that anyone who panders to the boss' thoughts is a good subordinate and anyone who panders to the Governor's will is a good Branch Secretary — no matter what others think, the best policy is to be a good official in your own way.

The fourth point is about openness and accountability. As some Members have just said, it is undeniable that the whole framework and operation of the Hong Kong Government has shown some progress. But with regard to the incident involving Mr Lawrence LEUNG, I have to challenge the Hong Kong Government to gather its courage and reveal all the facts so as to demonstrate fully to us its openness and accountability, otherwise, talking about openness and accountability is but fooling itself and others.

As regards the Vietnamese migrants, we very much hope that the British

government will, before leaving Hong Kong on 1 July, make the United Nations High Commissioner for Refugees repay all the money that it owes the people of Hong Kong. At least, the money belongs to the people of Hong Kong on account. As to the repatriation of all Vietnamese migrants stranded here, I very much hope that the people of Hong Kong will be able to see this task accomplished.

The Governor has talked about his success in his commentary. I remember that when he first arrived in Hong Kong some four years ago, I reminded him on a commentary programme produced by the Commercial Radio that even in the election conducted in a small place like Bath where there were only 70 000 to 80 000 voters, he was so unfortunate (unfortunate for himself but a sensible choice for the British voters) to lose, but here in Hong Kong, he could gain quite a number of successes. I believe that the British people are expecting him to return soon. But regrettably, by the time he returns to Britain, the election exercise may have been completed and he may not have the chance to return as a Member of Parliament (MP) in the coming session. Of course, if one of his past colleagues gives up his seat to him and he manages to get elected in the by-election, it will be another case. Mr President, he has said a lot. Since he is so remarkable, we certainly hope that when he returns to his country, he will be able to lead his country to a better tomorrow, a better future. Certainly, a prosperous Britain will benefit China and Hong Kong as she is a major trading partner of China. Therefore, with respect to Hong Kong's future, no matter whether the Governor's advice to the future SAR Chief Executive and other people is made out of good will or with evil intentions, Hong Kong is always a blessed land and it will not perish even under curse. If political leaders could be cursed to death so easily, I believe no one in the world would dare to become a leader. If Hong Kong could fall so easily, then it would have fallen a long time ago since so many people are envious of her success. Therefore, people in Hong Kong should all note one point, our part is to work hard while cursing is others' part, we need not be frightened.

The Governor has mentioned our fiscal reserves of \$320 billion. Of course, we know that out of that \$150 billion is from the Land Fund. Now in a short period of just a few years, just the Lands Fund alone has accumulated \$150 billion. Even with the \$170 billion from other sources, we can still see that it is the land revenue that constitutes the major part of the reserves, and that it is not really through any other means which the Government has created wealth for its people. Hence, in blabbing and talking about the ranking of Hong Kong in the

whole world, one has to realize where the money comes from. It comes solely from the lotteries or land sales. It comes from the high land price policy taken at the expense of the people, it is not gained under a wise leadership. Therefore, I believe that the so-called policy address of the Governor is only his own commentary, which he has made use of some facts to explain his success. Someone said to me, "CHIM Pui-chung, do not criticize too much. You know that there is something that you are carrying." But as a politician, I will never submit to political persecution. Could those in power guarantee that they will remain in power forever? Therefore, there is a stronger reason for me to stand up and speak out those things that others tell me not to. I am only telling others that I dare face the whole society and all the voters. My post is not awarded by the British government; but rather, I was lucky enough to get elected in the 1991 and 1995 elections.

Mr President, talking about the Functional Constituency that I represent, I cannot but talk about the financial issues. Today's stock exchange market index has reached as high as 12 602, just surpassed the highest point recorded on 4 January 1994 by 3 points. However, can you see anyone ecstatic about this out there? Has anyone said that because the stock market has reached a record high and now every one is very happy? No. Why? I have always criticized the Securities and Futures Commission (SFC) and leaders of Hong Kong's financial organizations based on this state of affairs. It is a pity that the Financial Secretary just came back last night and is very tired now. We understand that the present stock market has had its nature changed, it is now being led around by the overseas funds and major brokers. You say that we have fair competition; but if the President is to fight against TYSON in a boxing match, how can it be a fair game? Therefore, the Government should appreciate and make full use of Hong Kong's real strengths, and develop them towards the right direction so as to attain a better result. Has the Government done that? Whenever I make some criticisms, people always say that I am wrong and that the criticisms are a vicious. As regards the stock market in Hong Kong, many derivatives and futures product are available now and a single stock can have nine warrants, just like a father having nine sons. This is a rather distorted feature unique to Hong Kong. Therefore, I have all along been criticizing that there are too many derivatives and futures products in our market, so much so that the actual stock market is being taken over and forced to degenerate into a gambling game. However, the Government has not received any tax revenue from such gambles and the investors may have won once, but in the end they will leave the scene crying, regretting that they have ever got involved.

Furthermore, why does the central clearing house refrain from setting up

personal investment accounts? Now there is news that there will soon be such accounts, but I have queried and brought this up for discussion two or three years ago. Some colleagues criticize that the Government is too slack on the regulation of financial matters and suggest that it should take stricter actions. I am by no means trying to interfere with the monitoring work of the SFC, but in my opinion, its role as a regulator must be appropriately performed, too much interference will only stifle development. We must note that the present position of our financial market is not earned through the efforts made by foreign investors. The foreign investors only rely on their position and influence in the world to come to Hong Kong to enjoy the fruit of the past efforts of the local stock brokers and to share our success. Under such a situation where there is no competition, why does the Government fail to be concerned about the environment that local brokers have silently and painstakingly created over the past century, but just leaving them to survive on their own, and even legislate extensively to drive them out of business? We know that in the past, stock exchanges practised the system of one-member-one-vote in their elections, which should be very much in line with the present system of free competition. But later, the division of teams A, B and C came about. Is that an active interference already? The representative of the Financial Constituency (absolutely, I will not hang on to this post, it should be taken up by the person who is capable) should speak for this Constituency. But since the Government is going to promote the position of Hong Kong as a financial centre, a substantial review, no matter in writing or orally, should be conducted so that policies could be geared to the real situation in Hong Kong, thereby creating a lead for the future SAR government.

Mr President, lastly I would like to comment on the judiciary of Hong Kong. It is an undeniable fact that many problems have arisen within the Legal Department in the past and have aroused others' query and suspicion, and that the conduct of some high officials have also brought the Department into disgrace. Many incidents have led to queries by the general public recently. What I am talking about are some disputable laws such as the so-called "defrauding the SFC" legislation. Mr President, speaking on this, I have to declare an interest. I am at the moment facing prosecution for breaching a particular law. What is "defrauding the SFC"? The Government must have a clear framework and the definition of criminal offences must be laid down clearly. Which piece of legislation when breached would constitute a criminal offence? The right of interpretation should not be in the hands of the Government entirely. If people worry so much about the effect of Article 23 of the Basic Law, they should worry

more about the definition of "defrauding the SFC". "Defrauding the SFC" is the same as defrauding the Trade Department and other government departments. There may well be an offence of defrauding the central government, but I believe defrauding the central government will be much more serious than committing an offence in Hong Kong, it would be liable to execution by shooting. I particularly mentioned the judiciary system just now because I would like to remind some Members to take note of the nature of association of judgments passed by the Hong Kong judiciary system.

Mr President, I oppose the original motion.

MR LAU CHIN-SHEK (in Cantonese):

Looking ahead to 1997

Mr President, it seems that the Motion of Thanks debate today has become a criticism meeting — one which targets at both Governor Chris PATTEN and the colonial rule. However, whilst passing criticisms on the past, Hong Kong people should also try to "sum up the past and plan for the future".

On 1 July next year, slowly the Union Jack will go down while the Five-Star Red Flag and the Hong Kong Special Administrative Region (SAR) Flag will gently rise up the pole. Nevertheless, Hong Kong will still be what it is today. Hong Kong people will still be the same, we will still be living on this piece of land and doing our best for the future of Hong Kong. As such, although Governor Chris PATTEN's administration cannot last beyond 1997, it does not mean that Hong Kong people should not look ahead into the future, put forward the policy direction we aspire to, or state our concerns about the future. After all, only the 6 million people here are the true masters of this piece of land!

During the rule under the British Administration in Hong Kong for a century and a half, Hong Kong has experienced innumerable changes and developments. The lifestyle and value system of Hong Kong people today are basically moulded in the course of endeavours over the years. Now what calls for our deep thoughts is how we should sum up our experience. We should think hard to find out the good things of Hong Kong that are worth retaining, as well as the bad things that need to be discarded.

Avoidance of autocracy

Frankly speaking, what we are worrying about is that while the autocratic side of "colonial rule" would be retained without change, the non-autocratic would be otherwise supplemented. My view is that the most important thing at present is to avoid retaining the autocratic side of "colonial rule" and to prevent the situation from "turning the British autocratic rule into the autocratic rule by our Chinese Government". Or put it in other words, "as today you British are overlords sitting on the backs of Hong Kong people, it would be better for we people from Beijing to be overlords sitting on the backs of Hong Kong people instead".

"The political system of appointing people from a small coterie" has long been a feature in the colonization of Hong Kong. In the course of that, there is no way for the majority of the people to elect representatives, not to mention the safeguarding of their right to know what the Government has done when implementing its policies. There have undoubtedly been some improvements made to the "small coterie" system over the past decade or so. However, regrettably, the "system of appointing people from a small coterie" is making a comeback: members of the Preparatory Committee are all chosen by appointment, the eligibility for candidates of the Selection Committee is determined by those in authority, while electors are selected by those in authority.

In this connection, "the rule of Hong Kong by businessmen" is another vivid example. People who have just a little knowledge of the development of capitalism in the western world know that capitalist societies have not been overthrown by the proletariat as was predicted by Karl MARX. A very important reason is that western countries have been making more and more efforts to enhance democratic development and to allow wider participation by the masses. As a result, people from all strata can elect through peaceful and fair elections their own political spokesmen to govern their countries. In view of such, issues like "the rule of Hong Kong by businessmen" or "the rule of Hong Kong by whoever" are not important at all. The most important issue is rather, what kind of system will be adopted to bring up what kind of people to rule Hong Kong.

Another factor that have saved capitalist societies from perishing is the improvements in social welfare. However, regrettably, there are still people advocating "backing the welfare car". If "placing paramount importance in

economic development and disregarding improvements on welfare" becomes the policy philosophy of the SAR Government and of the team to rule Hong Kong, then our society would certainly experience a major throwback.

In my opinion, the most important subject in decolonization should be "democracy to be vested in the hands of the people"! If anything that is autocratic continues to be retained or even be intensified, I would doubt whether we are really moving towards decolonization or towards colonial rule in disguise.

An open culture

If seen in terms of political culture, what Mr Chris PATTEN had done in the past few years has really opened up new horizons in our political culture. He has made the Government implement its policies in a more open manner, enhanced the degree of transparency of the Government, and narrowed down the gap between the Government and the people. The monthly Governor's Question Time held in this Council, the Public Forum for the policy addresses, the Government's progress reports and so on, are measures which have at least made the Government more accountable to members of the public. In the future, no matter who would become the Chief Executive, the people of Hong Kong will ask him or her to adopt such an open attitude. If he or she fails to do so, Hong Kong people will cast doubts on him or her.

What Mr Chris PATTEN has created is a relatively more open kind of political culture. Such kind of political culture did not exist before in Hong Kong, nor was it of a Chinese origin. Instead, it is a political culture newly established in Hong Kong. No matter how you see it, he might be "play acting" or he might be doing it "out of genuine goodwill", it is indisputable that such an open kind of political culture that he has introduced to Hong Kong should not retrogress, what is more, it must not be allowed to retrogress!

Transition in justice

Undoubtedly, what Hong Kong is going to face is an unprecedented transition. Unfortunately, whether it is "political transition" or "economic transition", "smooth transition" or "successful transition", it is merely an upper-level game for both the Chinese and British governments or even the

capitalists. For most of the working class and the grassroots, what is the significance of the "transition"? Do they have any role to take in the construction of Hong Kong's future? All along, the answer is in the negative.

Today, while we are looking ahead into the future, apart from the "political transition" of the sovereignty and the "economic transition" for economic development, what is needed more by the general public is a "transition in justice" to enable Hong Kong to develop into a society of justice. A society of justice should at least have these two aspects: First, recognition and respect of human rights and the democratic rights of all the people in Hong Kong. It must not, for any reason, cause delay in the process in which the people should gain full democratic rights, or deprive them of their basic human rights. Second, in the social and economic areas, it should enable all strata of the society to participate in our social and economic development so that all of us can share the fruit of economic prosperity in a fair way. Besides, the right to enjoy social welfare should also be a part of the people's rights.

Over the past, Hong Kong has been priding herself on her free economy, creating a falsehood that "free market means fairness", thinking that so long as we have a free market, we have fairness. Our society has seldom discussed the issue of "social justice", while social welfare has never been regarded as a kind of right. Instead, it is seen merely as "relief", or being interpreted as "almsgiving". However, to the general public, apart from political stability and economic development, what they need most is in fact protection for their living standard. Such is indeed what a society that attaches importance to equality and justice should commit itself to.

Eight benchmarks

On the question of the future development of Hong Kong, I think apart from having some benchmarks for "one country, two systems" and "a high degree of autonomy", there should also be a set of benchmarks for "transition in justice":

- Is the Chief Executive of the SAR Government returned a one man, one vote election by all the people?
- Is the legislature of Hong Kong (the Legislative Council) produced by a general election, instead of having violated the principle of "one man, one vote of equal value" which democratic elections

embody?

- Is the Constitution of the Hong Kong SAR (the Basic Law) drawn up with the democratic participation by the people of Hong Kong, and any amendment to it has to be approved by the people as a whole?
- Will the Hong Kong Bill of Rights Ordinance be retained in its entirety? Will the two International Covenants on human rights continue to be applicable in Hong Kong after 1997? Will the Chinese Government and the SAR Government continue to submit regularly to the United Nations reports on the human rights situation in Hong Kong, just as what has been done at present?
- Is "the rule of Hong Kong by its people" genuinely a rule of Hong Kong by the people in Hong Kong in democracy? Or is it a mixture of "the rule of Hong Kong by businessmen" and by "Beijing people"?
- Will the social welfare system of Hong Kong retrogress?
- Will the rights and interests of the working class be safeguarded? Will they be able to share the fruits of economic prosperity in a reasonable way? Will the working class be able to negotiate with their employers improvements to their wages and benefits by means of the system of collective bargaining?
- Will reasonable distribution of wealth within the society be a recognized axiom for the Government's administration, so that different classes of people may live in a fair and just society?

What the general public expects is a "transition in justice". We should, in future, assess the Government's administration with the aforesaid benchmarks. We are also of the view that we should strive with the aforesaid benchmarks as our guidelines.

Mr President, these are my remarks. Thank you!

MR CHOY KAN-PUI (in Cantonese): Mr President, this policy address of the Governor's does not seem to be written for the Members of the Legislative Council and the general public of Hong Kong. Rather, it seems to be a piece of propaganda by the Governor in the capacity of a politician. In this address, the Governor tries to promote to the international community and the mass media the great achievements that Britain has made during the past century and a half of her colonial rule over Hong Kong as well as to blow his own trumpet about his own achievements.

The Governor has devoted one third of the policy address to propagate how successful Hong Kong is under the British rule and during his reign in particular. He has deliberately avoided a major factor of Hong Kong's success — China. Indeed, one of the major factors of Hong Kong's success is that it finds in mainland China a vast economic hinterland. China supplies Hong Kong with raw materials, foodstuff and other materials as well as ample manpower resources, all at stable and competitive prices. After a century under the British rule, Hong Kong was still a small fishing port with a population of under 600 000. It was only after the Second World War that Hong Kong's economy began to develop. Since then, there have been influxes of talents, capital, skill and rich manpower from Mainland China into Hong Kong. It has even been so in the past ten plus years. With the economic reform in China, Hong Kong's economy has really taken off. Besides, since the signing of the Sino-British Joint Declaration, China has made some appropriate adjustments when implementing her policy on Hong Kong. This is another major cause of Hong Kong's great economic achievements in these ten-odd years. China's policy on Hong Kong has not only swept away the uncertainties facing Hong Kong's future, but also has a stabilizing effect on the people's mind. Furthermore, China has also provided concrete economic support for Hong Kong.

The Governor has devoted another one third of the policy address to defend his political reform package. Everyone knows that such a political reform package has committed the "three breaches" because it was in breach of the Sino-British Joint Declaration, the Basic Law, as well as the agreement reached by the seven diplomatic letters between China and Britain. As a result, the "through train" of the Legislative Council went down the drain. Had he not damaged the track of the "through train", the provisional legislature would not

have to be set up for the Hong Kong Special Administrative Region (SAR). It is too late to regret now. Would it not be a waste of time to rattle on about this matter?

As for the last one third of the policy address, the Governor has again devoted such to the provision of advice for — as he put it — his "successor". In addition to reminding the Chief Executive of the 10 indispensable key elements, the Governor has also stated 16 so-called "matters of concern" with which he questioned China's sincerity in allowing Hong Kong to enjoy a high degree of autonomy.

Apparently, he does not want to face the reality: he will never again have a successor. Although Britain and he have always wanted the British colonial rule over Hong Kong could continue, this is not at all possible. Hong Kong's sovereignty will soon be returned to China, the Chief Executive does not need his so-called advice.

In addition, I want to emphasize that the idea of "Hong Kong people ruling Hong Kong with a high degree of autonomy" was not put forward by Britain, less bestowed on us by the British; rather, it was put forward by the Chinese leadership. In fact, the 16 benchmarks raised by the Governor are already stipulated in the Basic Law and the provisions are even more abundant and more specific than the 16 benchmarks listed by him. It was not out of goodwill that the Governor raised such benchmarks, he did that simply because he wanted to arouse the Hong Kong people's mistrust towards the Chinese central government and to stir up conflicts among the people.

Mr President, the Governor has not put any special emphasis on the livelihood of the people. Nevertheless, I still want to take this opportunity to raise two or three points that should be taken note of.

Housing

The Governor has promised to expedite the implementation of the scheme to provide the people with suitable accommodation within five years. However, the public housing construction scheme has failed to progress as expected. In view of such, the Hong Kong Progressive Alliance (HKPA) believes that the Government should conduct studies actively so as to find out the ways to increase the supply of housing units and to allocate additional land to the Housing Authority to construct public housing estates and Home Ownership

Scheme housing units. On the other hand, it should also expedite the reconstruction programme for areas and even consider relaxing the plot ratio of certain rural areas to accommodate more people.

Traffic

The Government should implement the three priority rail schemes as set out in the Railway Development Strategy without delay. At this time last year, I pointed out that the lone construction of the new railway between Ma On Shan and Tai Wai would not be able to cope with the traffic problem in North East New Territories. The crux of the problem was to breakthrough the deadlock between that area and the urban area. I hope that the Government would also construct the Tai Wai — Diamond Hill and the Tai Wai — Cheung Sha Wan spur lines. They will then link up East and West Kowloon and join with the New Airport Railway as well. I hope that the Government would consider my suggestion seriously. Regarding the North-west Railway that has aroused much controversy recently, the HKPA opines that as it will have significant impact on Hong Kong, the Government should suspend immediately all consultancy contracts concerned. In addition, it should also conduct a comprehensive review on issues such as the routing and cost-effectiveness of the entire project. At present, the Kowloon Canton Railway Company is operating like an "independent empire", thus making it impossible for the public to monitor the North-west Railway project. The Government should stop this situation to avoid any unnecessary spending of public funds as well as unnecessary financial burden on the SAR government.

Vietnamese migrants

Over the past twenty plus years, the Vietnamese migrants have brought to the people of Hong Kong heavy financial and psychological burdens. In addition to incurring from our treasury an amount of \$8 billion to \$9 billion, they have also caused much nuisance to the people of Hong Kong, in particular the residents in the neighbourhood of their camps. The Governor has pledged to close all those camps as soon as possible, but such a pledge has yet to be put into practice. The HKPA urges the Hong Kong Government to expedite the repatriation of the Vietnamese migrants and to resolve completely the problem before the return of Hong Kong's sovereignty in 1997. It should never leave this burden to the SAR government.

Mr President, these are my remarks.

MR CHEUNG HON-CHUNG (in Cantonese): Mr President, there are only 200-odd days before the end of the British rule over Hong Kong. The policy address recently released by the Governor, Mr Chris PATTEN, is actually the last policy address released during the British colonial rule over Hong Kong. What is ridiculous is that although it is called the "policy address", it does not address any policy at all. It is simply a summary of the "fruits" of Mr PATTEN's governance over Hong Kong in these few years. It appears like a work report rather than a policy address. Of course, in regard to a government with a "pack-and-go" mentality, we cannot cherish too much expectation. However, we still hope that the Government can fulfil its past promises, properly perform its administrative duties in the remaining days and make arrangements for the affairs related to the transition of Hong Kong in a positive manner. Governor PATTEN has devoted extensive contents on the achievements made during his governance over Hong Kong in the last few years, yet he has only exaggerated his achievements as many of his major pledges made in the past have failed to be achieved.

His major pledges include: As many as 60% Hong Kong people will have purchased their own flats by 1997; the Tseung Kwan O extension and the Ma On Shan rail link of the North-West Railway will be constructed; the problem of temporary housing will be solved, and the problem of Vietnamese migrants stranded in Hong Kong will also be solved. All these important pledges in relation to social affairs have failed to be achieved. Of course, pledges are still pledges after all. We cannot expect that all these pledges can be realized. However, these important social policies should at least have some initial effects. Mr PATTEN has not reviewed these effects, instead he boasts about his own achievements, about having accomplished negligible tasks like the introduction of the "Smart Card System", the issue of "taxi receipts" and so on. As a matter of fact, it was only a few months after the Governor assumed office in 1992 that he made quite a number of important pledges. He worked out an ambitious five-year plan for Hong Kong and painted a rosy picture for the Hong Kong people. It is regrettable that it still remains a picture for us to "look at". The blue-print designed by Governor PATTEN has actually not been prepared after careful consideration and it was hastily introduced before the Governor has decided on its feasibility. It is only a policy adopted by the Governor to please the public and a political means to win public support. Today, we finally see what Mr PATTEN has done and realize that the pledges he made in the past are

basically beautiful lies. This fully exposes that he is a typical British politician. Possibly because of this, he did not receive the trust of the residents of his constituency in Bath in the United Kingdom, and lost the election. He was even cast aside by his electors. Time has already allowed us to see him in his true colours.

Mr President, before Mr PATTEN came to Hong Kong, fairly smooth arrangements have been made for the transition to 1997. Probably because things were too smooth, it is said that, some British businessmen in Hong Kong, out of their own personal interests, appealed surreptitiously to London, to replace the then Governor. As a result, Dr David WILSON, the former Governor of Hong Kong, became the victim of surreptitious appeals despite the incessant denial, of replacing the Governor, by the then Prime Minister, Mr John MAJOR.

Mr President, after Governor PATTEN has come to Hong Kong, he made use of an impressive plan of reforming Hong Kong to attract public support. He manipulated it as a political chip against China and made frequent use of public opinions. At that time, according to quite a number of surveys conducted by the mass media in Hong Kong, Governor PATTEN won the support of more than 60% Hong Kong people. Under the drive of this powerful public support, Governor PATTEN showed self-satisfaction and cherished great ambitions. He regarded "public opinions" as a kind of political chip against China's retrieval of Hong Kong and for a smooth transition. He has also deliberately created conflicts between Hong Kong people and Chinese Government so that the Hong Kong people will harbour distrust of the Chinese Government and be reminiscent of the good old days under colonial rule. This obviously dovetails the mentality of Governor PATTEN as revealed in the policy address that he wants a successful transition for Hong Kong. We can clearly see that so-called success as mentioned by Mr PATTEN can be compared to the disintegration deliberately created by Britain before its withdrawal from its colonies in the past. For instance, when India declared independence, "Pakistan" was born. Later on, religions (Muslim and Hinduism) became the apple of discord, and Eastern Pakistan was split from the rest of the country and became "Bangladesh". Therefore, success as mentioned by Governor PATTEN is his "success" in disintegrating the Hong Kong people. The unco-operative attitude of Governor PATTEN also led to the derailing of the through train and the major political turmoil in Hong Kong. Aspects like people's livelihood and important infrastructure (including the North-West Railway, Container Terminal 9, and the new airport project) are also seriously affected.

Mr President, in our opinion, the administrative achievements mentioned by Governor PATTEN is the least the Governor should have done. However, there are more important and imminent issues still hanging in the air. Despite the various achievements mentioned in the policy address, we still have disparity of wealth in Hong Kong which is a major disgrace. Our economic prospects are uncertain and our education policy has placed too much emphasis on higher education and neglected foundation education, giving rise to a top-heavy phenomenon. The Administration has failed to effectively clamp down on the criminal activities of illegal immigrants in Hong Kong. The public is also dissatisfied with the decline in the quality of the services provided by some government departments: For example, apart from wasting a lot of public moneys, the Legal Department has also made mistakes time and again. One of the conspicuous examples is that, in an incest case, the staff of the Legal Department did not even know that television-linked video system could not be used in the trial procedure when the witness was giving evidence. Beside wasting the taxpayers' money, this has also done unnecessary harm to the witness. I recall that early this year, there were successive incidents in which old people died under the cold spell. In such an affluent place as Hong Kong, it is surprising that there could even be cases in which people died of frost, but the officials from the Social Welfare Department even said that "No one was dead for this reason". It is ridiculous indeed. When the Legal Aid Department was dealing with a case claiming compensation for the accidental death of a seaman on a ship, it has postponed filing the suit for three years and has mistakenly mixed up the plaintiff's shipping fleet with another. As a result, the plaintiff was unable to claim the compensation. The Legal Aid Department was also blamed by the Judge as being ignorant and incompetent. Merely the very few words Governor PATTEN said in the policy address concerning medical services are enough to show that he actually has very limited knowledge on the actual situation of medical service and health in Hong Kong. For example, in regard to the waiting time in the casualty department, more and more people have complained that the waiting time is too long. One to two hours of waiting is the normal course of event. However, Governor PATTEN stated that the Administration "has already fulfilled" the promise of shortening the waiting time from 60 minutes to 30 minutes. Besides, the occupancy rate of public hospitals is rising sharply. The occupancy rate of a public hospital in the New Territories has constantly been at a high level of 95% in the past six months. If the Administration still fails to find a solution to this problem as soon as possible, I believe the quality of service of public hospitals will soon deteriorate to the poor level as previously seen.

The various kinds of criticisms show that Governor PATTEN is not interested in dealing with matters concerning people's livelihood and is only obsessed with political tricks. As a matter of fact, the key to ensuring a smooth and stable transition to 1997 for Hong Kong is that both the Chinese and the British Governments must frankly discuss about the major affairs and infrastructural projects straddling 1997. But regrettably, we can see that Governor PATTEN has not shown any sincerity, instead he has only been unilaterally adopting an antagonistic attitude towards handling the above issues.

Recently, the Hong Kong Government has gazetted the outline zoning plan for the development of Lantau Island and made known the operational plan for Container Terminals 10 to 13 without conducting negotiations with the Chinese side beforehand. The Hong Kong Government explained that what had been gazetted recently was only a long-term outline plan and that it would surely negotiate with the Chinese side before implementing the actual construction. The Hong Kong Government also claimed that it was not handling the affairs unilaterally, it was only because it has not yet reached the stage of negotiating with the Chinese side. In our view, the gazetting of the outline zoning plan has already become an established fact, and the Administration should have discussed with the Chinese side before it was gazetted. Another example is the development of the Western Corridor Railway. Last year, whenever I had the chance to inquire about the Western Corridor Railway, I would ask the same question: Has the Administration discussed with the Chinese side in regard to the development of the Railway? Every time, the answer was the same: "The plan has already been submitted to the Chinese side for deliberation". Nevertheless, all of us know that this is not how things stand. It is only under the strong pressure exerted by the Legislative Council, members of the public and the Preparatory Committee of the Special Administrative Region (SAR) that details of the Western Corridor Railway project: including the much debated consultancy contracts were disclosed, and that the Legislative Council, the Preparatory Committee and the Chinese side could have the opportunity to look into the 2 000-odd pages study report of the Western Corridor Railway. Then how could the Government has discussed with the Chinese side beforehand? It is obvious that the Hong Kong Government has the intention to make use of people's livelihood and infrastructure as a political chip. Events in regard to the new airport project, the reclamation plan and the Western Corridor Railway Project have taken an unexpected turn as a result of the failure of the Hong Kong Government in negotiating with the Chinese side at an early date. The victims are Hong Kong people after all. There are only 200-odd days before the handover of sovereignty in 1997. We reckon and everybody understands that

any major issue that will straddle 1997 should be negotiated with the Chinese side. Unless someone from the Hong Kong Government still does not agree with this view, otherwise, we cannot see any reasons why the Government has not learnt from its past experience.

Mr President, Governor PATTEN gave wide coverage to the benchmarks he sets for the Chief Executive of the SAR in the policy address. It seems that Hong Kong will be beyond redemption if these benchmarks cannot be reached. The benchmarks he puts forward have, in fact, been extensively safeguarded in the Basic Law. His statements seem to tell people that the future SAR Government will not comply with the Basic Law. The large number of negative assumptions he has made basically does not help to strengthen the confidence of Hong Kong people in the SAR Government at all.

Mr President, of course we cannot say that the administration of Governor PATTEN in Hong Kong is devoid of any merits. He has at least done something positive. In these few years, we can see that the Hong Kong Government is more open than before. On the other hand, the British colonial rule in Hong Kong has also brought to Hong Kong a sound rule of law system. This point is beyond doubt. Governor PATTEN mentioned that some people have appealed surreptitiously to Peking for personal interests. This is nothing surprising. As a matter of fact, since ancient times, there have been people appealing surreptitiously to governments, either for the sake of their personal interests or for public interests. The most important thing is that an accountable government will not come to any decisions harmful to the overall interests of society simply because of somebody's private conversation or persuasion. During the last few years, we can see that not a few Hong Kong delegations have visited Peking, putting forward the affairs of Hong Kong *per se* and asking the Chinese Government to respond to these issues. The fact that Hong Kong people take steps to strengthen communications with the Chinese Government should give no cause for strong criticism. However, according to the Basic Law, Hong Kong people can make their own decisions on policies concerning the internal affairs of Hong Kong, but not for national defense and foreign affairs which have to be decided by the Central Government. Now that clear stipulations have been made, why should they keep on asking? Earlier on, the Central Government pointed out that it would, by all means, forbid the various provinces and cities from stretching their hands to Hong Kong. This already indicated the Central Government's determination in a non-interference in the

affairs of Hong Kong.

Mr President, I deeply believe that except for foreign affairs and national defense, the Central Government does not want to interfere in the internal affairs of Hong Kong. In case there is any external interference in the internal affairs of Hong Kong, my colleagues from the Democratic Alliance for the Betterment of Hong Kong and I will surely defend at all costs the autonomy of Hong Kong. Only in this way will Hong Kong have a future. Otherwise, efforts made for Hong Kong people ruling Hong Kong and a high degree of autonomy will only be wasted.

Mr President, Mr Francis BACON, the British philosopher, said, "Reading history will inspire wisdom." When we notice what the British colonialists have done every time when they withdraw from each of its colonies, we can easily understand why Governor PATTEN would adopt the old tricks of the ancestors of colonialism and work hard to sow discord between Hong Kong people and the Chinese Government and create internal conflicts among Hong Kong people. In this last policy address, Mr PATTEN quoted the credo of Jack LONDON. The subject is "I" in the original English version. The first verse in the Chinese translated version is "寧化飛灰，不作浮塵" (I would rather be ashes than dust). I very much believe that deep inside Chris PATTEN's heart, the actual wording of these two phrases is probably "寧為玉碎，不作瓦全" (I would rather be a shattered vessel of jade than an unbroken piece of pottery — better to die in glory than live in dishonour).

Mr President, I so submit.

MR JAMES TIEN: Mr President, for more than four years now since our Governor came out here, we in business have been rattled by a series of abrupt policy changes. Among the most distressing is the unilateral political reform which made no sense. Another is a slew of concessions to organized labour at the expenses of our competitiveness.

Swamped with a tidal wave of suggested schemes such as universal pension and trade effluent surcharge, we for a while thought the British had imposed on us a Labour government of the old school before Mr Tony BLAIR. You cannot, therefore, imagine the relief we felt when the Governor told us he was in effect winding down his overly active Administration. We even forgave

him for not alluding to the Science Park again and other constantly mooted, and never realized, programmes to help industry and small-to-medium enterprises. To us, a promise unfulfilled was preferable to another bold, disruptive initiative.

The entire community of Hong Kong, businessmen included, is in agreement with the Governor on one thing. We are all thankful for our competent Civil Service and our uncompromising rule of law. The praise the Governor has been lavishing on them is an echo of the prevailing public sentiment. We can assure the Governor that those institutions and a free, vibrant economy will outlast British rule. We cherish these pillars of our progressive society.

The Governor again for many times railed against the provisional legislature. This is just static to us because, however much it is denounced, the provisional legislature is a done deal. I cannot see how, given British and Chinese discord over the political reform he had engineered, there can be no provisional legislature.

This legislature in any case is to last a year as it paves the way for elections the rules of which comply with the Basic Law. This legislature will confine itself to a limited number of activities that should not pre-empt the elected assembly that is to follow in 1998. The provisional legislature shall monitor the budget, approve public finances and enact laws essential to the change-over of administration in Hong Kong. The provisional legislature is, therefore, a caretaker legislature.

For the Governor, the problem with the provisional legislature is ideological. For us, the problem is practical. You see we are facing a sea of bills in this Council and time is not on our side. In the last Legislative Session, we managed to pass 65 bills and defer about 30 more for this Session. The Chief Secretary asserted that her government would submit 80 to 90 bills in addition to the 30 leftovers. Some of these bills are crucial for the sovereignty change. We must finish the task between now and the end of the Legislative Council's life span while continuing to attend various committees, vet public finances and receive petitions from the people. This means our legislative workload now is doubled that of the last Session in reduced time.

If this Council cannot wrap up its business and since the provisional legislature is to defer touchy issues to the first Special Administrative Region

(SAR) legislature, it means some vital laws must be put on hold until late 1998 or even early 1999. Wasting two years to restart the legislative engine in full again is irresponsible.

Our mission in this Council is also compounded by some legislators being unwilling to forfeit their right to propose Private Members' Bills. Some even regard these bills to be more substantive than those proposed by the Government. I anticipate a flood of private bills before Easter because some of my colleagues want to pose a *fait accompli* on the SAR Government. They want to dare the SAR Government and the provisional legislature to repeal these acts.

If we were to rush the Government Bills through with excessive haste, we would end up being a rubber stamp which the Governor is against in principle. This then defeats the whole purpose of an open and accountable Government monitored by the Legislative Council.

We are also faced with bills of startling complexity with important implications for the future. We cannot recommend to fellow Members to glance at these bills such as those related to the localization of laws, the reform of the legal profession and the Mandatory Provident Fund (MPF). They require close scrutiny and discussion. The MPF, for one, involves tens of billions of dollars and concerns every working person in Hong Kong. I cannot in clear conscience put a seal of approval on the matter and then hope for the best. If we failed to deal with MPF laws properly, we must be answerable for any future blunders or errors that the negligence can cause. We owe it to the people of Hong Kong to do it right the first time around.

The solution seems to be the working out of a co-operative arrangement between the government Law Draftsmen and the provisional legislature to ensure some form of contact and continuity. But this is easier said than done because of the Governor's stance.

Mr President, the Governor also omitted to mention in his policy address the state of management and labour relations. This to us is a glaring oversight because such relations have deteriorated over the last few years. Some of my unionist colleagues in this Council think the Labour Advisory Board (LAB) is immaterial and prefer to deal with the Government direct. They sense that they can win more concessions from the lame duck Education and Manpower Branch than from an impartial LAB in which labour and management have equal say

with the Commissioner for Labour acting as a referee. Twice in two years, they have succeeded in having LAB decisions overturned.

What has this rising power brought us over the past couple of years? This power has given us a 15% increase in payroll for our already strapped small to medium businesses, higher unemployment, additional expenses for employers, and new concerns for foreign investors. It has raised doubts about our long-term competitiveness. It has caused additional tension between business and labour. It has produced the unfairly administered trade effluent surcharge against businesses. It has engendered a quickened pace for full cost recovery for the use of things like the Chemical Waste Treatment Centre's services. Mr President, we are for full cost recovery in principle, but in a realistic timeframe. We are against the unaccountable management of the so-called full cost recovery, "user pays" principle. Such a management, only under government's indirect control, may have no incentive to be efficient. If we pay, we must have a say, and it is that simple.

Mr President, the Governor has laid down his criteria for judging our success and the performance of the Chief Executive. He has threatened to rally international opinion against China and against the future SAR if his rather subjective standards are not met. How the Governor is to muster such a righteous force of wrath from retirement, when presumably he would be a private citizen, defies me. He may be called on CNN and BBC for short interviews but that would be it. I myself rather admire the previous Governor's tact in retirement.

To reassure the present Governor, I must say we are certain to fare well after he has exited from Hong Kong. No, not because of the 10 points for this and 16 points for the other that he has broached. We of the SAR must be true to ourselves, to our inner goodness, to our integrity, to our pursuit of excellence, not because anyone tells us to, but because we want to with all our hearts. We knew what to do before the Governor arrived, know what to do now and will continue to know what to do after he leaves.

The good news is that most senior civil servants are to remain working for the public sector and to carry on with the policies until the SAR and the Chief Executive are better established so as to leave their own stamp.

I myself envisage a free enterprising Hong Kong in which the consensus

for economic growth is restored. I am sure we can again agree that only through economic growth, rather than crude social engineering, can we generate the revenue to pay for the programmes our last Governor had devised for us. We must boost growth and at the same time curb inflation, with help from labour to contain the wage spiral, to make us more competitive. The business community's recent endorsement for a 6% pay rise for next year has agitated some labour advocates, but it is the correct course. Readers of the British magazine, the *Economist*, perhaps still recall an article containing a survey showing that our labour competitiveness is ranked very low against that in both developed and developing economies. Our workers are, in experts' estimate, overpriced, under-productive and prone to hop from job to job. This news may be gratifying for unionists, but it is very disturbing for investors who, dare I say, have options.

I agree that we must raise our standards but not just in terms of civility, but also in terms of commercial worthiness. You can have the most egalitarian, be good to your neighbour, democratic, voting every week community, but it is no magnet for investment if it is not efficient, not cost effective, not resilient, not resourceful. I applaud the end objects of the Governor's push for a caring society and that is why I am so insistent on putting the accent back on economic growth.

Mr President, I cannot thank the Governor for the obvious reason that even a hint of policy is absent from his address. His speech is a boast of his good record. But what about his bad record? When the Governor took office in 1992 our annual economic growth rate was 6.8%, but now it is 4.7%. Unemployment was under 2% then and now it hovers at 2.6%. Our overall business competitive rating has also slipped from first to fourth place. Our public finances have remained sound, true. That credit goes more to our private sector which generates the wealth and to our hard working people.

Mr President, the sun has set on Britannia, but it is rising for Asia, for China, for Hong Kong. We have inherited some positive aspects of British administration for which we are grateful; an independent Judiciary, faith in good government and a professional Civil Service among them. We also have on our side a blend of our Chinese heritage the virtues of which include thrift, diligence, family values, respect for education, and Western attributes such as risk-taking,

inventiveness and love of freedom. We have, you see, the best of two worlds and from that combination greatness shall spring. Long after British rule is memory and our Governor has obtained another career, we of Hong Kong shall still be making a success of ourselves. In this, Mr President, I believe with absolute, unwavering conviction.

MRS MIRIAM LAU (in Cantonese): Mr President, this year's policy address is the last under British rule. Although the Governor has failed to provide a blueprint for ruling Hong Kong that can straddle 1997, the policy address clearly intends to draw a conclusion and give excessive praise to the glorious deeds of more than a hundred years' British rule in Hong Kong, and especially to the tremendous achievements of the Governor in these five years. However, it is better for the later generations to evaluate the merits and demerits of these acts. No matter how highly the Governor has praised his own achievements in this policy address, telling people how many good deeds he has done for Hong Kong, this policy address is still disappointing indeed. As the representative of the transport and communication sector, I am still most concerned with the Government's policy on this area.

Transport infrastructure

The Governor points out that to improve Hong Kong's business infrastructure, we must carry out major transport improvement work and this policy orientation is correct. Throughout these years, I think the most urgent transport improvement project is to address the problem of traffic congestion in Hong Kong. However, it is exactly in this area that the Government has done the least with the slowest pace. Although the Government always emphasizes that some ten billion dollars have been invested in these years in building roads, and about \$7 billion will also be allocated in the coming year to build new roads and improve the existing roads, I still want to ask the Government a question: Why is the traffic on roads in the urban areas still so congested after it has spent such an enormous amount of public funds? The answer is very simple. The Government has never seriously considered formulating a comprehensive plan to solve the congestion in urban areas by building more roads, flyovers or bypasses. In the past, most resources are devoted to roads related to the new airport or new towns. Regarding the long-term strategy, it seems that the Government has put the emphasis on the Electronic Road Pricing System which has many constraints and regarding which we still do not know whether it is feasible, and this cannot help to solve the pressing congestion problem at all. Also, there is much more

said than done in regard to the development of mass transit. All these reflect that the Government lacks sincerity in solving the problem of congestion in urban areas.

Although the Governor has listed out several transport improvement plans in this year's policy commitments, they are only confined to individual areas and a comprehensive plan is still at large. Even the works in regard to the improvement plans carried out in individual areas, for example, constructing an underpass in Tsim Sha Tsui in which there has already been very serious traffic congestion and a flyover on Pok Fu Lam Road will only be started by late 1998 at the earliest. If the Government is of the opinion that the projects are urgent, it should implement the plans so as to relieve traffic congestion in those areas without delay. Also, many people hope that building the Central Wan Chai Bypass and Island Eastern Corridor Link can relieve the traffic congestion in Wan Chai/Causeway Bay districts. The Government promised to commence work in 1997 in last year's policy address, but it is now saying that a review on this and the Central/Wan Chai Reclamation will be made together. It seems that it is impossible to commence work as scheduled.

Another urgent project is to expand the capacity of the Lok Ma Chau Border Crossing. In the 1995 policy commitments, the Governor undertook to increase the number of kiosks at the Lok Ma Chau Border Crossing from 14 to 24 by the end of 1998. In the 1996 policy commitments, this undertaking has become the focal point of work in 1996, but the completion date has been delayed for a year until the end of 1999 without cause and there is not even a word of explanation in the progress report, maybe it is because the Government hopes that we will not be aware of this. It is indeed disappointing that the Government has adopted such an attitude.

Whether transport moves smoothly at cross-border crossings has important bearing on the transport sector. We cannot increase the kiosks at one go, but there are still other ways of improvement. I understand that there are designated cross-border points for different types of vehicles and this practice lacks flexibility. If a long queue is brought about by certain accidents at a certain cross-border point, the drivers of the vehicles which have to cross the border at that point will have no alternative but to wait patiently for their turn. I hope that the Hong Kong Government will hold discussions with the Chinese side as soon as possible, for the purpose of cancelling the existing policy of having designated cross-border points for different types of vehicles, namely Man Kam To, Lok Ma Chau/Huang Gang and Sha Tau Kok, and of implementing measures to enable

through passage via the three cross-border points so that vehicles can be free to choose from among these three points. I believe this measure will be able to relieve the congestion at the cross-border points.

Mr President, it is nothing new if we find that there are delays in government projects. However, the Government has now made a new promise that the Government would speed up planning the Western Corridor Railway (WCR), the Mass Transit Railway (MTR) Tseung Kwan O extension and Ma On Shan/Tai Wai rail link, and the Kowloon-Canton Railway (KCR) extension from Hung Hom to Tsim Sha Tsui. This is certainly very surprising because plans for these three railways are actually not new pledges. By the end of 1994, the relevant plans and timetables have already been set out in the railway development strategy. Normally, these projects should have been completed or started, but these three railway projects are still castle in the air after two years' tumult. The Governor is now putting forward these plans as new pledges. I do not know whether the Government has wanted to start a countdown for these three railway projects again, in order to evade the problem of a serious delay in completing these projects.

The policy address is disappointing, and the delay caused to the construction of the WCR makes more than 800 000 people living in the Northwest New Territories even more disappointed. They are tormented by congestion everyday when travelling over a long distance to and from the urban area. Originally, they can expect that their sufferings will come to an end one day, but it now seems that they have been thrown back into the abyss because the completion of the WCR will not be realized within the foreseeable future. I urge the Government to try its best to enable the planned WCR to be completed before 2001. Even if works on the whole WCR system cannot be completed on schedule, the Government should at least cater for, on a priority basis, the urgent transport needs of people living in the Northwest New Territories and the development of the Northwest New Territories.

I want to point out that the delays in completing these three railway projects should not be regarded as a matter of course. If the Government had been sincere right at the outset in dealing with the WCR project, giving an account of the project to the public and explaining the details of the project to the Chinese side on its own initiative, instead of making disclosures through

newspapers using them as its mouthpieces or requiring the Legislative Council to take the initiative to ask questions, the WCR project may have progressed in a smoother manner and the date of completion may not have to be delayed. Now that the WCR project is in such a state, I sincerely hope that the Government can learn a lesson. Besides adopting a positive approach to push forward with the WCR project, it should also deal with the remaining two railway projects openly and sincerely, so as to avoid further complications, thereby disappointing the public.

Public transport

In the policy commitments, the Governor has repeatedly used terms like "encourage" and "assist", for example, to encourage the Mass Transit Railway (MTR) to improve their response procedures for dealing with incidents; to encourage bus operators to publish service charters; to encourage ferry operators to improve the quality of ferry services under the premise of charging reasonable fares and to assist public transport operators to introduce a Smart Card System and so on. It seems that the Governor likes talking more than taking actions, but if I have mistaken him and the Government is actually behaving in an opposite way, would the Government inform this Council how it will encourage and assist the public transport operators?

Among the many kinds of public transport, ferry requires assistance most. As a result of various objective circumstantial factors, the operation of the ferry service is not as buoyant as it was in the past, and it is also deteriorating. The Government should carry out a comprehensive review on the ferry policy, re-define the role played by ferries in the whole transport system and assist this sunset service to look for an opportunity for its survival. The most urgent task is to provide the ferry service with "substantial assistance" instead of just giving it some mere "lip-service" support, so that the service it provides to the public would not be affected as a result of its poor operation. In this respect, the best example is the Government has delayed in the approval for the property development project on top of the piers of the Hongkong and Yaumati Ferry Company Limited, and it has caused the Ferry Company to hold back its service improvement programme which includes the purchase of high-speed catamarans.

In my view, in order to avoid handing in a blank sheet in respect of public transport and for the sake of putting up a front, the Governor can only include other people's achievements in the policy address. The only innovative measure

proposed by the Government is to designate various offences of taxi-drivers, including refusal to accept hire, as fixed-penalty offences. The Government hopes this will help to improve taxi service. I am doubtful whether the Government intends to enhance a deterring effect or to amass more money in its coffers. At present, if a taxi-driver has to go to court because of his refusal to accept hire, he has to stop work and also pay the fine, the deterring effect of this is surely more serious than that of a fixed penalty. If the Government intends to increase its income from imposing penalty through the issue of more summons, it is not improving taxi service but only the income of its coffers instead. I do not object that offenders have to be punished, but I do not agree that the deterring effect of imposing fixed penalty will be greater than that of issuing summons. On the contrary, as fixed penalty involves only fines, some blacksheep in the trade may even be more willing to take the risk. In any case, if the Government has a heart to implement this measure, it should fully consult the opinions of people in the trade.

Transport management

According to the policy commitments, the Government will continue to implement the recommendations of the Parking Demand Study in 1997 to increase parking spaces, in particular, parking spaces for goods vehicles. It seems very high-sounding but what concrete plans and timetable does the Government has for implementing such recommendations? How many parking spaces will be provided, in particular, those for goods vehicles? Concerning this issue, although the Transport Branch understands the urgency of this demand, the allocation of land falls within the scope of the policies of the Planning, Environment and Lands Branch, and the Branch has to meet the demands of different departments for land with limited land resources. Therefore, I am sure that parking spaces for goods vehicles will still fall short of demand in the foreseeable future. In fact, it is impossible for a shortage of 76 000 parking spaces for goods vehicles to be made up for overnight. I have received many complaints from lorry drivers, they said even if their vehicles are parked at places where the safety of other drivers and pedestrians will not be affected late after mid-night, they will still receive a few summons. Illegal parking is definitely not a right thing to do, but what else can we do now that there are not enough parking spaces for goods vehicles? It would hardly be impossible for the drivers to fold up their lorries and take them back home! Under such circumstances, before we can effectively solve the parking problem, I think every police district should deal with illegal parking after midnight as flexibly as

possible, and adopt a generous attitude as long as illegal parking does not cause nuisance to other people or jeopardize safety.

Not only should the Government deal with the illegal parking of goods vehicles flexibly, but it should also do so with the land for parking in the New Territories. There is a serious shortage of parking places for container trucks and chassis, and there is also a lack of container yards. The Government has drawn cakes to allay hunger: it has designated many pieces of land on the outline plan of the New Territories for open-air storage, but all these "cakes" belong to private owners. If the land owners refuse to share the "cakes" with other people, or they cannot lease or sell their land because of the title problem, the Government cannot do anything. As far as I know, not many open-air storage areas are now used for parking container trucks or storing containers. In view of this, the Government should consider the actual situation, and allow other operators, apart from the operators of the open-air storage areas, to continue operating for the time being as long as they can meet the basic environmental and transport requirements. I think, to keep these operators within the regulatory bounds of the Government would enable the Government to realize, to a certain extent, its original policy objective and it is not necessary for the Government to be so ruthless. In the long-run, the Government should look for a solution to solve the problem, so that the designated "cakes" can really be made use of to fill up the stomach as soon as possible.

Furthermore, we should not be cheated by the figures of overall freight transport and think that the freight transport business is flourishing. In fact, the land freight transport industry is now experiencing a difficult period, during this slackness, the turnover of the general freight transport industry has kept declining. Many parking places are bidded at high prices, there can only be limited reduction in rental and many lorry drivers have to park their vehicles along the roads or hillsides in order to save just a small amount of money. While solving the problem of inadequate parking spaces for goods vehicles, container trucks and other vehicles, I think the Government should note whether the policy of high land premium has increased the cost of parking spaces. If parking fees are too high, no one will be willing or can afford to park their vehicles in these places even if there are parking spaces. By the same token, while the Government is implementing the Park-and-Ride Scheme, it must also ensure whether the parking fees are reasonable and attractive, otherwise, it is impossible for this Scheme to yield the effects as expected.

Mr President, concerning the control of smoke emission by motor vehicles, although the Government does not admit that it has shelved the diesel to petrol scheme, it has at least renounced its arbitrary actions and is willing to devise alternative measures to encourage owners of diesel vehicles to switch to using less polluting fuels, as well as to study the feasibility of introducing gas-powered vehicles. I really welcome this. Concerning gas-powered vehicles, if their performance can be proved to be ideal and the price reasonable, I think they will be welcomed by the transport sector.

Mr President, I would now turn to another point of concern to me — communications. Since 1994, the Governor has emphasized in the policy commitments that the Government would further lessen its regulation of the telecommunications market and keep on introducing more competitions to realize the objective of opening up the market. We can immediately see the results of suddenly having many more competitors in the market. Telecommunications products are not only more diversified, but the prices are also more reasonable and the public is directly benefited.

In order to open up the telecommunications market, the Government has issued more than one licence for video-on-demand programme services, it has in fact issued two. However, the contradiction is that the Government has not done the same with issuing subscription TV licenses and it has still issued one licence only instead of two. This reveals a fact that we cannot open up the market just for the sake of opening it up, disregarding whether the market can accommodate new operators and whether there are survival space for the existing operators, otherwise, this will only bring about vicious competition and even affect people working in this trade. The most obvious example is the staff of the Hong Kong Telecom who have already been dealt a blow by the opening up of the market.

I think it is a good thing to open up the market and introduce more competitions, but I do not think all markets should be completely opened up, nor should free competition be allowed in all services. It is the responsibility of the Government to consider the actual situation of the market and the capability of the market to allow for competition when introducing competition, and try its best to maintain the stability of the market.

Mr President, these are my remarks.

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

MR ANDREW CHENG (in Cantonese): Mr Deputy, my speech will be centred on three aspects: finance, recreation and culture as well as the provisional legislature.

Mr Deputy, regarding the securities, futures and debt markets, one of the major targets of the policy address is to ensure the sound operation of the securities, futures and debts markets. But as to what is meant by "sound operation", there is no clear definition. I think three principles should be included. Firstly, to enhance the competitiveness of the trade; secondly, to ensure fair competition; thirdly, to safeguard the interests of investors. I have evaluated the new undertakings made by the Government on the basis of these principles but the result is very disappointing.

In the face of new everchanging technologies and the trend of internationalization of the Hong Kong market, employees of the securities trade must keep improving their techniques in order to maintain their competitiveness. However, the policy address has not put forward any plans. As a matter of fact, if the Government's targets are confined only to the development of new financial products and services without stepping up corresponding measures for co-ordination, the promotion of these products will be difficult. For example, the Stock Exchange has carried out a survey on a newly introduced product — share options. The result of the survey was that only 21% of the respondents had been involved in transactions in the options market, and they found that the major obstacle was a lack of knowledge in share options. Therefore, the Government should positively support measures recently proposed by the Stock Exchange for helping local brokers, such as encouraging broker companies to install new facilities, step up training and so on. Moreover, the Government should step up the training of employees in the financial profession in respect of long-term human resources training.

Mr Deputy, the Governor stresses the Government's determination to see that our financial market earn and retain an international reputation for fair dealing. But, from the past performance of the Government, it can be seen that the determination exists only as a slogan, and it is a mere gesture rather than a practical action. In this connection, the two points put forward by the Hong

Kong Institute of Securities are worth making reference to by the Government. Firstly, the current exemption given to securities dealers is not fair to registered dealers and it should be repealed. This is because this system exempts some people such as banks from running their securities business under the supervision of the Securities and Futures Commission (SFC) and the Stock Exchange. Even if the bill contains a request for supervision, the extent of supervision is not as strict as that of registered securities dealers, and this is unfair. Secondly, insider dealings seriously jeopardize the fair development of the Hong Kong market. However, in respect of the Securities (Insider Dealing) Ordinance, the bill has merely added the requirement for insider dealers to pay the investigation costs incurred by the SFC, and no other amendments are made to render these insider dealers criminally punishable and to give the victims civil compensation, and this is indeed a very big loophole.

Mr Deputy, as for safeguarding the investors, what the Government should review includes the disclosure policy and the regulatory framework. At present, the degree and quality of disclosure by listed companies in Hong Kong have yet to be improved in order that communication between these companies and the investors can be enhanced, that investors can make wise investment decisions and that the prices of the companies' shares can accurately reflect the companies' performance. In the United States, a financial commission has been set up to reform the companies' disclosure policies and work out the formats of the companies' reports, including those which require the companies to disclose non-financial performance indices. In Hong Kong, the Government is often over-cautious in asking companies to disclose information under the premise of safeguarding the major shareholders' interests. For example, the authority is unwilling to require the disclosure of the criminal records of the directors of the listed companies in their prospectuses and so on. Mr President, I think it is necessary for Hong Kong to increase the transparency of financial reports and the disclosure system in order to maintain Hong Kong's position as an international financial centre.

I believe Members will recall that the SFC and the Stock Exchange had a row last year over their respective scope of work, which led to controversies in respect of the regulatory framework. As a matter of fact, there are quite a lot of problems existing in the present regulatory framework. For example, there is the question of whether off-market dealings should be monitored by the SFC or the Stock Exchange, whether the Financial Services Branch should delegate more powers to the SFC, and what role should the Financial Service Branch play in respect of financial and investment matters. At present, certain products such as gold futures are in a "lawless state" insofar as regulation is concerned. So who

is going to take up the regulatory responsibility? Therefore, an important item on the agenda of the Financial Services Branch in the coming year should be improvement to the present regulatory framework.

Mr Deputy, in respect of the banking sector, one of the targets in the 1995 policy address was to introduce more competition step by step. Very unfortunately, this target was dropped in the 1996 policy address, and this is really shocking. It is well-known that this is a year of bumper harvest of profits for the banks which illustrates that abolishing the Interest Rate Agreement (IRA) has not affected the profit-making ability of banks, as banks can increase their profit margins by means of cost control measures and strengthening other services. But for the sake of protecting the interests of major banks, the Government has disregarded the principle of fair competition and sacrificed consumer interests, and made no mention of abolishing the IRA. The Democratic Party strongly requests the Government to put into practice the original plan to abolish the interest rate cap for 24 hours call deposits and to draw up a timetable for abolishing the interest rate cap for savings deposits.

Moreover, an important point has been omitted in the new undertakings regarding the insurance sector. I often receive a lot of complaints from employees of the insurance sector. They are of the opinion that they are being exploited by insurance companies in respect of benefits, salary and a host of other things. However, they cannot find any channel to air their complaints because they are only working in the capacity of agents, and the Employment Ordinance would not be effective on them. Therefore, Mr Deputy, an easily accessible mechanism for complaints should be extensively set up by the existing Office of the Commission of Insurance, so that these employees of the insurance sector can have a channel to lodge their complaints. Meanwhile, the insurance sector should move further towards professionalism; in this connection, the existing minimum requirements of having a Form Five graduate standard and being 18 years of age should be raised further, and public professional examinations should be an item for consideration if the Government wants to raise the level of professionalism of the insurance sector. The Government should be aware of the fact that the people of Hong Kong will only have confidence in the operation of the Mandatory Provident Fund in future if the insurance sector has a good foundation in this respect.

Mr Deputy, following this, I shall discuss the key points concerning recreation and culture in the policy address. I shall discuss the three urgent tasks at present, namely, the development of sports and recreation, the control of

obscene and indecent articles and the broadcasting industry.

In respect of the development of sports and recreation, first of all, I would like to welcome the pledge made by the Government earlier to set up the Hong Kong Athletes Fund, which is an important step forward in promoting sports and raising the standards of Hong Kong athletes. However, as to the amount of the fund, I find it most disappointing. At present, the fund is equally shouldered by the Government and private sponsors, with a ceiling of \$16 million. I think this is absolutely insufficient. In order to show its determination to actively nurture our athletic elites, the Government should inject \$2 if another sponsor injects \$1, instead of only injecting \$1 at present and setting \$16 million as the ceiling. In other words, the fund amount should at least be \$24 million instead of \$16 million.

Apart from these, according to people from this sector, the Hong Kong Sports Development Board is spending a lot of resources and money every year on examining and approving funding applications by sports bodies, and the application procedures are extremely complicated which increase the administration costs, and this indirectly reduced the amount of funding received by sports bodies. Therefore, the first step the Government should take is to reduce the administration costs, simplify the application procedures as well as examining and approving procedures, so that funding provided to sports bodies could be increased.

As to the question of the control of obscene and indecent articles, we have only heard the Government's empty talks. The Democratic Party's recent regular telephone survey on the pornographic supplements of newspapers shows that whilst the Government has all along been talking robustly about the control of obscene and indecent articles, the control over pornographic supplements of newspapers is surprisingly inadequate. More than 50% of the interviewees are of the view that among the newspapers they usually read, the problems created by pornographic supplements are still very serious. Also, 70% of the interviewees are of the view that it is necessary for the Government to continue to step up the monitoring of newspapers, so as not to allow pornographic and indecent contents of the supplements to continue tormenting our young people. The result of the survey points to the fact that the Government's control over pornographic articles has reached a state in which justifications and efficiency are seriously lacking. Members of the public are generally of the opinion that the problem of pornography in newspapers is getting serious. We have the following recommendations to make:

Firstly, we have to reform the Television and Entertainment Licensing Authority (TELA) by increasing its resources and power, so that it can deploy more staff to carry out inspection and prosecution.

Secondly, although the TELA has set up a complaints hotline, I believe Members who are now present or even some government officials do not know this telephone number, as publicity has been inadequate. I hope that the Government can, insofar as possible, give more publicity in this respect, so that members of the public can make use of the hotline as a channel to lodge complaints against the aggravating tide of pornography in the society.

Thirdly, the existing legislation has not clearly defined what is obscene and indecent. In spite of the fact that the Government has claimed that moral standards keep on changing, the Government should still have certain yardsticks for the authority concerned to rely on when judging pornographic articles.

Fourthly, the relevant maximum fine laid down by the existing legislation is \$200,000 Hong Kong dollars. However, the fines levied are generally only around \$10,000, or sometimes, even just a few thousand dollars, which are too low and which simply cannot be sufficiently deterrent. Therefore, the authority concerned should make more use of the appeals mechanism, so as to make a reflection on the seriousness of the problem to the Judiciary, and show forth to the executive authority the dissatisfaction over judicial judgements which are too lenient.

As to the Government's intention to monitor pornographic information transmitted through the Internet, the Democratic Party does not agree to it. This is because the Internet, in operating its communication function, has no national boundaries, and would allow the co-existence of point-to-point and point-to-multipoints communications, which is different from other communication media. The Democratic Party is of the view that the most effective way to regulate Internet pornography is for the sector to conduct self-regulation, by providing customers with filtering softwares to weed out any Internet addresses which are related with pornographic contents. It is also hoped that the sector can conduct non-binding rating and provide guidelines and codes of practice for members of the sector to comply with.

In respect of the broadcasting industry, the Government has pledged in the policy address to assist the firm industry in its development. However, we doubt the Government's sincerity because the Government still lacks a long-term

development plan and it has not established any film development board to co-ordinate film development. In spite of the fact that the Government has also promised to set up a film database and look into the possibility of developing film programmes with tertiary institutions, there is no film development board to co-ordinate the overall development of the film industry, and it can offer little help to the development of the film industry.

Mr Deputy, I am now casting some criticisms on the provisional legislature and the Chief Executive (Designate).

Mr Deputy, a section in the policy address is designated to the provisional legislature and the Chief Executive (Designate). It stresses that the Government will fully co-operate with both the Preparatory Committee and the Chief Executive (Designate), and indicates that the form of such co-operation must be in full compliance with the provisions of the Joint Declaration and the Basic Law as well as the interests of Hong Kong. But we must not forget that the provisional legislature is a freak. The Hong Kong Government's position, as it is so well-known, is that the establishment of the provisional legislature violates the Basic Law and is undemocratic. However, one of the missions of the Preparatory Committee is to prepare for the establishment of the provisional legislature, while the work of the Chief Executive (Designate) will inevitably touch upon the provisional legislature. Moreover, the establishment of the provisional legislature will make it impossible for the views of the people of Hong Kong to be expressed fully and reasonably through a parliamentary channel, and this is a major regression on the road of democratic development for Hong Kong. A provisional legislature as such is absolutely not what Mr PATTEN has claimed to be "in Hong Kong's interests". Therefore, if the Government intends to co-operate with the Preparatory Committee and the Chief Executive (Designate), it will not only associate itself with the provisional legislature it openly opposes, but it will also be going against the interests of Hong Kong. Furthermore, the Government's policy will then become one that opposes the provisional legislature on the one hand, and indirectly cooperates with the provisional legislature on the other. It can be seen from this that the Governor is contradicting himself, and he is faced with a dilemma in respect of the provisional legislature.

In spite of the fact that I have stated time and again in the past the grounds on which we oppose the provisional legislature, I may as well take this opportunity to reiterate that democracy and the rule of law are the two

indispensable elements of a sound democratic society, and what is more, democracy is an important cornerstone of the rule of law. I believe the Honourable Martin LEE has just quoted the very good example of the vile legislation in HITLER's days to illustrate that without a democratic political system, we cannot safeguard the rule of law to uphold justice. Before 1997, although Hong Kong is a colony of Britain and a democratic political system has still yet to be realized, the fact that Britain is a democratic country itself with a sound legal system has also contributed to the making of Hong Kong into a society with the rule of law. Members and people of whatever political lines proclaim that it is necessary to maintain the system of the rule of law in Hong Kong. However, let us imagine, the establishment of the provisional legislature is undemocratic and it is a body formed by members chosen by imperial order of China which lacks a sound legal basis and the blessing of popular will, so if the provisional legislature will really come into existence after 1997, the system of the rule of law in Hong Kong will be jeopardized! Therefore, I earnestly beseech the British Government, the Hong Kong Government and the Governor to amend their strong, but not firm enough, stand to adopt practical and effective measures to prevent the provisional legislature from coming into being.

Finally, Mr Deputy, although I cannot compose verses as what Mr Martin LEE can, I can only recite and dedicate a poem — "A Farewell Song" by WANG Wei, to the Governor:

"No dust raised on pathways wet with morning rain,
The willows by the tavern look so fresh and green.
I invite you to drink a cup of wine again,
West of the Southern Pass no more friends will be seen.
West of the Southern Pass no more friends will be seen.
West of the Southern Pass no more friends will be seen."

My teacher for Chinese lessons told me that when I recite this poem, I have to recite the last line three times, since I am seeing some old friends off. This time, we are seeing the Governor off, who has become related to us because of the unequal treaties. I am fully convinced that the people of Hong Kong will still be able to face up to the tumultuous years to come. Thank you, Mr Deputy.

MR MOK YING-FAN (in Cantonese): Mr President, I wonder if my colleagues have this experience. Earlier on, I bought a computer with a view to improving

work efficiency and I can also enjoy the fun of playing three-dimensional games during leisure. Indeed, computers can help in computation, data storage and transfer, word processing and so on. However, the software and hardware must match well before a computer can give full play to its efficiency. Surely, you would not install the "Windows 95" software in a 386 computer for this will only impede the speed of operation of your computer and may even cause the system to seize up, or what they call "to hang" the device. On the contrary, you would not install the "Windows 3.1" software in a 586 computer because the computer's function will not be brought into play.

Nevertheless, the policy on employment as set out in this year's policy address resembles a computer installed with software and hardware which are not compatible.

Everybody knows that the continuous improvements in information technology, communication facilities and means of transport are currently affecting the development and restructuring of the world economy. In the face of this general atmosphere of a global economic restructuring and with a view to ensuring full employment, a forward-looking and responsible government should set up an economic development council without delay to look into the relative advantages of Hong Kong in the world market and formulate long-term economic development strategies. Subsidies should also be provided for activities and projects that can create jobs which entail productivity and promote economic development. Industrial technology policies should also be formulated and small and medium enterprises should be given the chance to procure loans so as to foster innovative industries.

However, taking an overview of the policy address, we find that the Governor has just promised the compilation of statistics as regard the balance of international payments for Hong Kong and the provision of more statistics on trade. In respect of industry, the Governor has only stated that additional support and infrastructure and other support services will be provided. In regard to concrete measures such as the establishment of the Science Park, the Governor has only promised to make institutional and financial arrangements. Regarding the second Industrial Technology Centre, he says that the planning work will be completed in the year 1997-98. Insofar as employment counselling is concerned, the relevant offices will be fully computerized and information services for the local workforce will be upgraded. As for vocational training and retraining, the Governor stated that the Employees

Retraining Scheme (ERS) will be reorganized and improved in the light of the review on the ERS and the Employees Retraining Board (ERB). However, can these fragmentary and "remedial" measures really solve the problem? I doubt it very much indeed.

Under these circumstances, the hardware, namely, increasing employment opportunities, is inherently deficient while the software, namely, manpower resources training, meant to be compatible with the hardware, lacks proper handling.

The policy on manpower resources training in Hong Kong has consistently drawn public criticisms. This year, the education expenditure accounts for a mere 2.72% of the Gross Domestic Product (GDP). When compared to the percentage of education expenditure in GDP in Europe and the United States as well as in Asian countries which is respectively over 5% and over 4% on an average, Hong Kong simply does not possess the conditions for competition. What is more, the appropriation to education is made in the form of a "reverse pyramid", with one third of the expenditure being allocated to tertiary education. The main objective of the ERB and ERS, which is to provide retraining for local workers affected by our economic restructuring with a view to assisting them in obtaining and switching jobs, caters only for the demand for low level skills. In short, Hong Kong does not have a long-term policy on manpower resources training to complement its economic development strategy.

For these reasons, my view is that the promises made by the Government in this policy address concerning employment merely reaffirm the positive non-intervention policy emphasized in the past and the continued adoption of a fragmentary approach, and they cannot genuinely help the long-term economic development of Hong Kong.

I am of the view that the employment policy of the Hong Kong Government should be similar to a computer installed with well-matched software and hardware, before the computer's functions can be brought into full play. In the long run, more attention should be paid to the new development of the computer market. Why should we still refuse to give up a XT computer when the market has already entered the 586 era?

Mr President, I so submit.

THE PRESIDENT resumed the Chair.

MISS CHAN YUEN-HAN (in Cantonese): Mr President, the Governor always stresses the principle of equity and fairness. Looking from this angle, the Governor should have safeguarded social justice, ensured the reasonable distribution of social resources and assisted vulnerable groups. Unfortunately, the Government's policy directives run in another direction. He emphasizes that our welfare system does not exist to iron out inequalities, and it does not exist to redistribute wealth. At the debate on last year's policy address, I asked the Government to pay attention to the plight of the grass roots, apart from taking care of the interests of the business sector. I also asked the Government to change the two principles of the Government's administrative policies, namely, (1) to improve social services to achieve the effect of a more reasonable distribution of wealth; (2) subject to the needs of social development, to allow of public expenditure to exceed GDP by 20%. Why should the Government make such a restrictive commitment as regards people's livelihood, insisting that public expenditure should never exceed GDP by 20%? Why cannot the Government allocate additional resources in response to actual social needs for the well-being of the public? It is a pity that the Government's attitude has remained unchanged despite the views we expressed.

Let us examine the important issues pertaining to people's livelihood to see how the Government, under the leadership of the Governor, addresses the needs of the public. In the face of the hardships of the community and the growing plight of people at grassroots level, how can the Government help them? For example, in the area of housing, it is stressed in the policy address that the grant of land and the building of housing units have been expedited according to plans in a bid to solve the housing problem. Mr President, what actually happens is exactly the opposite. Under the Government's policy of privatizing housing, the Housing Department has been increasing the ratio of Home Ownership Scheme (HOS) flats being built while reducing the supply of public rental units, making it impossible for the people in need to live in complacency. Guided by this policy, the long-standing housing problem in Hong Kong gets from bad to worse. There are at present over 148 000 applicants on the General Waiting List but the number of units allocated to them each year is very limited. The number of units so allocated was just 12 000 in 1995 while even less, only 9 000 units, were

allocated in 1996. People have no choice but to accept the exceedingly long waiting time for public housing.

I have handled quite a number of cases of the applicants on the General Waiting List. Among these clients, many have finally moved to Tseung Kwan O. Mr President, this is not because there is an especially large supply of public housing in Tseung Kwan O, but because they were buried there before they could be allocated a unit. This may sound a bit ridiculous, but it truly reflects the miserable situation of waiting for a public rental unit. Since the assumption of office of the Governor, the number of public rental units built each year has failed to catch up with the target set under the housing policy, except in 1993, when the number of units built have achieved the target of the supply of public housing. However, the Government still fabricates beautiful lies, claiming that it is working to reduce the average waiting time for rental flats from seven to five years by 2001. In order to reduce housing supply, the Housing Authority exhausts every means to set down some strict rules. For example, in 1996, the maximum monthly income in respect of a four-member family on the General Waiting List is \$14,700 while the median monthly income of an individual is around \$8,000 to \$9,000. As such, if both the husband and wife work, even though their monthly income equals the median income, their combined income would have already exceeded the income limit and they would not be eligible to apply for public rental units. It is therefore evident that the requirements are overly strict.

While the Government requires applicants to keep to a meagre family income, there are much delay in allocating rental units to them. That means the poor would have to live either in private premises paying high rents or in some terrible living environment for a period of seven years. By restricting the supply of public housing and adhering to the policy of high land price, the Government can of course bring in colossal revenue. The real estate developers and the speculators have been greatly benefitted while the grass roots are the ones who have been victimized. Some of the applicants waiting for public rental units are now living in temporary housing areas (THA), but even "temporary" means a period of three, five or seven years and they have to endure the horrendous living conditions of the THAs. Has Mr Chris PATTEN, the Governor, apart from visiting the renovated display units, ever resided in these terribly small THA units? Has he ever experienced the horrendous hygienic conditions? Has he ever had the experience having water dripping from the eaves? Has he ever experienced living under a leaking roof on a rainy night? Has he ever spent a night with cockroaches? Has he ever been accompanied by

termites and rats?

I must stress that I have no intention to belittle the dwelling places of the THA residents, but this is the fact. Notwithstanding the pledge made by the Governor to clear THAs, 13 of them have to be retained and another four built before 1984 have not yet been completely demolished. This indicates that the supply of housing in Hong Kong lags far behind the rate of population growth.

Mr President, I recall that the Governor, Mr Chris PATTEN, has pledged to offer rehousing to all urban squatters on government land by March 1996, but this has not been ultimately achieved. As a matter of fact, the living environment in squatters is just as bad as that in THAs. Under the existing housing policy, how are these squatter residents to be rehoused?

Moreover, the result of a survey conducted by the Democratic Alliance for Betterment of Hong Kong (DAB) shows that, among the new immigrants who have recently come to Hong Kong, 30% of them live in public housing units. As a result, originally, only two to three singletons lived in a unit, but after the singletons got married, three households of different surnames will live together in a unit. What should be done? The Government may just say, "We can only act according to the policy", thinking that it can put an end to all problems. But things are not that simple. We can see that the plight of living in crowded conditions in public housing units also falls upon our third postwar generation. Three generations are living together in a public housing unit. Some people have been living in public rental units since the time they were born, then they grow up and get married there. In accordance with the established policy, they must move out of the public rental units after getting married. However, as a result of financial difficulties, they can only resort to living in public units as black market tenants.

Mr President, we see numerous family disputes happening every week as a result of the crowded living conditions in public rental units: where the father asks the son to move out, brothers having rows with each other, the son sues the mother and so on. There is a depressing scenario as such. How can the Government turn a blind eye to the situation, and yet claiming that nobody with actual housing need would be denied public housing?

Mr President, quite a number of vulnerable groups are also neglected by the Government. The resources they receive are really limited. Hong Kong provides neither comprehensive retirement protection nor unemployment

assistance. As regards Comprehensive Social Security Assistance (CSSA), the Governor has made some sincere remarks in his farewell policy address, admitting that "people would be hard-pressed to live it up on Hong Kong social security". The Government has no policy to lift the poor out of poverty, while the overall social welfare development lacks long-term objectives and plans. In fact, the unemployed, the low-income families, the new immigrants, single-parent families and the chronically ill are all entitled to live in security and dignity. How much assistance has the Government offered to them?

For the new immigrants, the most pressing problems are housing and employment. Having lived in Hong Kong for less than seven years, new immigrants are not eligible to apply for public housing. Most new immigrants are forced to live in over-crowded private premises, such as cubicles, rooftop structures and caged homes. Despite of the fact that some of them may be able to move into directly public rental flats, as I have said earlier, they will still be faced with a crowded living environment which is a very common sight. According to a survey conducted by the International Social Services Society, the unemployment rate among new immigrants stands at 13.7%, which is far higher than the local unemployment rate of 2.6%. At the same time, non-recognition of their academic qualifications, language barriers and the lack of assistance under the existing Employees Retraining Scheme have make it enormously difficult for them to secure employment. Although the new immigrants have encountered numerous problems in their daily life, regrettably, the Government has still not worked out a comprehensive policy on new immigrants so far.

Mr President, as the date for the handover of sovereignty is drawing near, a responsible government should not just crane its neck and wait, leaving everything to the Special Administrative Region (SAR) Government after 1997. "When you are rich, think of the days when you were poor; when you are poor, do not indulge in the memory of the days when you were rich" — Mr Chris PATTEN, I believe this is an even more useful motto to you than the words of Jack LONDON.

Mr President, apart from housing, employment also tops the list of the most pressing problems that concern the general public. Over the past 10 years, the restructuring of our economy, the shrinking of the manufacturing industry, the development of the service sector as well as the advancement of production technology have resulted in a serious imbalance between the demand and supply in the labour market. Hundreds of thousands of workers are having difficulties

in finding jobs and switching to other trades. What wise and sound strategies does the Government have to help these workers?

A single utterance of positive non-interventionism is the excuse used by the Government to take all these serious problems lightly. Should the same happen in other countries, the governments would have had a series of measures to tackle the problem of structural unemployment, such as developing the infrastructure, assisting the development of industry and commerce, facilitating technology transfer, training workers, and looking for means to better match economic development and the quality of manpower resources. However, what has our Government done?

Mr President, yes, the Government has done some window-dressing after being pressed by the pressure groups, but other than these, nothing has been done. The Government does not conduct studies or formulate plans, it has neither policies nor solutions for people who are now unemployed. If the same case were to happen in other countries, the governments would have left no stone unturned to help workers obtain employment such as implementing new construction projects. We had had this opportunity in the 1980s when we could have implemented large-scale airport construction and infrastructural projects. However, what was the attitude of our Government at that time? The Government took it lightly and gave away the golden employment opportunities to foreign workers. We can still recall the day when our former Governor, Sir David WILSON, announced the implementation of the "rose garden" project by the end of the 1980s. The project included the construction and implementation of a variety of infrastructural projects. Sir David WILSON proposed the implementation of the "rose garden" project at that time in the hope that the project could provide impetus to the economic development of Hong Kong and reinforce our economic vitality, so as to create more employment opportunities. By that time, our workers and trade unions regarded the project as a good, and even golden, opportunity for employment.

At a time when almost 50% of the new airport has been completed, and the remaining projects at the new airport as well as other infrastructural projects are well underway, we can see our unemployment rate hit the historical peak of 3.6%. The rate is still as high as 2.5% today. Comparing the situation today with that towards the end of 1980s when we almost reached full employment, we can only remark that "the two cannot be mentioned in the same breath".

In the last policy address that Mr Chris PATTEN has just delivered, he has said once and again that the Government's capital investment in the development of Hong Kong has totalled HK\$228 billion. However, has anyone of us ever considered what portion out of this \$200 billion or more has been allocated to the new airport and infrastructural constructions, creating new job opportunities for local labour? In fact, these billions of capital has been borne by the taxpayers. Since the money is invested in the development of Hong Kong, the relevant development projects should be geared to promoting local employment opportunities. However, this is not what is happening.

Mr President, in the policy address, Mr Chris PATTEN acclaimed the new airport project as a representation of the wisdom of the people of Hong Kong, that all infrastructural projects were progressing rapidly and that it was reflective of the working ability of the people of Hong Kong and so on. However, behind these achievements, Hong Kong people has not only paid for them in money terms, but also the price of losing their jobs. It may have been quite beyond the intention of the former Governor, Sir David WILSON, who proposed the "rose garden" project!

"The past can no longer be changed but the future is still in our grasp". Following the settlement of the three-year Sino-British row over Container Terminal 9 and once projects such as the Northwest New Territories Railway, the Mass Transit Railway (MTR) Tseung Kwan O extension and Ma On Shan/Tai Wai rail link, which are now being studied, will successively commence, it is estimated that more employment opportunities could be created in the unemployment world in Hong Kong. However, if the Government of Hong Kong still sticks to its "non-interventionist policy", still refuses to help workers secure employment and fails to provide effective training to workers according to market needs, while continually grants tender contracts as per an "low cost, high efficiency" approach, and relies on foreign workers by widely opening the floodgates to them, then no matter how many more new airports are to be built, how many more large-scale infrastructural projects are to be implemented and how many more employment opportunities are therefore created, these will not in any way help to solve the local unemployment problem.

Mr President, many problems pertaining to the people's livelihood in Hong Kong are awaiting their solutions. There is beyond dispute. I would like to urgently request the Government to face the reality, speak less and be more

pragmatic. For as the saying goes, "Departure is just like death. What is most alarming is the reputation after death, for like a candle being blown out, nothing is left behind but stench."

Mr President, these are my remarks.

MR LAW CHI-KWONG (in Cantonese): Mr President, I will focus my speech today on the social welfare policy. I will also comment briefly on the new immigrant policy, medical services policy and the policy on women.

Social welfare policy

The Governor has made two major contributions to the social welfare of Hong Kong:

1. The Governor has set 10-year development targets in the *1991 White Paper "Social Welfare into the 1990s and Beyond"* and the *1992 Green Paper on Rehabilitation* and, he has set earlier dates of achievement for some targets, which are expected to be in mid-1997.
2. The Governor has injected \$2.3 billion into the Lotteries Fund for the development of social welfare services, in order to dispense with the need for social welfare services to "compete for fund" with other government expenditure items during the annual resources allocation exercises.

However, the policy address this year, insofar as social welfare is concerned, is just marking time, and is lacking in forward-looking perspectives. It turns a blind eye to deteriorating social problems, harping only on the same string of providing a safety net. With respect to social problems, I have the following points to make:

Family problems

The number of family services cases had grown by more than 10% in the past few years, far exceeding the rate of population growth. The number of

single-parent families receiving Comprehensive Social Security Assistance (CSSA) payment has increased by almost 50%. Other problems such as wife battering and child abuse have also become increasingly serious. Broken families would not only cast an impact on the younger generation, but would also adversely affect our ability to look after the older generation. Whenever we ask the Government to formulate a comprehensive family policy, the Government would always confuse family services policy with family policy, thinking that having a family services policy means having a family policy. What Hong Kong needs is a multi-pronged family policy covering areas such as manpower, housing, medical services and social welfare with a view to strengthening and supporting modern families, thereby enabling such families to give play to the role of mutual support among members. When formulating other social policies, consideration should first be made about their possible impacts on the family.

The Aging population

The problem of an aging population is so commonly known that I do not think I would have to talk very much about it. Over 10 000 elderly people are currently on the waiting list for places in Care and Attention Homes. However, the Government still has no plans to meet this demand within a short time and plans will not be formulated until relevant studies have been completed. I am worried that about 50% of more than 10 000 of the elderly people on the waiting list will not have the chance to wait up till the day when such services could be provided to them. In the past few years, this Council has discussed for many times about proposals on setting up the Old Age Pension Scheme and the Central Provident Fund and on improving the rate of CSSA payment for the elderly. I do not need to repeat my points, but I just want to express my disappointment at the stance proclaimed by the Government.

Unemployment of youth

When the Government examined the problem of age discrimination, it discovered the issue of youth unemployment which is seldom discussed. As a matter of fact, there is a tendency for a drastic increase in the unemployment rate among young people aged between 15 to 19, starting with 7.4% in the first quarter of 1992 to 11.8% in the first quarter of 1996! Let us not take lightly the negative impacts of prolonged youth unemployment. Overseas experience tells us that youth unemployment would not only upset social stability, but would also result in the "formation" of unstable families when the youths grow up. Ultimately, only broken families would be left behind. This vicious cycle will

continue to exist until it becomes an insolvable issue affecting generations. In recent years, there has been an obvious phenomenon that middle-aged workers are switching from the manufacturing industry to the service industry, taking the place of young people and taking up jobs which require only low academic level, such as working at the McDonald's. Every year, school drop-outs and young people failing to secure places in Form Four have amounted to 2 000 to 3 000, in addition, there are almost 3 000 immigrants from the Mainland to Hong Kong, so it is difficult for youngsters aged between 15 to 19 with low academic level to obtain a job in the mainstream labour market.

Welfare safety net

The welfare safety net proposed by the Government should really warrant a review on our part. With a disparity of wealth and the gradual decline of old urban areas into slums, together with the problems mentioned above, the society in Hong Kong is being faced with a severe challenge. It is worrying to see that the Government, while refraining from the formulation of a forward-looking plan, has still tried to re-introduce the concept of a safety net. Given the existing economic development of Hong Kong, our social welfare policy should stress on prevention, support and development, instead of being limited to a remedial nature. We should offer assistance to those in need before they have "fallen" instead of catching them with a safety net when they "fall". There are many loopholes in our safety net and many people have fallen through these holes into an abyss of severe suffering. To this, I can only sigh: "Vast is the net of heaven, and wide is its mesh though, it loses nothing", whereas, "the safety net provided by the Government is full of holes and flaws".

Adjustment of new immigrants

The next issue that I would like to talk about is the adjustment problem faced by new immigrants. I moved a motion in January this year urging the Government to formulate a comprehensive policy on new immigrants and the motion was supported by my Honourable colleagues. In May this year, I published a Green paper on New Immigrant Policy, and put forward 26 recommendations. Sometime later, in June and July, I raised the issue for discussion at six Legislative Council Panels, namely, Panels on Welfare Services,

Health Services, Manpower, Education, Housing and Home Affairs, and had discussions over the policy with the Government. In the policy commitments of the policy address this year, the adjustment issue of new immigrants has been mentioned a number of times and this can be seen as an improvement indeed. However, among the specific recommendations, I find no new policy initiatives except the proposed amendments to the Employees Retraining Ordinance to allow new immigrants to take part in the Employees Retraining Scheme. I am still waiting for a clearer explanation from the Administration to the Legislative Council and I would like to see what new policy proposals the Home Affairs Branch has come up with after several months of studies.

Medical services policy

If we read the section on health policy in the policy address this year, we can only shake our heads and sigh. The review on our existing health care system is the most important item. The Government told the Legislative Council Panel on Health Services early this year that the review will be completed in 18 to 24 months. However, in the English version of the policy commitments of the policy address this year, it has been changed to "completion by 1998" whereas in the Chinese version, it is said that it will be "completed before the end of 1998". After the completion of the study, consultation will be conducted on the opinions of both the public and the first Legislative Council, which I hope shall have been formed by that time, before specific plans will be worked out and implemented. So, does that mean we have to wait until the 21st century? I really cannot say that I should compliment this "magnificent feat" which straddle two centuries. The policy address emphasizes cure but slights prevention, and makes no mention of subsidizing the development of community rehabilitation network services. Even the request for establishing more health centres for the elderly, made by Members of this Council and the community, has remained unheeded. All these are very disappointing.

Policy on women

The long-awaited extended application to Hong Kong of the *United Nations Convention on the Elimination of All Forms of Discrimination Against Women* finally appears in this year's policy address. It is still commendable because although the extended application comes late, it is better than never.

Moreover, the Government proposes to amend the law to provide that alimony shall be directly deducted from the income of the paying party. This is an improvement but the Democratic Party does not think this has gone far enough. We will, in due course, propose the setting up of an alimony council and we will discuss the matter with the Administration and Honourable colleagues then.

Conclusion

Last week, the Honourable Frederick FUNG moved a motion on narrowing the disparity between the rich and the poor. Tomorrow, 17 October, is the International Day for the Eradication of Poverty. As the concluding remarks of my speech today, I would like to quote again Laozi's saying for the Government's reference: "The way of heaven is to take from those who have to benefit those who have not". I very much hope that the policy of the Government will not "take from those who have not to benefit those who have."

I so submit.

MISS CHRISTINE LOH: Mr President, the Governor chose to deliver his last policy address "in more personal terms than is customary". We should allow him that privilege. As a politician, naturally, he wants to give us an account of how he sees his governorship. There is no need to deride him for this.

This Governor, more than any other before him, appreciates that politics is competitive; and as Hong Kong matures politically, there are bound to be more challenges to established conventions and ways of doing things. For example, in my small way, I have published "shadow" policy addresses in the last three years in order to challenge the tradition whereby the Governor alone sets Hong Kong's policy and legislative programmes. Since the Governor's arrival, he has also witnessed the flowering of private Members' Bills, much to the annoyance of the Administration. And, at this debate, Members want to use this "last fling" to go beyond the confines of the usual vote of thanks to record their displeasure with Britain's lack of commitment to leave behind an authentic system of representative government.

We have had a foretaste of this part of the debate with what the Honourable Martin LEE and the Honourable Miss Emily LAU have already said. I will leave my own displeasure when we debate the Honourable LEE

Cheuk-yan's amendment tomorrow.

The Governor should not really mind any of this. After all, he acknowledges that democratic development, and if I may add — competitive politics — have not made Hong Kong ungovernable. But for now, I will take a more traditional approach to my response and comment specifically on policy.

In assessing this policy address, the Governor asks us to take into account the Progress Report and the Policy Commitments as part and parcel of a total package. This is fair enough. So, taken together, what do we see?

Some parts of the Administration do have genuinely new initiatives and ideas to improve the existing system. However, there are also "old hats" masquerading as "new wines". I will not bother with those.

But, Mr President, do permit me to list some of the good ideas. Credits should be given where they are due.

Among the new ideas is the Attorney General's proposal for a Victim's Charter "setting out the rights and duties of victims of crime".

Having the Independent Commission Against Corruption directly advise property management companies on preventing corruption is another good idea in the difficult area of building management. I am sure the Secretary for Home Affairs would agree with this. The staff of these companies are vulnerable to corrupt approaches by suppliers and contractors. I am sure owners will support this initiative.

I support the Civil Service Branch's commitment to phase out the demarcation of duties between the secretarial and clerical grades in order to develop a multi-skilled general support service. This sort of move has already happened in the private sector in order to increase productivity.

I wholeheartedly support the Economic Services Branch's initiative to develop a fisheries conservation strategy. I urge the Branch and the Agriculture and Fisheries Department to continue with the excellent start they made to play a leadership role in APEC to promote sustainable fishing practices in the region.

Mr President, there are other good ideas which I have no time to go into, but there are also a host of what I would describe as inadequate initiatives because they do not go far enough, or they do not really address the issues at stake.

For example, it is right that the Director of Administration should commit his office to review the financial eligibility limits and the criteria used to assess eligibility of legal aid applicants every two and five years respectively. However, he has not gone far enough. There is no substitute to creating an independent legal aid authority to better safeguard access to justice for the people. The Secretary knows this — so, why still think about whether to think about it?

The Planning, Environment and Lands Branch will revise planning standards and guidelines on the provision of industrial land, open space, recreational, as well as retail facilities. Why not also include the minimum standards separating power lines and sub-stations from places where people live and work? The experience from the laying of power lines for the Blackpoint Power Station should have prodded the Administration.

It is excellent that the Administration has committed itself to launch a study on sustainable development early next year. However, there may be nothing left to develop if the Administration is determined to push ahead with its excessive reclamation programme spelt out in the Territorial Development Strategy Review; and also to build Container Terminals 10 and 11 on Lantau Island.

The Administration claims that its proposed reclamations are necessary because of estimated population demand. Yet, the Hong Kong Institute of Architects is able to propose an alternative plan to substantially reduce harbour reclamation. Further, the Society for Protection of the Harbour, to which I am vice-chair, will be putting forward another alternative plan soon. I am convinced that there are other, viable, options to accommodate the pressure of population than filling-up the harbour to the extent that the Administration is proposing.

Regrettably, our laws, as they stand — a good example of the arrogance of colonial paternalism — allows the Administration to delete the harbour

without the consent of Hong Kong people. Before we can put in place a better decision-making system on reclamation, I urge this Council, and members of the public, to complain as loudly as possible. Mr President, as you know, I have asked you to review whether there is any charging effect to a private Bill to give a role to this Council as an interim measure to check the decision of the Administration on reclamation. I look forward to your prompt response.

As for Container Terminals 10 and 11, unfortunately, the Administration insists going ahead is the right economic choice, but neglects to tell us the disbenefits to public health, our quality of life and the environment. Mr President, I have been through the arguments in detail on other occasions, so I will not bore you with them again today.

Let me make just one more point on sustainable development. It would be very good if all Branches can already start to understand the concept and incorporate it to the extent that is possible even before the SUSDEV21 study is completed. For example, I suggested to the Transport Branch that they incorporate the concept into its Policy Commitments since how it plans our transport system has a great impact on public health and the environment.

So far, the Secretary's response is that he already has to deal with a lot in the Policy Commitments, and that he would leave "green transport" to the Planning, Environment and Lands Branch (PELB) and the Environmental Protection Department. I am afraid he misses my point. Perhaps he still does not realize that he has a heavy responsibility in this area. I urge the Secretary to reconsider his decision.

In the area of energy efficiency and conservation, neither the Economic Services Branch (ESB) nor PELB really wants to address the issue. Without amending the schemes of control for China Light and Power and Hongkong Electric to financially reward demand-side management, plus to de-link profits from investment in capital assets, consumers are going to continue to be asked to pay for hardware they do not need. If the Administration has not heard it loud and clear, let me say it again — Hong Kong does not need Hongkong Electric to build another power station on Lamma Island. We are well endowed with spare capacity already.

To allow Hongkong Electric to build un-needed capacity will only benefit its shareholders, not the Hong Kong consumers. The Governor, the Executive Council, and the ESB — who all have a role in deciding — owe a duty to the public to safeguard the people's interests, above that of the utility's shareholders. How do they expect us to believe that they have fulfilled that duty if they give permission to build what we do not need, and then we end up having to pay for it?

Mr President, there is no alternative to amending the schemes of control in order to be fair to consumers and the utilities, and to promote energy efficiency. Let me make just two more points here. First: the ESB's two consultancy reports on future electricity demands, and how to introduce demand-side management in Hong Kong, should be made public. The Secretary said he would but he is not doing it. So, why not? Second: the ESB has said before that the Administration must respect the terms of the schemes of control and that no re-negotiation is possible for some years to come. Is not that what they said about the arrangement with Hongkong Telecom? Well, anything is negotiable. They seem to have turned back on that decision. I am sure that it is fair to re-negotiate if there are legitimate reasons, and that the re-negotiated terms are fair for all. It is one of those areas that I believe we can have a win-win situation.

On education, the Administration is right to be concerned about how to maintain Hong Kong's competitive edge. It seems to me that the aim must be for all our students to be computer literate in a world which is becoming more and more computerized. So, how are we doing? The Governor tells us that every secondary student taking a computer course is now provided with a computer, and that the Administration will "assist all public sector secondary schools to access the Internet from this school year". Is that enough? I doubt it. Hong Kong must set targets for all students to be computer literate. Perhaps the Secretary can tell us whether he has longer-term plans, what they might be, and how they compare with those of the United States, Japan and Singapore.

Mr President, I can go on with more examples, but in view of time, I will go back to the Governor's address. I agree with the Governor that the Chief Executive must include the "10 key elements" listed in paragraph 86. I would add another key element and I regret that the Governor left it out and — that is, the Chief Executive, and the future Hong Kong Special Administrative Region

Government, must not sacrifice the environment and people's health when planning infrastructure in the future.

As for the 16 benchmarks, why are some people so upset by them, for example, the Honourable Allen LEE. Are these not the questions being asked frequently by people here and overseas? I suppose critics of Mr PATTEN do not want to hear these questions from him. However, the jury is out on these questions. Instead of criticizing the questions, Hong Kong will be better off if community leaders, including Members of this Council, try to answer these questions by explaining to people, here and abroad, how they will, how their parties will, how their organizations and associations will ensure that Hong Kong remains vital, open and free — both economically, and politically.

Mr President, I am going out on the limb, given all the existing constraints, I thought the Governor gave a reasonable final address and I am sure he will want to address the public again before he leaves to perhaps give us a longer explanation on 150 years of British rule. I will await that and I hope, in the meantime, that the British Government will tie up all the loose ends that they have not been able to so far. And, as a last point, I would just also wish to emphasize that I would like to see the British Government to grant full British citizenship to the ethnic minorities in Hong Kong.

Mr President, I support the motion.

DR ANTHONY CHEUNG (in Cantonese): Mr President, ever since the Governor, Chris PATTEN, announced the last policy address in his term of office, there has been much controversy. Many people have focused on the so-called "surreptitious reports" to Beijing. We do not know who made those surreptitious reports or what these reports were all about. The crux of the problem has nothing to do with whether or not we can raise our issues with the central government in Beijing. Rather, it concerns whether or not we should invite Beijing to exert pressure on our internal decision-making process concerning local matters. While it is certainly true that we have to monitor the Government in its governance and various decisions, it must still be pointed out that be it now or after 1997 when the Hong Kong Special Administrative Region (SAR) comes into being, the power of monitoring as well as the check and balances on the executive authorities should rest with this Council and the future legislature, rather than the north.

In paragraph 89 of the policy address, the Governor sets out 16

benchmarks for humanity and the whole world to gauge the implementation of "one country, two systems" in Hong Kong in the future. These benchmarks are mainly about issues such as fair elections, the rule of law, a high degree of autonomy, an independent judiciary, freedom of the press, speech and assembly, the civil service and the Government's integrity.

We all agree to these benchmarks. Indeed, without these factors, the SAR after 1997 will not have become the new Hong Kong which should exist under the principles of "one country, two systems", "a high degree of autonomy" and "Hong Kong people ruling Hong Kong". Without these factors, the SAR will just be another type of colony. That said, we still have to note that the 16 benchmarks put forward by the Governor are in fact not any novel ideas as they are all derived from some basic theories on liberal democratic politics. Some people who oppose Chris PATTEN just for the sake of opposing him have gone to great pains to criticize him, even to the extent of dismissing these benchmarks as horrible deluges and wild beasts, or as opinions intended to serve a provocative purpose. That is indeed quite unnecessary. Yet, unnecessary as it is to criticize him so severely, we are still disappointed that the benchmarks have made no reference to how social justice can actually be upheld under the principle of "one country, two systems". The Governor mentioned the benchmarks on political rights and freedom only, but has totally left out benchmarks on social justice. However, a community which does not pay serious attention to social justice will not become an example for the illustration of the success of "one country, two systems".

In the policy address, the Governor sets out a huge array of seemingly encouraging figures on our economy. For example, it is said that Hong Kong's GDP per head is higher than that of the United Kingdom; the handling capacity of our container ports now ranks the first in the world; and Hong Kong has virtually "overtaken the United Kingdom and kept abreast of Australia" and so on. He actually regards all these as the valuable legacies of British rule in Hong Kong. It is undeniable that under British colonial rule, Hong Kong has achieved great economic success. However, this kind of economic prosperity is simply deduced from figures similar to those released by the World Bank or International Monetary Fund. Can it really reflect the position of social development? Does economic prosperity always correspondingly bring about social progress?

The latest Human Development Report released by the United Nations

reveals that Hong Kong ranks only 22nd in terms of the Human Development Index, and for the Gender-related Development Index, Hong Kong ranks only 25th, behind Egypt. It can thus be seen that if we boast of our success solely on the basis of economic figures, we will overlook other matters, such as the fact that we are lagging behind other countries in our social development. This is a rather one-sided point of view.

Britain has ruled Hong Kong for over a century, and it has always claimed credit for having set up for Hong Kong an exemplary model of government based on the British example, which is characterized by the rule of law, an independent judiciary, an efficient and neutral civilian administration and respect for individual liberty. However, did Britain discharge any of her responsibilities relating to Hong Kong's social reforms, protection of human rights, democratic participation and so on before the eighties of this century? The crux of the problem is that British rule in Hong Kong has always remained colonial and elitist in nature, as evidenced by its protection of groups with vested interests. As for the grass-roots, it is only in recent years that their rights and interests have started to receive slightly more attention and see some improvements as a result of the gradually accumulative force of the people and the struggles they put up.

Mr President, there are only 200 odd days to go before the end of British colonial rule. So, this is really the right time to recapitulate the history of British colonial rule in Hong Kong. Despite all the good things that Governor Chris PATTEN has said about British rule, I believe that the people of Hong Kong will still have their own judgment about what have been happening. The British government now lays a lot of emphasis on what it refers to as democratic reforms, and it also emphasizes human rights and individual liberty. But, such an emphasis is just a recent development over the past few years. What is more, instead of regarding social justice as its prime concern in the course of governing, the British administration in Hong Kong is still very conservative in the formulation of social policies and allocation of social resources.

That we need not embellish the history of British rule in Hong Kong does not mean that we should adopt an indiscriminate approach under which we examine all the policies of the British administration in Hong Kong solely from the angle of "its being a trouble-maker", and thus conclude that all that the British Government does in Hong Kong during the course of decolonization are intended to perpetuate its rule and stir up troubles. Nor should we seek to totally negate all the systems and measures introduced under British rule on the basis of a conspiracy theory, to the extent that a mere mention of British rule will

lead us, as a conditioned reflex, to equate it with oppression, exploitation and struggles, and to oppose whatever that is British.

We believe that we should look at the legacies of British rule in Hong Kong in a pragmatic manner. As a western proverb goes, we should not throw the baby out with the bathwater. Historically speaking, Hong Kong, as one of the "systems" referred to in the principle of "one countries, two systems", cannot possibly rid itself of the shadow of British influences. We should not regard such shadows of influences as spectres, nor should we feel apprehensive at the sight of them. Whatever that is conducive to the development of Hong Kong in the various systems should be preserved and whatever that is not should be reformed. We might have enjoyed the rule of law and freedom in the past, but there has been no democracy or social justice. So, while the rule of law and freedom must be preserved and further developed, democracy and social justice should also be established without delay.

Another legacy of British colonial rule in Hong Kong is a civil service based on civilian administration. Since Mr Chris PATTEN assumed the Governorship of Hong Kong, undeniably he has introduced some improvements to the civil service in respect of its openness and transparency. This is worthy of commendation, and we simply should not gainsay one's good words or good deeds just because we do not like him or her. For example, the Governor has introduced performance pledges, and he has also started the practice of publishing a Progress Report and Policy Commitments at the same time when a policy address is announced, thus enabling members of the public to have a better understanding of the objectives, contents and progress of Government policies. All these can, to a certain extent, facilitate public monitoring of Government performance and service improvements. We have the responsibilities of ensuring the continuity of our civil service system so that such openness and transparency of the government will be further enhanced to maintain efficient public services. I hope that what have been initiated by Governor Chris PATTEN will not be scrapped or reversed after 1997 because of anti-PATTEN and anti-British sentiments.

Mr President, it is no coincidence that while affirming his achievements in governance, the Governor has evaded the issue of social justice. The reason is that the present government is still a pro-business government, having a tendency to side with the rich and the powerful, which has done nothing much or worth mentioning as regards policies on promoting people's livelihood. Let us take its

housing policy as an example. As a member of the Housing Authority, I certainly understand that the government has, for a long time in the past, made great efforts in resolving the housing problem in Hong Kong. Unfortunately, the supply of public housing today is still lagging far behind the demand of the needy, and the rents of public housing have been constantly on the rise in recent years, thereby adding to the burden of many grass-roots families. We have also noticed the Government's inability to honour its earlier promise that all temporary housing areas would be cleared before 1997. Recently, as a result of the Government's erroneous projections on the demographic growth in Hong Kong, demands for public housing which had not been projected before have emerged. Therefore, we can see that the people's right to reasonable housing has not been adequately protected. We hope that the Government will come up with some innovations and breakthroughs in the Long Term Housing Strategy to be released next month.

From the angle of empowerment, education can serve as an important indicator on the full-scale exercise or otherwise of human rights. How we are to equip the young generations of Hong Kong for the challenges ahead by giving them adequate opportunities to receive education should also be regarded as an important indicator on whether or not Hong Kong can continue to progress after 1997. I say so because the quality of its population is after all the most valuable and most important resource of Hong Kong.

The part on education in the Policy Commitments of the policy address is most disappointing. During the motion debate held on 5 June this year, this Council voted for the Honourable CHEUNG Man-kwong's motion which demanded Government to increase the funding for fundamental education. However, the part on education in this policy address still fails to make any commitments in this respect. As regards whole-day schooling for primary schools, the Government has only promised in the Budget published at the beginning of this year that only 13% of all government primary schools and 24.3% of all subvented primary schools in Hong Kong can be expected to convert to whole-day operation starting from the 96-97 school year. At that time, some educationalists have already expressed their disappointment. And now, the Policy Commitments of the policy address still repeats the same old thing saying: "ensuring that, wherever possible all new primary schools operate on a whole-day basis and existing bi-sessional schools convert to whole-day operation". And, even, in the new initiatives, it is only said that the government will "step up the pace of providing whole-day schooling in primary schools

by urging bi-sessional schools to convert to whole-day schooling wherever possible." However, what we are most concerned about are in fact how the relevant policy is to be implemented, how resources are to be used, where resources are to be found, and what the specific schedule is.

Regarding graduate teaching posts in primary schools, the Policy Commitments only records the creation of 300 such posts last year, with the promise of a review in 1999. According to government statistics, close to 2 000 teachers in the primary schools all over Hong Kong have already held local or Commonwealth degrees in 1994-95. Since the Government provided only 604 graduate teaching posts then, supply obviously fell far short of demand. In the long run, this is bound to beat teachers' morale. We have failed to upgrade the quality of primary school teachers. So, there is in fact no way we can predict when we can require all primary school teachers to be degree holders.

Lastly, I want to talk about tertiary education. Recently, we keep hearing Government sources quoted as saying that since university education has become too costly, it will be necessary to cut down on the funding for the universities. We have to emphasize that the Government must not reduce its commitments to the development of university education on the excuse that more funding has to be allocated to fundamental education, nor should it reduce university education funding because it has injected relatively more resources into this sector over the past years. No doubt, following the relative abundance of resources injected by the Government over the past years, the university education sector is now undergoing a period of consolidation. We naturally have to explore very carefully the next step forward for the development of our university education, but we should never allow a retrogression in our university education.

In addition, a complete university education should not ignore the importance of hostel life. At present, three universities do not provide student hostel facilities, and those which are equipped with hostels do not have enough places to meet actual demand. University hostel life is an integral part of a complete university education, and hostels are badly needed by students who live far away from the campuses. We know that the University Grants Committee has submitted a concrete recommendation to the Government on an increase in the number of hostel places. We hope that the Government will respond positively at an early date in terms of allocation of resources.

Mr President, to ensure a high degree of autonomy in Hong Kong after

1997, we cannot rely on the moral obligation referred to by the British government, nor should we measure it solely by the benchmarks put forward by Governor Chris PATTEN. Apart from a good and sound system based on the rule of law and democracy, the successful implementation of "one country, two systems and a high degree of autonomy" will also depend on a development in the "empowerment" of the people so that social justice can be promoted. Finally, we have to depend on ourselves. The people of Hong Kong must take charge of their own fate, steadfastly defend their autonomy, and refrain from ingratiating themselves with others and courting external interference.

Mr President, these are my remarks.

MR NGAN KAM-CHUEN (in Cantonese): Mr President, after reading Governor Chris PATTEN's policy address, apart from noticing his extensive elaboration on Britain's contributions to Hong Kong and his attempt to juggle with figures, I also feel that he has devoted a lot of ink to venting his personal grievances and spreading pessimistic sentiments around. In marked contrast to that, for livelihood issues which closely affect the people, he has failed to face the reality by frankly admitting his failure. Is this the right attitude which a responsible government should adopt?

The Governor claims that over the last four years, the Government has fulfilled many of its commitments, and the fulfilment rate is as high as 93%. This sounds quite appealing initially. Unfortunately, this figure is just a bluff because what really matters the people are the remaining 7% of outstanding items. Besides quantity, we must pay attention to quality as well.

First of all, let me draw Members' attention to a different set of figures. Following Mr PATTEN's assumption of office in Hong Kong, the highest unemployment rate is recorded at 3.6%, a rise of 4% when compared with the corresponding rate in 1992 when the Governor first arrived. Meanwhile, the survey findings of the Social Sciences Research Centre of the Hong Kong University, however, indicate that the people's degree of satisfaction with the policy addresses has dropped from 76.8% in 1992 to 42% this year.

Since Mr Governor is so fond of juggling with figures, will he please explain what the above figures mean? I think the answer is simple. A policy address without any policy can only bring disappointment to the people in Hong

Kong.

Developing the New Territories

Given the challenges which lie ahead in the 21st century, the focus of development in Hong Kong should be the New Territories. However, the development policies of the Government over the past few years have been highly regrettable.

Under the existing regional development strategy, future developments of Hong Kong will be focussed in the urban areas rather than the New Territories. When pressing ahead with the Metroplan, the Hong Kong Government has disregarded the objections from various sectors in the community, and ignored the adverse consequences and environmental damage caused by reclamation works. Extensive reclamation works are being carried out in Victoria Harbour to provide land for development, but positive attempts to develop the large areas of land in the New Territories have been given up.

Statistical projections show that by the year 2001, the population of Hong Kong will increase to 8 million. Despite such a heavy population pressure, the vast stretch of lands in the New Territories, which measures 10 times bigger than the urban areas, has not been given due attention. Again and again, the Government has delayed the review on sub-regional Development Strategies for the New Territories. As promised by the Government itself, the review on the development of North West New Territories and South West New Territories should have been completed by late 1995. But now the Government can only complete the first draft of the review report in 1997. How many opportunities for development will the people have missed during these two years of delay?

Not only has the Hong Kong Government failed to adequately explore and review the development prospects of the New Territories, it has also sought all kinds of reasons to account for its inadequate planning and lack of initiative in developing the New Territories. The Government argues vigorously that it has been severely circumscribed by various hindrances such as drainage and flooding problem, insufficient infrastructure facilities, and the extensive use of lands for open storage. This is entirely an attempt to make use of the consequences of a problem to become its causes.

Mr President, the drainage system in the New Territories is not adequate, and the flooding problem there has remained unresolved for a long time already. All these have been caused by the Government's lack of serious concern and the subsequent delays in works. In addition to village flood protection schemes, the river improvement works for Yuen Long and Kam Tin have also experienced delays. How can the Government be expected to have any well-contrived plans to actively develop the New Territories when it has even failed to press ahead with these short-term works items which can result in immediate improvements to the people's living?

The extensive use of lands in the New Territories as open storage grounds is in fact an undesirable consequence of erroneous planning on the part of the Government. Taking country parks and conservation areas (such as Mai Po) apart, we see that as much as 65% of the remaining lands in the New Territories are designated for agricultural and amenity uses. At a time when agriculture is gradually declining, this is in fact a huge waste of land resources. As for the reason of "insufficient infrastructure facilities", it is even less convincing. To follow the Government's logic, should we not infer that the Government should in fact be provided with a complete system of drainage and roads when God first made land? To give priority to reclamation on the ground of insufficient infrastructure facilities is difficult to understand and annoying. Is it really cheaper to reclaim land and provide infrastructure facilities in reclaimed areas? I believe everyone knows the answer to this question.

In the New Territories, the provision of infrastructure facilities such as water supply, electricity supply, telecommunications and coal gas supply are almost complete. At present, the main problems are drainage and transport. The Government should implement the relevant plans and construction works so as to make appropriate and effective arrangement for drainage, flood-prevention and the internal and outward transport networks for the New Territories.

Western Corridor Railway

Over the past few years, the Government has done very little to develop the transport network in the New Territories. Other issues aside, just in the case of the Western Corridor Railway (WCR), the Government has failed to keep its promise again and again. The WCR project has so far remained at the stage of research since 1991, and all along we have not been able to know the exact reason for this.

Towards the Kowloon Canton Railway Corporation (KCRC), a company wholly-owned by the Government, the Government has been adopting a permissive attitude, thus leading to confusion in the internal administration of the company. The planning process of the WCR project has been plagued with problems of various kinds: for example, the Board of Directors is completely ignorant of the fact that the executive division has secretly altered the policy on awarding contracts; WCR contracts valued at 110 million have been awarded without public tenders; and important posts in the WCR division under the KCRC are mostly held by staff of the consultancy firm, thus leading to worries that the consultancy report may fall short of thoroughness and accuracy.

As a result of inadequate supervision and erroneous planning by the Government, how much do the residents of North West Territories have to sacrifice?

At this point, I need to stress again that I am a bit worried at the thought of the exorbitant fares which the residents of Northwest New Territories have to plan in the future. The projected construction cost of the WCR is as high as \$75 billion. This means \$1.5 million for one metre of the railway, a cost which is as high as a new town residential unit measuring 400 to 500 square feet today. As regards financing, the Government needs to inject \$44 billion. If a 12% return rate is used as the basis of calculation, the return alone to be received by the Government will be as much as \$5.28 billion. If calculation is made on the basis of operating cost, depreciation, and external loans, I believe the fare for each single journey will be extremely expensive.

What is more worrying is that the WCR will not be completed on schedule. Reports show that the cost will increase by \$4 billion for every year of delay. If this additional cost is to be transferred to the residents, will this add to their already heavy burden?

Flood protection schemes

In 1994, the Hong Kong Government promised to spend \$200 million by late 1997 to implement flood protection schemes in the 12 flood-prone villages. But, so far, only the schemes for three of these villages have been completed. In the debate on the policy address last year, I have already queried the Government on the slow progress of the schemes, in the hope that increasing

attention of the Government could be brought to the matter.

Unfortunately, only 25% of the targets were actually met after two-thirds of the time has elapsed. In this policy address, the Hong Kong Government mentions very briefly that it will conduct a detailed study on the flood protection schemes for the remaining nine villages, with an expected completion date by late 1999. This shows that the Government has neither the determination nor the plan to make ultimate improvements for the flood-prone villages in the New Territories. This is tantamount to forcing the residents of Northwest New Territories to continue to put up with the otherwise unnecessary frustrations and torture caused by flooding. Every time when the rainy season comes, the residents of Northwest New Territories will have to suffer. Is that something that the Governor could appreciate in the comfort of the Government House?

Furthermore, the Government has blamed the people for the delay in meeting its targets, saying that land resumption has been hindered by resistance put up by the people. This is ridiculous. Since the Administration is well experienced in land resumption, how can it be possible that it did not have a good grasp and estimate of the time and procedures required before lands are resumed?

For all these matters relating to the well-being and livelihood of the Hong Kong people, the Governor has simply refused to listen, and I just cannot give him a passing mark. The Governor should properly reflect what he has done so as to see why the people have still criticized his policy address so severely despite his repeated claims that he is mindful of the well-being of Hong Kong people. The problems I have pointed out constitute just the tip of an iceberg. I hope the Governor can realize that it is no fun to juggle with figures. He should take practical steps to serve the people in Hong Kong.

Political bickering

Having talked about his attempt to juggle with figures, I must raise another point. Mr Chris PATTEN has spent a huge amount of time on political bickering, to the extent that he has not been able to spare any time to deal with matters concerning the people's livelihood.

For instance, in the policy address, he argues about what a "smooth transition" is and what a "successful transition" is. At a press conference, he even likened the reversion of Hong Kong to China to the sending of a patient to hospital, saying that a person's successful entry to a hospital does not necessarily

mean he or she can succeed in leaving the hospital in good condition. This is obviously nothing but a play on words. The word "smooth" in "smooth transition" has already implied the meaning of "success". There is no justification for treating these two ideas differently.

My advice is that instead of dwelling on diction, the Governor should show greater sincerity in helping Hong Kong to achieve a smooth transition. He should render his co-operation in the handover of Government files and assets, and the work of drafting the budget. Only by doing so can he adequately realize the sincerity he refers to.

Furthermore, the Governor criticizes that those who advised him to mark time during the late transition period are in fact preventing him from achieving the "successful transition" which he has in mind. I do not agree that we should mark time, but I hope that Mr Governor can distinguish between marking time and sticking to one's proper role. I hope that he would not confuse the two.

Much earlier, before the policy address was announced, the Democratic Alliance for the Betterment of Hong Kong has already advised the Governor to stick to his proper role, but we did not mean to ask him to mark time. Instead, we urged him to do more useful work and refrain from making so many negative remarks. After all, can a "successful transition" really be achieved simply by creating obstacles and spreading pessimistic sentiments during the transition period, as what the Governor has been doing?

Now, only 258 days are left before Hong Kong is to be returned to China. Let bygones be bygones. I hope that Mr PATTEN can from now on tackle the social problems of Hong Kong with pragmatism, work harder for the smooth transition, prosperity and stability of Hong Kong, and do more substantial work to improve the quality of life for the Hong Kong people, for only in this way will he be able to leave behind fond memories to Hong Kong and to enable Britain to hope for an glorious retreat from Hong Kong.

Mr President, with these remarks, I oppose the Motion of Thanks.

MR FRED LI (in Cantonese): Mr President, as regards the new initiatives on the

protection of consumer interests, the Government has only used such words as "consider" and "review" on the introduction of laws regulating competition and the monitoring of travel agents. This is obviously not positive enough and may even be suspected of procrastination. It has been reported that the Consumer Council will submit to the Government a proposal on introducing a comprehensive competition law and on establishing an independent body to enforce the relevant law. In fact, in May this year, the Legislative Council has already passed a motion requesting the Government to formulate a law on fair trade and to establish a fair trade commission as soon as possible. Trade survey reports of the Consumer Council and cases relating to solicitors' charges and newspaper prices over the past three years have indicated that despite Hong Kong's reputation of being one of the freest places in the world, it is undeniable that market structures and practices conducive to unfair competition are found in some trades. These include monopoly and pricing by agreement. Given facts as crystal clear as such and the strong requests from the community for fair competition, how can the Government still be so timid and reluctant to implement laws on fair competition?

As regards the monitoring of travel agents, I am disappointed that the Government has promised only to conduct a review instead of taking prompt steps to rectify the inadequacies of the present system. The Democratic Party has put forward three proposals. First, the amount of *ex-gratia* payment should be raised from 80% to 100% of the package tour charges. The reason being that since the consumer has already fully paid the package tour charges and the necessary compensation fund levy, he or she should have the right to recover full refund, and the current rate of 80% is an unreasonable rate which forces the consumer to bear the ill-results of travel agent's malpractices in business operation. Second, in addition to scrutinizing the financial position of travel agents, the Travel Agents Registry should designate service quality and ways of operating business as conditions of licence renewal. The Registry can establish an objective points system to assess service quality and ways of operating business. It can then, on the basis of the points scored, determine what corresponding penalties to enforce and how long the renewal period should be. Third, the existing Travel Agents Registry should be upgraded to a full-fledged department responsible for the work of supervision. The Government should allocate more resources accordingly to enable the department to recruit additional manpower and professionals to carry out monitoring work. I wish to remind the Government that it should fulfil its promise of totally abolishing interest rates

agreements for fixed deposits and of opening the rice market fully, I hope the Government would not break its past promises and make the people in Hong Kong disappointed.

Mr President, I would now speak on social welfare and consumer interests.

As regards social welfare, in his policy address, the Governor tells of an "official" version of "Hong Kong's success story", in which he makes particular reference to Hong Kong as a prosperous, politically stable and harmonious place. What the Governor has not mentioned is that Hong Kong is a place with great disparity in wealth, where a lot of people are still living on the verge of poverty. There exists in Hong Kong a group of "underprivileged minority", comprising new immigrants, the unemployed, poor labourers, elderly at risk and the disabled.

Next, I am going to refer to an article, which may read like a manifesto on welfare policy issued by the Democratic Party. In the article, it is said that some people argue that increased democratization has gone hand-in-hand with galloping and unaffordable welfarism, and that we are becoming a welfare city. Our welfare system does not seek to eradicate disparity in wealth. It does not seek to redistribute wealth either. Instead, it sees as its responsibility to provide a safety net to protect the vulnerable and the less fortunate members of society, the miserable people who are left behind by the growing prosperity enjoyed by the rest of Hong Kong. In fact, the community should recognize the need to help those disadvantaged by age, disability or ill-health in view of the contrast between their plight and the rising standards of living taken for granted by Hong Kong as a whole.

Over the last five years, a myriad of problems has been created in Europe because of spiralling welfare costs there. But we are not in that position in Hong Kong, and we are not going to be. If we keep our position in cool perspective, we will find that our welfare spending has not experienced any unchecked growth. People live on social security assistance will surely be extremely hard up.

Which items of welfare services can be regarded as luxuries? No one can really answer the question. Do people want to cut down welfare spending on the elderly, the disabled, and the infirmed? Hong Kong can afford these welfare services. One reason for Hong Kong's stability and the moderation of our public life is that we can surely respond to the social needs of the community.

The article is well-written. It is written by the Governor, Mr PATTEN. It is a manifesto he makes in his policy address. Even he can tell that one will be hard up if he or she has live on social security assistance. Even he can tell this point! Unfortunately, I really do not know whether it is the Government or the Governor who is suffering from a personality spilt. I have checked past Government records. In particular, I am the chairman of the Welfare Panel of this Council, and when I checked its minutes of meeting over the past two years, I found that there were just too many cases which could prove that the Government had said something quite different, something entirely different. Past records do not tally with what Governor Chris PATTEN says in the policy address this year.

Let me give the most illustrative example by quoting the Government representative (I refrain from mentioning his name here) at a meeting of the Welfare Panel in June 1995: "any slight improvement on comprehensive social security assistance (CSSA) or relaxation in its application criteria will lead to huge increases in public spending." These words were meant to warn the Members present at the meeting against asking for too much. What was being referred to was Comprehensive Social Security Assistance.

Some Legislative Council Members have asked for the implementation of a 1 to 1 000 ratio for school social workers, because basically the 1 to 2 000 ratio has been achieved, and they have thus wanted to implement the ratio of 1 to 1 000, with one social worker for each school. The Government response was that the ratio requested will entail an extra recurrent expenditure of \$93 million annually, and the Administration could not undertake this responsibility at that stage. To implement the ratio, the request would have to compete with other services, which would mean making application for public money from that allocated to other services. So, priorities would have to be adjusted, and this would increase the burden on the deployment of resources. A response as such from the Government is negative. In effect, it tells Members that the request cannot be met.

Improvements on other welfare services such as outreaching services for elderly people at risk have been turned down for reasons similar to the aforesaid. In reality, the Government has not done what it is saying. This time, Governor Chris PATTEN refers to the Government's welfare policy as a means to refute accusations of welfarism or squandering. Has the Government ever taken any

steps, adopted any practical policies or given actual financial assistance for the purpose of promoting welfare provision? I fail to see any such efforts.

Last Saturday, I joined the "Out of Poverty" programme (not the "Out of Africa" show) organized by the Hong Kong Council of Social Service in Sham Shui Po District. I visited two families living on CSSA and disability allowance. Can you imagine that they do not even have a refrigerator? I think there is just a handful of families which do not have refrigerators these days. It is equally hard to imagine there are Hong Kong families without a TV set. That was a wooden cubicle, very small in size, even smaller than the smallest public housing unit for a single elderly person. The rent for such a small cubicle was \$1,300. During the visit, we had to sit on the bed of the old lady when we were in the room. Fortunately, we did not invite reporters; otherwise we could not even take pictures or conduct any interview at all. Why did Mr PATTEN not pay visits to old ladies or old gentlemen who are in similar conditions like the old lady we have visited? Then they will tell the Government how much CSSA they are receiving, whether they have any savings at all, and whether they have any money left after paying for the basic necessities. The reality will give us a different answer from what has been alleged.

In many of the old areas in Hong Kong such as Sham Shui Po, Tai Kok Tsui and Tsuen Wan, quite a number of elderly persons and disabled persons are living in caged apartments and wooden cubicles. With just one to two thousand dollars a month, they need to spend more than \$1,900 on food alone, yet they still have to pay rent. So it is quite impossible for them to make ends meet. Later, when the Panel on Welfare Services meet, we will launch a formal debate with the Government on its ways of calculation in the light of the report on survey results obtained by the Legislative Council.

I hereby make a call in public to Mr PATTEN to eradicate poverty and minimize poverty during this "International Year for the Eradication of Poverty" as assigned by the United Nations, and in next year which will be both the "Year of Poverty" and the beginning of the first of the 10 years ahead. The Governor should help those living on the verge of poverty by including them in the safety net. The disabled will continue to require Government assistance, but the Government should try its best to assist them in respect of their employment opportunities. I do not think the Government has done its best at present, in particular, in relation to CSSA. We have had a prolonged debate on CSSA for

the single elderly persons. Indeed, there is a consensus among the different party members in this Chamber, and that is, the CSSA for the elderly should be raised to \$2,700. I believe all political parties will support this idea. I have raised this issue for about 10 times in this Council, but we still have to keep on pointing out that "CSSA for the elderly is indeed inadequate".

On the day before yesterday, we received a group of elderly persons who were not on CSSA just because they had \$37,000 to \$40,000 in their bank accounts. Since anyone with more than \$33,000 savings in the bank is not eligible for CSSA, these elderly persons have to take out a small amount from the \$40,000 savings each month. Together with the old age allowance of \$630 or \$560 (depending on their age), they have to live on \$1,000 or so every month. Survey results obtained by the Government show that expenses of the elderly persons in the lowest 5%, 10% and 20% income groups are even less than the elderly on CSSA. In view of such, the Government therefore says it is not necessary to give a higher rate in CSSA for the elderly. This is absolutely ridiculous!

Why are the expenses of those elderly persons in the lowest income groups so small? Where does their money come from? Do they not need CSSA? The fact is they live on a small portion from the several ten thousand dollars which they have saved up from their working life and the old age allowance. Indeed, old age allowance is very important to them, because they need that to supplement the several hundred dollars they can withdraw from the bank to see themselves through every month. That is why each of them only spend a thousand-odd dollars per month, even less than the amount spent by an elderly person on CSSA.

The lives of the elderly persons I have just described are really very miserable. The \$40,000 savings in the bank is all they have after working for the whole life. The money may have been reserved for their funeral or other uses. They have to be extremely careful in using the money. There are a lot of these people in Hong Kong. How much can the Government offer help to them? They do not have rent allowance. When they are sick and have to see a doctor, even the Jockey Club clinics or public hospitals will charge them \$30 to \$40. However, CSSA recipients can enjoy free medical services at such clinics or hospitals. If the elderly persons in the said category are unfortunate enough to need hospitalization, they will have to pay several 10 dollars a day at the least, and this still will have to be covered by their savings.

So, on behalf of the poor people who belong to this grey area, I urge the

Secretary for Health and Welfare to start considering the provision of assistance to the badly needed assistance for those on CSSA as well as those not on it. If this can be done, I will then agree entirely with what Mr PATTEN said in the policy address. If not, his words are just empty words and unfulfilled pledges. The Governor only knows how to refute but does not have the ability to implement.

I so submit.

MR CHAN WING-CHAN (in Cantonese): Mr President, the resumption of China's sovereignty over Hong Kong is just about 200 days from now. Recently, the Foreign Ministers of China and Britain have reached specific agreement on the ceremony for the handover of sovereignty and the related celebrations. Now that China and Britain have achieved progress in matters related to the transition of Hong Kong, and Sino-British relations have shown signs of improvement, the people of Hong Kong should have cause to feel delighted.

Before the announcement of the policy address, we all hoped that the last policy address of Governor Chris PATTEN would bring us greater joy and more assurances in the face of the amicable atmosphere created by the Foreign Ministers of China and Britain at this point of time in Hong Kong's transition. However, we are utterly disappointed in the end.

The Governor's announcement of his policy address was immediately followed by a barrage of criticism and queries from Members of this Council and the public at large. It was pointed out the policy address revives conflict, creates chaos and leads to unrest. Back in 1992, the Governor ignored all opposition and put forward his constitutional reform package, thus causing an abrupt deterioration of Sino-British relationship. People belonging to various sectors of the community and trade unions also voiced their strong and immediate opposition, and they all asked the Governor to withdraw his reform package so that China and Britain could return to the negotiation table to work out the election modes and methods for our 3-tier representative assemblies in 1994-95.

All of us hope China and Britain can resolve the disputes between them. It would be to the benefit of both governments if they can co-operate and act in good faith on the question of Hong Kong's transition. However, Mr PATTEN

has insisted on adopting an antagonistic stance, and this has produced definite negative effects on the smooth transition of Hong Kong.

In fact, the closer we get to 1997 the more obvious is the desire of the people in Hong Kong for a smooth transition. No one wants to see the resurgence of any major disputes between China and Britain at this critical moment.

In 1992, the economy of Hong Kong was doing well on the whole, and the employment rate was quite high. At that time, the business or development of the catering industry, though not as prosperous as the situation from 1986 to 1988, was still quite good. A popular saying at that time — "mixing shark's fin with rice" can aptly illustrate and exemplify the "never-have-to-worry" situation of employees, who did not have any fear of unemployment. Abalone, extravagant feasts and "shark's fin with rice" were all well within their means. Today, however, employers can only remark "Those were the days".

Today, another saying is popular in the catering industry — "a chicken for one dollar" or "free chicken for each dinner table" is featured. Proprietors have started to cut down on prices to attract customers in the hope that they can have more business.

A main reason for the current situation of the catering industry is the economic depression in Hong Kong in recent years. Many people have lost their jobs, thus leading to low consumption desire. Even those with jobs are reluctant to spend too much because they do not know when their turn will come, or because they fear that they may lose their jobs anytime. As for those without jobs, they simply do not have any money to spend. So, how can the catering industry have any business?

If such a situation of vicious competition and promotion through price-cutting were to persist, coupled with what the government said yesterday that huge increases in water charges, sewage charges and trade effluent surcharges would once again be introduced, the catering industry, which consumes a lot of water, will surely be hard-hit. By then, more restaurants will certainly close down and more workers will lose their jobs.

During his term of office, the Governor convened a total of three summits on employment, all with the appealing objective of tackling the employment

problem for workers. However, all the summits were mere "empty talks", which provided no solutions to practical problems. Mr PATTEN has failed to come up with any strategies, and the unemployment rate still remains high. At one of the summits held in June 1995, the Honourable Miss CHAN Yuen-han, who then sat next to me, handed a bitter melon to Mr PATTEN, inviting him to have a bite, and hoping that the bitter taste could make him realize the bitterness of jobless workers. If the employment problem is to be solved at all, the key to it is to have more job vacancies available.

I believe that had the Governor not unilaterally implemented his constitutional reform package regardless of opposition, thus arousing disputes between China and Britain, and had he made more substantial efforts to promote Sino-British relationship, to develop the economy, and to improve the people's livelihood, the community would have been more harmonious, and Hong Kong would have clearer prospects of the future, then investors would have more confidence to invest in Hong Kong and more job opportunities would have been created. Had this really been the case, I believe that the plight of so many unemployed people will not have occurred.

Mr Governor's policy address this year has aroused new disputes again. We are deeply worried. To the general public who would like to see a smooth transition, this policy address is obviously not an assuring one.

Mr President, the Governor stresses in the policy address that he would co-operate only with the Chief Executive. But everybody should understand that close working relationships will exist between the Chief Executive and the provisional legislature. If the Governor refuses to co-operate with the provisional legislature, will he eventually refuse to co-operate with the Chief Executive? Both the provisional legislature and the Chief Executive are to be returned by elections in the Selection Committee. Under the Basic Law, the future executive authorities shall be accountable to the legislature and shall enforce laws passed by the legislature; it shall also answer questions raised by the legislature. As the head of the executive authorities, the Chief Executive must co-operate with the provisional legislature. In his policy address, the Governor claims that he would co-operate only with the Chief Executive. Is this claim made in good faith, or is it simply a lie with some ulterior motives? We shall wait and see.

Mr President, in his policy address, the Governor repeatedly refers to the Chief Executive of the Special Administrative Region (SAR) as his "successor".

The word "successor" appears seven times in the policy address. My understanding is that the Governor Mr PATTEN will have no successor. This is because Henry POTTINGER was the first Governor and Mr Chris PATTEN is the 28th, and unless the Queen will appoint a 29th Governor, the incumbent Governor will have no "successor". However, British colonial rule in Hong Kong will end on 30th June 1997. After 1997, Britain will have withdrawn. Since British rule will be discontinued, how can the Governor have any "successor"?

The Chief Executive of the SAR is the first head of the executive in the history of Hong Kong, who is returned by the Hong Kong people through an election held by the Selection Committee. He is also the first Chief Executive of HKSAR under the People's Republic of China. As the first Chief Executive of the HKSAR, he will herald a new page in the history of Hong Kong. These two executive heads owe their respective powers to different sources of divergent nature. Since the two are hardly comparable, how can there be any question of a "successor"? Has the Governor chosen the wrong word, or does he want to put across any other message?

Mr President, the Governor's policy address has been dismissed by some media as "a distortion of history and an embellishment of colonial rule". For example, the Hong Kong Economic Journal referred to the first sentence of paragraph 92 which reads: "Governors have lived for Hong Kong. One or two have literally died for Hong Kong". Is this really the case?

The Hong Kong Economic Journal pointed out that the heads of the British East India Company who came to Hong Kong before 1842 were all villains who brought along with them opium for sale in China and who carried away large amounts of silver. In 1841, the person who engineered the trick of ceding Hong Kong to Britain was precisely Henry POTTINGER, well known to the people of Hong Kong as the first Governor.

The Hong Kong Economic Journal also pointed out that if "Governors are said to have lived and died for Great Britain", there should be no doubt, but the truth in Mr PATTEN's words is really baffling.

I agree entirely with some of points mentioned in the commentary of the Hong Kong Economic Journal. The policy address of the Governor is nothing but a eulogy of the colonial overlords, with the use of the most beautiful

expressions to praise the Governors.

In a deliberate attempt, the Governor attributes the brilliant achievements of Hong Kong to British rule as the main cause. His purpose is of course to eulogize the imperialists of the British Empire and to whitewash and boast of their deeds. As the saying goes: "work for the group, and you are working for 'yourself'". His policy address is really meant to shoot two birds with one stone.

Regarding Hong Kong's present success, I have no intention of gainsaying the achievements and contributions made by the British administration in Hong Kong. But I must point out that British administration is not the leading factor. It is even less likely to be a determining factor.

Apart from the intelligence and hard work of the Hong Kong people, the present success of Hong Kong also owes itself to the toil; sweat and tears of the grassroot workers at large who have served as cheap labour over the long years in the past. More importantly, Hong Kong's present success cannot be divorced from the back-stage support and co-ordinated efforts from China. In particular, the success of the reform and open-door policy in China has greatly benefited the Hong Kong economy and has created a lot of opportunities for it.

Mr President, inspired by the policy address, I have composed with some difficulty a doggerel in which I borrow two famous lines from an ancient poem to express my feelings to the Governor Chris PATTEN's policy address.

Mr President, please allow me to conclude my remarks this evening by reading aloud my doggerel:

Diligently the people of Hong Kong have toiled to create a grand future,
Turning their fishing village into a prosperous city culture,
Praise not the achievements of imperial rule,
For historians will determine whether such praises are true.

More reference to the past will uncover more regrets,
Never think it is easy to turn the clock back,
For despite your wish, withering flowers are doomed,
And, ahead of the rotten tree there lies a forest of boom.

Mr President, these are my remarks.

MR SIN CHUNG-KAI (in Cantonese): Mr President, the Governor has mentioned in the policy address that his successor (I think he is referring to the Chief Executive of the future Special Administrative Region) should incorporate 10 key elements whilst formulating his plans for the future. I am going to discuss two of these important factors related to the business environment, which are, fair competition and autonomy. The Governor has boasted of maintaining fair competition and autonomy, however, he has been making a great speech but was simply unable to practice what he preached. The earlier transaction of the Cathay Pacific (CP) and the recent agreement regarding Container Terminal 9 (CT9) are important indicators for assessing important factors related to the business environment. The former reveals that the Chinese-funded consortiums have already been eyeing covetously the profits of such monopolistic businesses in Hong Kong, while the latter has reflected that the local consortiums will trade off the economic autonomy of Hong Kong people for their own interests. It can be seen that it is not at all easy to maintain an environment for fair competition and autonomy in regard to economic affairs in Hong Kong.

Business environment

In order to maintain its monopolistic position in the aviation market, the Swire Group has sold some shares of the Hong Kong Dragon Airlines (HKDA) to the China National Aviation Corporation (CNAC) in the middle of this year which makes CNAC the greatest shareholder of HKDA, as a result of which CNAC cancelled its plan to establish another company to compete with CP. The transaction between the Swire Group and CNAC has greatly reduced our confidence in the Government's maintenance of fair competition. First, the buying of the shares by CNAC implies that the Civil Aviation Administration of China (CAAC) which monitors aviation business is blatantly fortifying its monopolistic position in the trade, amassing huge profits and exploiting the interests of the consumers. Second, the Chinese authority has brought HKDA's shares at prices lower than the market price. It is worrying to note that the Chinese authority might have obtained preferential treatment through the use of political pressure or privileges. Will the aviation market be just the first prey of

the Chinese officials? Will other public utilities such as telecommunications and the infrastructureal projects also be their preys? Third, CNAC has become HKDA's greatest shareholder after the purchase of its shares, in other words, there is no difference between HKDA and other national airlines. However, this has changed the situation in the local aviation market which is operated by private organizations.

With the advent of 1997, the monopolistic situation of some economic sectors in Hong Kong has not changed even as a result of the gradual withdrawal of British companies. In fact, the Chinese will replace the British, Chinese-funded organizations will take advantage of the reversion of Hong Kong to China and establish a new monopolistic position in Hong Kong. I emphasize here that I am not directing any criticisms on Chinese-funded organizations, no matter whether the organizations are Chinese-funded or British-funded, but the Democratic Party is opposed to any organization gaining commercial interests through political clout.

The recently announced result of the allocation of anchorages in CT9 shows once again that there is no fair competition in respect of some economic processes in Hong Kong. In early 1992, four anchorages in CT9 were granted by the Government under private agreement, two of them were granted to the Jardine consortium led by Jardine with British capital — the Tsing Yi Terminals Limited, and the remaining two were respectively granted to the Modern Terminals Limited and the Hong Kong International Terminals Limited. Immediately, the Chinese side then fiercely criticised this as an under-table transaction in which the Government granted this contract to a British-funded consortium under private agreement, and refused to acknowledge this franchise beyond 1997. This conflict was at last settled this September, but the re-allocation process was still conducted in a black box. The Chinese, British and the Hong Kong sides have never explained to the public the main reason why two anchorages were increased, and why the relevant land allocation was not made through tender. Making such secret deals and carrying out collusion and underhand transactions have totally gone against the principle of fair competition and have worked against the interests of Hong Kong as a whole.

In the past few years, many businessmen, for the sake of safeguarding their own interests, reported to the overlord in respect of every matter, for example,

the development of new financial products and infrastructural projects, and invited Chinese officials to interfere into the economic affairs of Hong Kong, or even to reverse the decisions made by the Hong Kong Government. It seems that they will only be satisfied if they have completely destroyed the autonomy that Hong Kong should enjoy. The recent incident concerning CT9 is a good case in point. When the consortiums are dissatisfied with the allocation result, they can make use of the authority of the Chinese side and their political position to demand for re-allocation, so as to obtain interests they find satisfactory. If they are very powerful and have a very close relationship with the overlord, they can even seize other people's interests. The major shareholders of the Hong Kong International Terminals Limited led by the Hutchison Whampoa Limited, and the Modern Terminals Limited led by the Wharf (Holdings) Limited are Mr LI Ka-shing and Mr Peter WOO Kwong-ching whom everybody knows. The former is the king-maker while the latter is the potential king. They have made use of their close relationship with the Chinese side and successfully divided between themselves the two anchorages in CT9 and the right of development of the nearby land. No attention has ever been paid to the noise, environmental and traffic problems that would affect the public.

An irregular wind has started blowing, for Chinese-funded companies are making use of their privileges, while pro-Chinese companies are relying on case reporting, and it seems that this irregularity is spreading to other areas. Recently, the representative of the Chinese side in the Sino-British Joint Liaison Group (SBJLG), Mr CHEN Zuoer, intended once again to prevent the Government from building Container Terminals 10 to 13. Mr CHEN Zuoer was violently intervening in the internal affairs of Hong Kong and his acts were barbaric and unreasonable. Was it true that Mr CHEN Zuoer had been persuaded by the consortiums to protect their interests at the expense of the needs of Hong Kong people for economic development? Everybody knows that, with Mr LI Kai-shing as the Chairman, the Hutchison Whampoa Limited is the owner of the Yantian port and the container terminals nearby. It makes one doubt whether Mr CHEN Zuoer has obstructed the construction of Container Terminals 10 to 13 in order to protect the business of Mr LI Ka-shing?

In the face of this irregular wind, we must take early precautions. People say Mr Chris PATTEN mentioned that some Hong Kong people have made surreptitious reports to Beijing, and some Members say the British-funded consortiums have also made a snitch to Mr John MAJOR, and Mr David WILSON was sacked as a result. Does it mean that we have to allow this

culture of snitching to prolong for 50 years? Is it worthwhile for such a practice to last? The most immediate task for the Government is to formulate a fair competition policy and ensure that it is observed by all sectors. Also, all Hong Kong people should uphold the principle of "Hong Kong people ruling Hong Kong" and defend our autonomy in order to stop the irregular wind. The position of Hong Kong as an international financial and commercial centre can only be maintained this way.

Transport policy

Mr President, I will now turn to the problem of public transportation. Concerning the quality and quantity of the work presently done by the Government to improve public transport and its supervision, I have the following views.

All along, the Government has been emphasizing that it will commit itself to maintaining a public transport system that operates without public subsidies. However, I find that the Government, in order to ensure adequate profits for publicly run or privately-owned transport operators so that they do not need subsidies and allowances from the Government, frequently sacrifices the interests of the passengers in order to protect the business operation principles of these operators.

Roads in Hong Kong are already very congested, in order to obtain maximum use of the roads and maximize their capacity, the Government should indeed encourage the public to give up using private cars and switch to using public transport. The Government should also keep on upgrading the quality of the public transport service, to ensure that the public can enjoy comfortable and reliable services at reasonable prices. More importantly, the Government must establish a regulatory framework that can foster competition among public transport operators and at the same time strike a balance between the interests of the operators and the customers. Regrettably, the way in which the Government supervises public transport operators now is partial to the operators, and has overlooked the interests of the passengers. In recent years, the Government has even tended to gradually reduce its supervision of these operators in exchange for greater benefits for investors. I must reckon my dissatisfaction on this.

In the past, the Democratic Party has tried hard to step up the supervision of different public transport operators, and requested for enactment of legislation to supervise bus and railway fares, but had met with strong opposition from the operators concerned and the Government. The reason was, "since the operators have to keep on injecting capital to improve the services provided, in order to ensure stable income and adequate capital for the operators, it is not proper to interfere too much in their operations and they should be allowed to operate in accordance with the principles of business operation of the company concerned." This sounds very reasonable, but I have to remind all of you that the capital to be injected by the operators would actually come from the passengers. However, is it worthwhile for the passengers to make such an investment? Are the passengers getting reasonable quality of service from what they have paid? The passengers have no right to ask such questions, to the consumers, they do not get any protection at all. Regarding the Mass Transit Railway Corporation (MTRC) and the Kowloon-Canton Railway Corporation (KCRC), they are actually owned by the taxpayers, but then they enjoy the highest autonomy and decision-making power. The Democratic Party finds this very unreasonable for the people of Hong Kong, though they are the shareholders of the above corporations, cannot regulate or direct the decisions of the Board of Directors.

The recent Western Corridor Railway (WCR) incident exactly reflects the administrative confusion in KCRC and proves that both the Board and the Government cannot give play to their functions of monitoring public bodies. In order to avoid a waste of public funds by public bodies as a result of mal-administration, I think it is necessary to enhance the supervision of the public bodies wholly owned by the Government, the measures include:

1. to open the Board of Directors to more elected Legislative Councillors, enabling them to become Board members, so as to increase the transparency and accountability of the organization;
2. to invest in the Director of Audit the power to carry out value-for-money audits on these operators; and
3. to invest in the Legislative Council the power to scrutinize major fares.

The Democratic Party thinks that public transport is a necessity for Hong Kong people, and the Government should not regard it as a consumer product and allowed private and public operators to profiteer from the passengers. As there are still many inadequacies in the regulatory framework of public transport, the Democratic Party will continue the fight for such improvements.

Mr President, I would like to put forward requests in respect of some district problems, and hope that the Government will respond to them. First, I find it regrettable that the Government is unwilling to relocate the Tsuen Wan Slaughterhouse. In fact, the Government has not considered this issue seriously when it made such a decision. It has neglected the needs of the residents in Tsuen Wan, especially those who live in the Riviera Gardens, for a decent environment in their community. In the long run, the decision of the Government will only make the residents there suffer from more environmental and health nuisances. Although this is already a fact, I think the Administration should be responsible for that and has to be committed to improving hygiene in the Tsuen Wan Slaughterhouse. We therefore request the Government to seriously consider improving the overall condition in the Tsuen Wan Slaughterhouse, including re-building the Tsuen Wan Slaughter House into a closed structure, according to the same design as that of the Sheung Shui Slaughterhouse.

Problems of the Seven Streets in Tsuen Wan

The second issue is about the seven streets in Tsuen Wan. In mid-July 1995, the Government published the consultation paper on urban renewal and activated the re-construction project of the seven streets in Tsuen Wan after about seven years' delay. I think it is necessary for the Government to speed up the pace of urban renewal, and I hope that the Government can announce and implement the Tsuen Wan seven-street renewal project and the associated sites for the reconstruction of those seven streets without delay, so that the affected residents can rejoice of the good news and the Land Development Corporation (LDC) could perform its duty of urban renewal quickly. As the authority to rehouse residents affected by urban renewal, the Housing Society should make proper arrangements for settlement, so that the residents in these seven streets of Tsuen Wan can soon move into new accommodations.

I still have some comments on the Governor's policy address. All the housing estates under the Housing Authority have the same need for the installation of the security systems. We are fully aware that Type A and Type B security systems are now installed in all public housing estates. A Housing Manager once told me that the crime rate has dropped by 18 to 20% after the installation of the entrance gates and closed circuit televisions in the housing estates, but there are still a few hundred blocks which have not had such gates installed. The Housing Department should improve these security systems as soon as possible, and change all the security systems in housing estates to Type A systems. Type A security systems include entrance gates, 24-hour security guards and closed circuit televisions inside lifts.

Lastly, I have some impressions on Mr PATTEN's policy address which has put forward 16 benchmarks and 10 key elements, and also warned some Hong Kong people not to make surreptitious reports to Beijing. After the delivery of the policy address, many people have voiced fierce criticism and I too have many feelings. I also find it curious that apart from the usual criticisms made by *Wen Wei Po* and *Ta Kung Pao*, those who criticized Mr PATTEN most severely are people who have gained many advantages under the colonial government in the past. On the one hand, they are holders of M.B.E., O.B.E., C.B.E. and also other British honours, but on the other hand, they have voiced fierce criticisms against the last Governor sent by the British Empire. Is it because of a change in the policy in regard to Britain, or the core of power in Hong Kong has now shifted from London to Beijing? Mr President, for those award holders of M.B.E., O.B.E., C.B.E. who have voiced severe criticisms against Mr PATTEN, I would like to tell them that to project their outright loyalty to the core of power in Beijing, they need only to return their "badges" to the Queen, and then wait for the Beijing People's Government to award them with the People's Medals, the Handover Medals and the Unity Medals, and this will do.

Mr President, these are my remarks.

MR LEE KAI-MING (in Cantonese): Mr President, as expected, the Governor's last policy address is merely some old stuff packed in a new case and worse still, this new case is even a broken one. For this policy address has not contained any new idea, nor does it look like a policy address presented by a government. It ignores the livelihood of the community and turns a deaf ear and a blind eye to

the plight of the masses. It has only eulogized British colonial rule in Hong Kong over the past 150 years, with a kind of nostalgia for its past achievements. However, if one can read between the lines, one can easily sense Mr PATTEN's sadness in tone, which is similar to the miserable verse that: "Time is not on my side and withering flowers are doomed despite my wishes otherwise".

The prosperity of a society is built upon the ability of its people to live and work happily. This is the simplest principle of government which, I presume, would not be unknown to a person as learned as the Governor. As we all know, unemployment has been a frustrating problem for the three million wage-earners over the years. In recent years, due to economic restructuring and the northward relocation of our manufacturing industries, the grassroot masses of the community have felt an urgent need for the Government to take active and effective measures to assist the local industrial sector, to help replace declining industries with industries adopting new, sophisticated and high technology. It is hoped that more jobs can thus be created to tackle the structural contradictions in the unemployment problem. However, the Governor simply referred to the International Monetary Fund Report and said that he agreed with its comments, in that " On the unemployment front, the authorities have resisted calls for activist macroeconomic measure, focusing instead on the microeconomic aspects of the problem. The staff views this approach as appropriate." At the end, the Governor has even proudly remarked that "Most of the world's Finance Ministers would give their limousines for an endorsement like that."

Such a conclusion, reached after much rigid application, coupled with self-contentment and narrow vision, is a precise reflection of myopia in policy-making. The Government's current approach is piecemeal in nature, characterized by stopgap measures which seek to deal with the symptoms rather than the causes. What happened to the effective administration which the Governor has referred to so emphatically? The labour sector in Hong Kong is really disappointed at this.

Recently, the unemployment rate has slightly come down. An important reason is that many wage-earners have succumbed to the harsh realities by accepting jobs which offer only low income. According to the statistics of the Hong Kong Council of Social Service, the number of low-income workers has been on the rise over the past few years. During the period from 1991 to 1995, the cumulative inflation rate is 41%. This means that the spending capacity of

\$3,000 in 1991 is equivalent to \$4,200 in 1995. The number of workers earning a monthly salary of \$4,000 in 1995 is 247 300, representing an increase of 27.6% compared with the 193 800 workers earning a monthly salary of \$3,000 in 1991. These figures show that with economic restructuring, grassroot workers have not only failed to enjoy the fruit of our economic prosperity, but have instead experienced a downward trend in their wages. Since the poor working masses have to yield for the sake of survival, the reduced unemployment rate is very much a whitewash which conceals the sufferings of many workers. At a time of weakening consumption desire, slack economic growth and high unemployment, such a micro-economic policy of positive non-intervention which leaves everything to market forces obviously cannot tackle the long unemployment cycle and impoverishment suffered by our workers. So, as regards the micro-measure of restricting the number of imported workers, there is no reason for relaxation at all.

Perhaps, the staff of the International Monetary Fund do not quite understand the plight of Hong Kong workers, who have neither adequate labour protection nor social welfare and who are in the plight of living from hand to mouth. So it is still understandable that after looking only at the unemployment rate, they would come up with such a conclusion. But the Governor is so contented about his dealing of the unemployment problem. How is he going to face the unemployed masses, the underemployed who are "on the drip", and their families? How is he going to face the problem of deteriorating living standard suffered by the workers?

For a long time, economists and industrialists in Hong Kong have incessantly urged the Government to adopt the macro-economic policy of formulating a long-term development plan for our industries. They urge the Government to take the lead in industrial restructuring, and to upgrade our industrial technology and manpower training so that our industries can develop from labour-intensive production to high-tech and high-value-added products. However, the Government still sticks to a passive policy which leaves everything to market forces, thus causing the decline of the manufacturing sector and the emergence of mass structural unemployment. As we all know, the manufacturing sector is a major economic base of a community as well as the pillar of the commodity market. The development of manufacturing industries will eventually be translated into the economic strength and material drive of a society. The development of manufacturing industries can absorb a great deal of labour force and create employment opportunities.

Most advanced industrial countries have now abandoned the strategy of allowing market forces to manipulate economic activities. Instead, they are now implementing measures of various degree to provide guidance to the development of their industries. In our neighbouring countries, such as South Korea and Taiwan, subsidies are also given to the development of technology industries. As early as 1987, the Government of South Korea already set aside 2.2% of its GDP to subsidize its industries. In 1989, government subvention in Taiwan for its industries reached 3%. In contrast, Hong Kong has still clung to the policy of positive non-intervention, which allows market forces to take control. Its funding support for technology industries accounts for less than 0.05% of its GDP. As the manufacturing sector in Hong Kong is dominated by small-scale factories, with each of them employing fewer than 15 workers on an average, it is difficult for them to develop high technology and high-value-added production on their own, not to mention industrial upgrading. Our manufacturing industries are declining, and many of them have even become sunset industries. This has led to mass structural unemployment, and posed a potential risk to the development of our economy. This is not what a responsible government should do. I hope changes will be seen in the next financial Budget.

Finally, I hope that within the remaining days of his term of office, the Governor would co-operate pragmatically and sincerely with the Chinese side to deal with the issues relating to Hong Kong's transition. Only this can contribute to the well-being of the 6 million Hong Kong people.

I so submit. Thank you, Mr President.

MR MICHAEL HO (in Cantonese): Mr President, in choosing to focus on the rule of law and democracy in his last policy address, it is for sure that the Governor, Chris PATTEN, has some major political considerations in mind. But, on other hand, this may as well be evident that the colonial Government has not done anything worth boasting of insofar as the people's livelihood is concerned.

During his term of office, the Governor, Chris PATTEN, is faced with two major labour issues requiring prompt solutions. The first one is the retirement protection for workers. Although this issue has been debated over and again for some three decades, no conclusion has yet been reached. In 1992, the Government made a proposal on Community-wide Retirement Protection. But in 1993, it suddenly switched its course and published a consultation paper on an

Old Age Pension Scheme (OPS). The Governor, as well as some high ranking government officials, tried repeatedly to recommend this scheme to members of the public. Throughout the consultation period, the Government kept expressing optimistic views about the outcome of consultation, and reiterated time and again that the scheme was feasible. As a result, the scheme did raise high hopes in the community at grassroots level at that time. However, the Government suddenly switched its course again in 1995 on the pretext that the scheme had failed to obtain the support of the public and the Legislative Council. The scheme, as a result, was ruled out and a Mandatory Provident Fund Scheme was put forward instead.

This can be described as a major policy setback on the part of the Government in recent years. There are two possible explanations for the switching of courses by the Government. The first explanation is that China did not support the scheme. On this, it must be pointed out that throughout the period of time in question, China had never voiced any full-scale objection. What is more, we did not notice any positive attempts made by the Hong Kong Government to lobby the Chinese side. Another explanation is that the OPS proposed by the Government was just meant as an expedient tool to shatter the alliance formed by Members of this Council for the purpose of urging the Government to set up a central provident fund. If it is true that the Government has really adopted such a tactic of launching an attack in the guise of retreat, then it must have played an extremely dirty political trick.

In the last legislative session, when the Government hastily introduced a principal ordinance for the implementation of a privately-managed provident fund scheme, Honourable Members and professionals of the field immediately criticized the ordinance with great intensity, saying that a lot of problems related to underlying principles and technicalities have existed in the ordinance concerned.

The Government now plans to submit the subsidiary legislation under the Mandatory Provident Fund Schemes Ordinance by stages to this Council over the coming year, in the hope that the privately-managed provident fund schemes can be put into effect in mid 1997. In fact, the problem of monitoring the investment activities of privately-managed provident funds has always remained a core concern, substantiated adequately by the Barrings incident and the recent problems arising from the funds managed by Jardines Fleming. The findings of recent survey on investors' confidence reveal that about half of the respondents found the monitoring of the funds trade in Hong Kong inadequate. If the

Government insists on forcing employees to bear the high risks of private investments, the Governor, Chris PATTEN and his Administration must be held responsible for any consequences that may arise from such an erroneous policy decision.

The second major issue is the employment difficulties faced by grassroot workers. Owing to an economic restructuring, the impact sustained by the labour market as a result of the influx of new immigrants and imported labour, as well as inadequate training opportunities for local workers, the employment prospects of grassroot workers in Hong Kong have already shown signs of a gradual deterioration. Unemployment rate once climbed to the level of 3.6% in November 1995, and the wages of grassroot workers have continued to experience negative growth in recent years.

As for this particular issue, because of the pressure exerted by members of the public and this Council, the Government has adopted some improvement measures, such as tightening the labour importation schemes, strengthening its employment service and increasing the resources allocated to the Employees Retraining Board. Nevertheless, even the Government itself has admitted that these measures are just remedial in nature, which means that the Government has never had any intention of making any improvements to our labour market or economic structure.

Recently, the unemployment rate has shown signs of a slight decrease. According to one school of analysis, this is simply attributable to a slowdown in the number of people entering the labour market and the creation of more job vacancies under the favourable economic climate in recent days. It is therefore concluded that such an improvement in the employment situation does not necessarily mean that this knot of the unemployment difficulties faced by grassroot workers has been untied.

For middle-aged workers with low academic qualifications and technical skills, they still face numerous difficulties in finding jobs. Statistics of the Social Welfare Department show that the number of people applying for social security assistance on the ground of unemployment nearly doubled last year, and in July 1996, the number of such applicants even increased to more than 12 000.

Access to retraining is believed to be the only way through which displaced workers can re-enter the job market. But the Government's existing

retraining policy lacks any long-term directions. As for the review connected with the Employees Retraining Board, it has been delayed again and again. So the Government can hardly deny the blame that it has been derelict of its duties. We hope that this review will not be reduced to a mere big show with meagre results. Hong Kong badly needs a long-term manpower training policy.

On the other hand, heated debates on how the rate of pay rises should be determined have recently occurred in the community. Trade unionists are dissatisfied with the proposal of employers' organizations that the rate of pay rises for the coming year should be fixed at a mere 6%. Employers organizations argue that curbing the rate of pay rises can help sharpen our competitive edge. But this approach is in fact rather mean. We can enhance our competitiveness through a number of other channels, one example being a boost of our productivity. Under the colonial Government's protection, the business sector has been playing a dominant role in the formulation of our labour policies. It is only since the 1995 Legislative Council Election that a slight change has been observed, for when the Government is faced with the pressure of Members' Bills moved by Members from trade unions, it has to start gradually increasing the protection of workers' benefits.

However, most Members' Bill moved by Members from the labour sector are proposals on improving workers' benefits which do not incur any government expenditure. Only the Government has the power to introduce fundamental policy changes and structural changes. As far as the democratization of Hong Kong is concerned, the Governor has indeed made some contributions, which have caused the Legislative Council of this session to be more balanced.

On medical services, the Policy Commitments of the policy address simply reiterated what were mentioned in the past few years. If a recapitulation on medical services is at all required, it can probably be pointed out that while more resources have been injected, there has not been any notable achievement.

Many people would agree that our medical services have seen some improvements over the past few years. We cannot deny the fact that such improvements have been the result of an injection of new resources such as new hospitals, new beds, new clinics and new equipment. For other improvements, however, such as changes in the work attitude of medical staff and a corporate culture, credit must go to the Hospital Authority and its staff.

Despite the improvements in medical services made possible by the addition of new facilities and services, the Governor has failed to deal with a most important issue during the past five years of his administration, and that is, the territory's medical policy.

Since the publication of the 1974 Medical White Paper, no other updated policy papers have been published. Today, after 22 years, the only policy statement made by the Government is that "no one should be denied adequate medical treatment through lack of means". Such a simple statement fully reflects that the Government is just bold enough to undertake that no one would die of illness through lack of medical care, but it has also reflected that our medical policy cannot catch up with the times.

Such an undertaking aside, our medical policy has remained the same as that formulated 22 years ago. That is why the Government does not dare to refer to it again, lest that this would invite ridicule. No government official can tell us how to determine the number of hospital beds required and the size of out-patient services; no official can tell us how to prioritize the different items of required services; and no official can offer us any definite care schemes for the elderly, youngsters, women or the disabled. All such schemes have been vague and unclear. During the three years following the publication of the consultation document "*Towards Better Health*" in 1993, nothing has been implemented, and the Government is still conducting a review. Recently, a post pitched at D2 level on permanent establishment has been created, yet the Government has still told us that the review period need to be deferred until late 1998. Five years will have elapsed between the publication of the document in 1993 and 1998. And, what is now involved is not even comprehensive review on our medical policy, but simply a review on the financing aspects of medical services. Working at such a snail's pace can hardly be accepted.

It is an ironclad fact that our medical policy has achieved no progress save the injection of some additional resources. I have stopped expecting any initiatives from this sunset government because a government whose with such a short life-span remaining will not have any strong determination to plan for long-term reforms.

I have a great resonance with the comments made by the Harvard University Economics, Professor William HSIAO, at a forum organized by the

Hospital Authority in August this year.

Professor HSIAO cited the example of Taiwan, where the Nationalist government has conducted a comprehensive review and drawn up a new medical system. According to him, the ruling Kumintang is convinced that they will remain in power for another 10 years, and they know only too well that if they cannot tackle the problem of medical services as early as possible, they will certainly have to confront the adverse consequences. It is this consideration which has stimulated their determination to take up the difficult and mammoth task of reforming their medical system.

If we interpret his observation in the light of a case with an opposite situation, the reason for the lukewarm attitude of the British Administration in Hong Kong toward reforms can be fully revealed. This is because the Government is aware that its rule over Hong Kong will soon come to an end and is therefore unwilling to commit itself to the heavy task of long-term medical reforms.

Medical reform is indeed a heavy burden, a thankless task, for any country in the world. If a Government lacks the determination to carry out this task, it is certain that it will not succeed.

As the sovereignty over Hong Kong will soon be reverted to China, it is obvious that the review on our medical policy could not have been completed before 1997. Yet, I still hope that the Health and Welfare Branch can speed up the review so that the SAR Government could quickly draw up a fresh medical policy based on some groundwork data.

I so submit.

SUSPENSION OF SITTING

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

In accordance with Standing Orders, I now adjourn the Council until 2.30 pm tomorrow.

Suspended accordingly at twenty minutes past Nine o'clock.