

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 23 October 1997

The Council met at half-past Two o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE MRS RITA FAN, J.P.

THE HONOURABLE WONG SIU-YEE

THE HONOURABLE DAVID CHU YU-LIN

THE HONOURABLE HO SAI-CHU, J.P.

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

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

THE HONOURABLE NG LEUNG-SING

PROF THE HONOURABLE NG CHING-FAI

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

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

THE HONOURABLE LEE KAI-MING

THE HONOURABLE ALLEN LEE, J.P.

THE HONOURABLE MRS ELSIE TU, G.B.M.

THE HONOURABLE MRS SELINA CHOW, J.P.

THE HONOURABLE HENRY WU

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

THE HONOURABLE RONALD ARCULLI, J.P.

THE HONOURABLE YUEN MO

THE HONOURABLE MA FUNG-KWOK

THE HONOURABLE CHEUNG HON-CHUNG

DR THE HONOURABLE MRS TSO WONG MAN-YIN

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

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

THE HONOURABLE MOK YING-FAN

THE HONOURABLE HUI YIN-FAT, J.P.

THE HONOURABLE CHAN CHOI-HI

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE CHAN WING-CHAN

THE HONOURABLE CHAN KAM-LAM

THE HONOURABLE TSANG YOK-SING

THE HONOURABLE FREDERICK FUNG KIN-KEE

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

THE HONOURABLE HOWARD YOUNG, J.P.

DR THE HONOURABLE CHARLES YEUNG CHUN-KAM

THE HONOURABLE YEUNG YIU-CHUNG

THE HONOURABLE IP KWOK-HIM

THE HONOURABLE CHIM PUI-CHUNG

THE HONOURABLE BRUCE LIU SING-LEE

THE HONOURABLE LAU KONG-WAH

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

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

THE HONOURABLE CHOY KAN-PUI, J.P.

THE HONOURABLE CHENG YIU-TONG

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

THE HONOURABLE KAN FOOK-YEE

THE HONOURABLE LO SUK-CHING

DR THE HONOURABLE LAW CHEUNG-KWOK

THE HONOURABLE TAM YIU-CHUNG, J.P.

THE HONOURABLE CHOY SO-YUK

MEMBERS ABSENT:

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

THE HONOURABLE MRS PEGGY LAM, J.P.

THE HONOURABLE NGAI SHIU-KIT, J.P.

THE HONOURABLE LEUNG CHUN-YING, J.P.

THE HONOURABLE CHENG KAI-NAM

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE KENNEDY WONG YING-HO

THE HONOURABLE LAU WONG-FAT, J.P.

THE HONOURABLE PAUL CHENG MING-FUN, J.P.

THE HONOURABLE TIMOTHY FOK TSUN-TING

THE HONOURABLE NGAN KAM-CHUEN

PUBLIC OFFICERS ATTENDING:

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

MR CHAU TAK-HAY, J.P.
SECRETARY FOR BROADCASTING, CULTURE AND SPORT

MR DOMINIC WONG SHING-WAH, J.P.
SECRETARY FOR HOUSING

MR BENEDICT KWONG HON-SANG, J.P.

SECRETARY FOR WORKS

MR TAM WING-PONG, J.P.
SECRETARY FOR TRADE AND INDUSTRY

CLERKS IN ATTENDANCE:

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

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

MEMBER'S MOTION**MOTION OF THANKS****Continuation of debate on motion which was moved on 22 October 1997**

PRESIDENT (in Cantonese): Council will now resume. Members continue to debate the Motion of Thanks moved by Dr LEONG Che-hung. Does any Member who has not spoken on the motion wish to speak? Dr TSO WONG Man-yin."

DR TSO WONG MAN-YIN (in Cantonese): Madam President, on behalf of The Hong Kong Progressive Alliance (HKPA), I would like to speak on the issue of education and environment in the policy address.

First of all, in the area of education, I think we all agree that human resources and training are the two indispensable elements in the development of Hong Kong. In the past, we did well in these two areas, and we must continue to do so now and in the future. Education is the cradle of training. To do well in education, we must know where the problems lie and what needs to be done to tackle them. We must conduct periodic reviews on individual policies. Furthermore, we must have forward-looking policies to lay a good foundation for future development.

The Chief Executive in his speeches made at the time when he campaigned for his present post and on the day of the re-unification said he would give top priority to education. The very section on education of the first policy address of the Hong Kong Special Administrative Region (SAR) Government is entitled "Uncovering Hong Kong's Treasure". I very much welcome the plans laid down in that address and the generous increase in expenditure on education, especially on basic education, to implement the ambitious plans contained in the policy address.

Quality Education

The policy address indicates that the SAR Government will allocate \$5 billion to establish a Quality Education Development Fund. This proposal to

fully implement the recommendation of the Education Commission Report No. 7 is worthy of our support. The purpose of quality education is to encourage innovation, competition and self-motivated reform in schools so as to enhance the quality of teaching. I would like to urge the relevant authorities to provide as soon as possible subjective and effective criteria to scrutinize applications for fund. Otherwise, the plan can hardly be implemented. Moreover, at the same time as it promotes quality education, the Government should not lose sight of measures to give support to students who cannot catch up. Only in this way can we achieve the goal of 'picking the best and helping the needy' so that there is a boost in the quality of education in all areas.

To provide quality education, quality teachers are a must. And teaching quality is determined by the performance of the teachers, which is in turn affected by their promotion prospects. Regrettably, in the policy address there is no mention of a mechanism for the promotion prospects of the teachers. I think the Government should conduct a review on this aspect to cope with the goal of achieving quality education.

Information Technology Education

The policy address has laid down a strategy to let teachers in primary and secondary schools enhance the quality of teaching through the application of information technology. This represents a move in the right direction, but I think there will be certain difficulties in implementation.

In the first place, the Government will be increasing the number of computers in each primary school to 40 and in each secondary school, 82. Some schools may not have the space for such facilities. The computers may be just dumped in the corridors or the store-rooms as "junk".

I do not think this "indiscriminate" measure is suitable for all primary and secondary schools. The Education Department could consider a system of "management by levels" in which different guidelines are formulated to suit schools of different types and levels so that information technology is there to be appropriately used to enhance the quality of teaching rather than to place the school in an awkward predicament. Otherwise, the investment would be wasted.

Then comes the problem of maintaining the computers. The Education Department would set up an Information Technology (IT) Education Resource Centre as a central organization not only to let teachers exchange ideas on teaching methods but also to provide technological support for all primary and secondary schools in Hong Kong. I think the Centre should make good use of existing mechanisms, which means maintenance contractors should be required to continue to provide inspection and maintenance services. At the same time, technological support for schools should be enhanced by increasing the number of technicians to relieve the teachers of pressures from administrative and non-teaching jobs.

Madam President, as an educator, I firmly believe the principle of "making the best use of people's abilities and material resources". In the test period on IT education, the Education Department should make good use of the resources of local tertiary institutions. May I suggest that the departments of the tertiary institutions responsible for IT and education should endeavour to meet the needs of the 20 experimental schools with a view to finding suitable IT teaching methods, conducting periodic reviews and making improvements on these methods. I hope the Administration will consider my suggestion.

Expatriate English Language Teachers Scheme

In the discussion of ways to enhance language abilities, the focus appears to have centred around the Expatriate English Language Teachers Scheme. The Education Department should learn from past experiences and make good use of the 700 expatriate teachers to provide an appropriate environment for the learning of English for our students. Some colleagues think it is unfair to local teachers when expatriate teachers are each given an extra \$20,000 housing allowance. But I do not think this is a good reason for objecting the Scheme. Expatriate teachers can help students learn English. We can arrange through the schools for expatriate teachers to share teaching experiences with local teachers, so that they may jointly share the administrative work of English teaching. Through such arrangements, the teaching techniques of local teachers can be improved and expatriate teachers can integrate into the schools to enhance their sense of belonging, thereby indirectly improving the quality of teaching. The Scheme is only a temporary one. It is beneficial to both teachers and students in local schools and should be supported.

Higher Education

In higher education, the Government will be making a \$50 million grant to the Open University to turn it into a centre of excellence in adult learning, which is beneficial to the development of human resources. I do hope the Government will consider allowing scholars of the Open University to apply for research funds from the Research Grants Council under the University Grants Committee to develop areas of excellence in tertiary education.

To provide remedies for the language inadequacies our university students, the Government propose setting aside a sum of \$80 million-odd to help institutions to develop language enhancement courses. As a matter of fact, language problems should be tackled at the level of basic education. Universities should not put in excessive resources to remedy the language inadequacies of the students as this can only bring about a temporary relieve but not a permanent cure to the problem. I think that to improve the language abilities, a determining factor is the criteria for admission to the universities.

In fact, admission criteria not only affect the direction of development of basic education but also enhance the language abilities of our students and the balanced development of education in ethical, intellectual, physical, social and aesthetic aspects. Therefore I think it is time to review our admission criteria.

Having gone through expansions in recent years, higher education is described in the policy address as having entered a period of consolidation. We hope the Government will reverse the decision to cut funding for our universities. In the long-run, the Government must have a long-term plan for funding in view of an increasing number of entrants to the universities. The Government should not increase funding in a certain year and then decrease it in another. Such capricious funding behaviour will hinder the healthy development of higher education, adversely affect the morale of teachers and staff, and have a negative effect on teaching and research. I must urge the Administration to take note of this.

Madam President, I now turn to talk about the policy on the environment as depicted in the policy address. In a nutshell, the Government only outlines existing policies and plans, for example, the Waste Reduction Plan and the trial scheme for liquefied petroleum gas powered taxis. But there are only

fragmentary work proposals for environmental work next year, such as the compilation of a White Paper on the Environment and the implementation of the Environment Impact Assessment Ordinance. The policy address lacks a clear, far-reaching and aggressive environmental strategy. Compared with the numerous forward-looking policies contained in the policy address, the policy on environmental is obviously lagging behind in terms of reality and the needs of Hong Kong.

On the question of pollution across the border, it has been adequately proved that "environmental pollution knows no boundaries". The hill fires in Indonesia affect the entire Southeast Asia. Toxic computer waste from Australia went past Hong Kong. Such incidents remind us once again that we must face squarely the problem of cross-border environmental pollution. Unfortunately, as it did in the past, the Government only makes promises to the effect that it would strengthen co-operation with the Mainland to solve environmental problems but we see no concrete plans for co-operation in the policy address or the departmental work plans of the Environmental Protection Department. The kind of co-operation in the Hong Kong-Guangdong Environmental Protection Liaison Group, which was set up in 1990, still remains at the level of the exchange of ideas and mutual visits. Topics discussed are mainly concerned with the monitoring of water quality and training of the Shenzhen River. There is much room for improvement in these two areas. It is time the Government reviewed the functions of the Liaison Group and set out concrete plans for co-operation.

The status of Hong Kong is now different from that of the past. We think it is time the Government took the opportunity to strengthen liaison with provinces and cities in the Mainland. In the policy address, the Chief Executive reiterates that the SAR Government will strengthen liaison with the Guangdong Provincial Government and will establish a high level framework to deal with problems affecting both sides, including environmental matters. The HKPA gives its full support to this. But where the environmental protection policy is concerned I do not think we should just focus our attention on individual items. Nor should we restrict our co-operation on crisis management or exchange of information. Our work should be extended to the regulation of air pollution, water quality control, waste disposal and ecological environment. The Administration should plan ahead, be prepared for danger in times of peace. It should conduct a comprehensive assessment and detailed discussions on

cross-border environmental problems so that a complete plan can be formulated and implemented. In this way, prevention and permanent peace of mind can be achieved.

Madam President, Hong Kong has to face a host of environmental problems, but I do not want to list them out here one by one. Rather, I would like to state a principle, which is: when we want to find a solution to an environmental problem, we must weigh between "environmental benefit" and "social cost". If two solutions are capable of producing the same benefit, we should adopt the one with a lower cost. If a certain solution will entail heavy social costs, the Administration should immediately find other solutions. It should not achieve environmental benefits at all costs and force its way through in a hurry. Nor should it abuse the "polluter pays" principle and brush the responsibilities aside to the public. The recent winding up of the Sewage Services Trading Fund and the impasse of the landfill charges scheme reflected the loss of balance as the Government tried to strike a balance when it considered cost effectiveness. Therefore, in the formulation and implementation of environmental policies, the Government must adhere to the criteria of striking a balance between cost and benefit.

Lastly, I must say that in the area of environmental work, this year's policy address has not much to offer! There is no innovative idea other than following what was done before. So, the Government should formulate a set of environmental policies for the economic benefits of the entire community.

Madam President, I have made my points about the policies for education and the environment mentioned in the policy address. On the whole, the HKPA is happy to see that the Chief Executive has laid down a strategic, forward-looking and far-sighted education policy.

Insofar as environment is concerned, I understand it is not an item on the top of the Chief Executive's priority list. I think it is indeed a pity. I hope in next year's policy address, the Chief Executive will have more to offer in this regard. Let us wait and see.

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

PRESIDENT (in Cantonese): Mr Edward HO

MR EDWARD HO (in Cantonese): Madam President, although the Chief Executive, Mr TUNG Chee-hwa, often considers himself as a conservative person, the policy he has laid down in the first policy address for the Hong Kong Special Administrative Region (SAR) is by no means conservative. Some of the targets are bold and ambitious. Obviously, our Chief Executive will not allow the Government to stick to conventions or follow the beaten path. He would not allow problems to remain unsolved.

The determination of the Chief Executive is evident in the high-lighted proposal of the policy address to solve the long-standing housing problem, which most interviewees in opinion polls regard as the most serious and urgent problem to be solved. I appreciate the firm undertaking of Mr TUNG Chee-hwa and senior Government officials to solve the housing problem. I trust they have the determination to solve the housing problem.

Although a significant number of people in the construction industry and related professions have cast grave doubts on the possibility of reaching such targets in 10 years, I as usual believe we should be optimistic. It is my conviction that where there is a will, what is seemingly impossible can be made possible. Therefore, I think Mr TUNG's housing plan is worthy of our efforts to see it through.

However, to realise the housing production programme, the Government must consider these factors:

Community Development

Building 85 000 flats a year within 10 years is equivalent to housing three million people. Multiplying 85 000 by an average of 3.4 tenants equals 2 890 000. That is to say, we will have to build several medium-sized cities in a short span of 10 years. So, we are in fact building not just houses but also new communities. We must provide for people living in these communities suitable job and commercial opportunities, space for recreation and rest, facilities for community services and infrastructures. So, the promise to build houses does not just mean some numbers to be reached. It means a plan to build up, in the wider context.

Focus on both quantity and quality

Many people in the planning and construction sectors are very much concerned about whether the quality of living will be sacrificed as we focus on building a large number of flats. We are not just building for this generation. We are also building for the next generation. Hence, we should not just try to solve the housing problem in a rush and lose sight of living conditions. Building a community requires a comprehensive plan: ideal living conditions, an ideal workplace, recreational facilities and all sorts of facilities. Indeed, we need to improve the environment of urban areas at the same time.

The quality of buildings is just as important. In fact, the lack of skilled labour in Hong Kong has reached an alarming point. The issue of quality is a cause of concern. My speech will later cover the area of human resources. But everyone in the construction industry agrees that poor quality has existed generally in Hong Kong for some time.

Human Resources

Undoubtedly, Hong Kong does not have the human resources to match an expanded housing production programme.

In fact, labour shortage is a problem we must face today. The price of some operations has reached an alarmingly high proportion. Furthermore, the quality problem I mentioned just now is the serious consequences of labour shortage. Labour shortage is found not only at the level of building workers. It has extended to supervisory skilled labour and professionals. Such human resources problems would affect construction safety.

Sure enough, the Construction Industry Training Authority can and must strengthen training for construction workers, but it is more important that we need to think of ways and means to attract new blood to join the industry.

In this Chamber, I have made proposals on numerous occasions to suggest that there should be a fundamental overhaul for the construction industry to introduce novel methods and materials in construction to make construction sites more orderly and safer. The Government should take the lead through the Housing Authority, the Architectural Services Department and other works

departments to influence the construction industry. Like other industries, the construction industry should find its way to develop into a high value-added industry.

Madam President, let me point out unequivocally that if we were to reach our targets in our housing production programmes, labour importation is inevitable. As far as the profession is concerned, importing mainland professionals can help local professionals enhance their capacity to deal with the housing production programmes because local professionals have been carrying out projects on the Mainland for some time. It can also give them more resources to deal with projects on the Mainland.

In the past, I urged the Government to increase resources for the departments related to land, planning and building because their workload had been increased considerably with the passing of a number of laws about building and industrial safety. Consequently, there have often been delays in the approval processes, as these departments have to deal with other matters.

Infrastructures

The Government has clearly stated the supply of residential flats in various districts but has not accounted for whether it will construct major infrastructures needed for the development of these new districts. Different policy bureau chiefs have attempted to give us assurances verbally that when people move into a new district, the new district would not lack complete and efficient transport systems and other infrastructures. Other than these assurances and the reiteration of the most-talked-about West Rail and the Mass Transit Railway Tseung Kwan O Extension Projects, we see no concrete construction plans for infrastructures. Therefore, we hope to see a clearer indication from the Financial Secretary when he announces the 1997-98 Budget.

Government Organization

The Chief Executive clearly indicates that in order to reach the building targets, there should be a thorough reform in planning and co-ordination work. I welcome this move. I am also glad to know that the Government has made a series of proposals to improve the approval processes and a number of performance pledges. Among such proposals, many were submitted by me and

the architectural, survey and town planning sector I represented in the last Legislative Council. I hope the relevant government departments would actually implement such measures and at the same time let people in the trade and related organizations know the process of implementation.

I welcome the promise of the Government to promote among government departments a business-friendly culture. I urge that leaders in various government departments ensure the culture is passed on to every level among officials. Earlier, I mentioned that some departments failed to complete approval work within a specified period of time due to a lack of manpower. As a result, they acted in a Procrustean manner and rejected production programmes on irrelevant grounds.

Viewed from a certain angle, the present housing production programme is comparable to the development of new towns in the early seventies. To accomplish the plan, the Government must have an organization with authority to ensure that different Government departments can effectively co-ordinate the building progress and work hard for the same target.

Compared with the Airport Core Programme, the housing production programme is even more complex and enormous. Whereas the Airport Core Programme is headed by the Airport Development Steering Committee under the Chief Secretary and the New Airport Projects Co-ordination Office under the Works Bureau, I think the production programme should have a similar co-ordinating organization.

Urban Redevelopment

About half of the flats built by developers in the private sector have to be redeveloped or exchanged for land. This phenomenon shows that urban redevelopment is important to the supply of flats. It also reflects the urgency for the Government to conduct a review on urban redevelopment. I am glad to note that there is suggestion in the policy address for the setting up of an Urban Renewal Authority. I hope the Authority can build on the good work that has been accomplished by the Land Development Corporation and more effectively quicken urban renewal work.

On the other hand, industrial land is an important source of land for the production of flats. So, rebuilding industrial lots to improve the environment of urban areas should be done without further delay. Due to economic restructuring of the local economy, many old factory buildings are no longer used for manufacturing. These buildings have no economic benefits any more and conditions there generally leave much to be desired, causing pollution to the environment and blocking the traffic.

Since we need to relocate businesses, the redevelopment of industrial land requires the active participation of the Government. The Government may need to find suitable industrial lots in the New Territories for use by small to medium-sized enterprises.

Madam President, since my colleague Mr ARCULLI spoke yesterday about the issue of public housing, I do not want to repeat it here. Obviously, public housing occupies a significant proportion of the flats in the building target. Among the 85 000 flats, 50 000 of them are going to be public housing.

To complete the public housing production programme, the Housing Authority (HA) definitely need private professional consultant service. However, the HA recently used the tender method for service charges in recruiting consultants. This method gives rise to disputes. The method has proved to be more harmful than beneficial when used in Britain, where it has been discarded. Now, a more advantageous way is being used. Recruitment is based on professional ability.

Madam President, today, my speech is mainly about "Homes for Hong Kong" as mentioned in the policy address. It has in fact covered numerous other areas in which I am also deeply interested. The first policy address of Mr TUNG Chee-hwa is a comprehensive one and shows great foresight. Let me quote from his words: "On 1 July 1997, Hong Kong was reunited with China. We the people of Hong Kong have begun to write our own history. Each step we take today will set our course for decades to come."

The reunification of Hong Kong with China is not only a historical event in the history of the Chinese people but also a unique opportunity for us Hong Kong people to chart our own bright future.

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

PRESIDENT (in Cantonese): Mr HUI Yin-fat.

MR HUI YIN-FAT (in Cantonese): Madam President, the Chief Executive, Mr TUNG Chee-hwa, has used "Building Hong Kong For A New Era" as the title of his first policy address. He may have brought us some refreshing directions for development, but if we study the policy address carefully, many of the proposals and concepts actually cannot be immediately carried out, as there are no practical and concrete administrative measures. I also cannot see any concrete improvements proposed by the policy address to solve such important livelihood issues as poverty welfare for the elderly and housing. The policy address has also failed to pay enough attention to the impact of social welfare on the stable development of Hong Kong in the long run. I am really sceptically whether the policy address can formulate a blueprint for the comprehensive development of Hong Kong in the next century.

Turning a blind eye to the problem of poverty

Regarding the poverty problem of Hong Kong, Mr TUNG Chee-hwa in fact has simply used four sentences to describe it. Towards the end of paragraph 13 of the policy address, it is said that, "Only through business that adds high value can Hong Kong's people enjoy higher incomes and better lives. Only by that means can we solve the poverty problem of the lower income group once and for all." Mr TUNG thinks that we can do away poverty problem by developing our economy, but I doubt whether this is the real solution.

For those people in Hong Kong who are now between 35 and 59 years of age, 800 000 of them have only received primary education or below. There are over 300 000 people who are unskilled workers, representing over 10% of the total working population. Obviously, owing to their low educational level, these workers do not possess skills which are required by the market, and they

have no alternatives but to engage themselves in unskilled work. Also, the policy address has not proposed any concrete measures on the enhancement of vocational education and training. It is doubtful how Mr TUNG can provide assistance to this large group of unskilled workers with low educational level, so as to enable them to participate in the so called "high value-added industries" to get rid of their unemployment and poverty problems.

Madam President, when society is advancing drastically, the disparity of wealth between the rich and the poor will appear. When I flipped through the data from the Census and Statistics Department and the Inland Revenue Department, I discovered that the first 10% of the highest income working population is paying 75% of the Government's total income tax. According to the Census and Statistics Department, the average monthly salary for all the selected occupations is \$10,641, which means about 70% of our workforce is now receiving less than this amount. No doubt many people believe that our wealth is actually controlled in the hands of a very small group of super billionaires and "top employees", and such an unfair phenomenon is not hard to be seen.

In fact, among those who are below the poverty line, most of them are elderly people. It is therefore very difficult for me to imagine how Mr TUNG understands the real problem of poverty. Whether the poor elderly (especially those who are receiving the Comprehensive Social Security Assistance (CSSA) payments) also have to join the high value-added industries to get rid of poverty?

No progress on the elderly policy

The poverty problem of the elderly is actually rooted in the Government's attitude in rejecting the implementation of the retirement protection scheme. As to those single elderly who have no family care, they can only rely on their merge savings to support their living in their twilight years.

Ever since Mr TUNG became the Chief Executive, he has repeatedly assured the public that he is very concerned about the elderly issue. He once gave the public a great hope that the new Government would try its best to improve the welfare of the elderly. However, it is stated in the policy address that the CSSA payments will be increased by merely \$380 a month. In fact, this is just a game of numbers, the CSSA payments actually will be increased by \$330

because we have to deduct the Chinese New Year grant and the recreational grant from it. The elderly CSSA recipients have to wait seven months more, that means they can only receive the new CSSA payments in the next financial year.

I begin to think that if Mr TUNG really wants to provide "a sense of security" for the elderly and thinks that it is necessary to increase the CSSA payments, then why do we have to ask these poor elderly who depend solely on the CSSA payments to wait for another seven months? Even we have to increase the CSSA payments immediately, the Government only has to pay an additional of about \$215 million in this financial year, representing 0.13% of the total public expenditure. This will only lead to a decrease of about 1% of our surplus this year. Does the Government think that it cannot afford to pay this small sum?

Besides, at the beginning of this year, the Government has conducted a survey on the life of the elderly CSSA recipients, so as to reassess the CSSA payments for the elderly and their assets limit. It is understood that this report which can affect the livelihood of the elderly people has been completed a long time ago, but the Government refused to release and make it known to the public.

Without the relevant data for reference, it is really difficult for us to assess whether it is adequate to increase the CSSA payments by \$380. At least, Mr TUNG fails to provide sufficient reasons to convince this Council and other members of the public whether this increase in the CSSA payments will allow all these elderly recipients to lead a dignified life.

The social welfare sector is of the opinion that the Government should adopt the amount of the elderly CSSA payments as proposed in the 1994 Macpherson Report and also raise the elderly's assets limit at the same time, so that they can save more money and their sense of security can be enhanced.

Non-trustworthy measures on combating property speculation

Apart from giving no sense of security to the elderly, I think the policy address also fails to provide a sense of security to the public on housing. It is only harping on the old tune on housing and nothing new is added. The policy address does not mention even a word on how to cut down the property prices, and how to combat property speculation.

In the beginning of this year, Mr TUNG openly urged the public not to buy their property too hastily, but when property prices rose 30% to 40% in six months' time, he only used the word "regret" to pacify them. This is not only a totally irresponsible behaviour, it also reflects that the Government does not have any means to tackle the surge of property prices. Last week, when the words of the Chief Executive still rang in our ears, the Secretary for Housing again told the public not to buy their property too hastily. If Mr TUNG and the government officials think that the speculators will be scared off by repeating the same tone, they are indeed too naive.

The behaviour of the Government calls to mind a children's fable, "The wolf is coming". If you say too much unrealistic things, nobody will believe you again. Unless the Government can have concrete measures to solve the housing problem, it will not be able to save the public's confidence.

I understand that it will be helpful to solve the housing problem by boosting land supply, but the Government should also consider other contributing factors. In recent years, our population has increased and our population structure has also undergone obvious changes.

According to the Census and Statistics Department, there were 1.58 million families in 1991 and the average annual growth rate was 1.7%. The number of families was increased to 1.85 million in 1996, and the average annual growth rate rose to 3.2%, almost doubling the figure in 1991. If we compare these figures with the number of domestic flats, we will see that in the past five years, the total number of families has increased by 9%, whereas the number of domestic flats has risen only by 7% during the same period. This data can roughly indicate the reason for the shortage of supply of domestic flats.

According to our projection, about 60 000 to 70 000 domestic flats are required every year. If the Government can really provide 85 000 flats every year, we can catch up with our past insufficiency in several years' time. The problem is our past experience tells us that the Government always exaggerates the figures in the supply of housing, and every year it fails to meet its target of housing construction. It also fails to curb property speculation and, as a result, property prices are detached from the affordability of the public and the speculators can take advantage of such a situation.

In fact, the rising and falling of property prices are meaningless to the home buyers. If the Government does not formulate concrete measures to curb speculation as soon as possible, then property prices will keep on remaining unreasonable. The ordinary employees will find it impossible to become home owners, and there is no knowing when we can to achieve the target of having 70% families owning their own homes.

A tax is imposed on the re-selling of domestic flats within a short term in Singapore which is also a place with many people but not much land. It aims to increase the cost of property speculation and protect the real home-buyers. Regrettably, after visiting Singapore, Mr TUNG and other high-ranking government officials did not seriously consider to impose this tax on the transfer of domestic flats within a short time in order to curb speculation. I think this is really very disappointing.

Also, high property prices will make the first time home-buyers very difficult to afford. I am of the opinion that apart from the existing loan scheme, the Government should provide popular and practical measures to encourage the public to be home owners, and also model on the European example by providing tax preferential treatment on mortgage payment to the first time home-buyers, so as to minimize their tax burden directly. I believe this measure will be welcomed by the general public.

Conclusion

Madam President, we all have expectations on the first policy address of the Chief Executive. We all hope that after the handover to China and in face of the 21st new century, everybody can live peacefully and happily, and that we can have a harmonious society and everybody's life can be secured. Unfortunately, I fail to find the answers in the policy address.

Madam President, I so submit.

PRESIDENT (in Cantonese): Mr CHAN Kam-lam.

MR CHAN KAM-LAM (in Cantonese): Madam President, "A Better Business Environment" is the little of the very first chapter concerning the Work Programme in the policy address of the Chief Executive, Mr TUNG Chee-hwa. Obviously, he hopes that the factors contributing to Hong Kong's success in the past will be perpetuated, and a better business environment will be created together with the development of advanced technology, so that all our industries will prosper.

The Chief Executive emphasizes that both the industries and the service sector have to move towards a high value-added direction and this is a point we all agree. However, how to develop advanced technological industries, how to move from labour intensive traditional industries to high value-added industries, and how to make most of the public take part in these high value-added industries is in fact a long term task which is easier said than done.

At present, the business sector does not have a consensus on how Hong Kong's industries can move towards high value-added industries. Some people in the business sector believe that the Government should play a leading role and there is no need to provide tax concessions to foreign investment. On the other hand, some people think that Hong Kong will have a difficult time in developing from a trading centre with financial services as its main business to an industrial centre focusing on the development of technological production, and so they think that there is a need to provide tax concessions to attract investors.

Some business people have pointed out that since advanced technology is a capital intensive investment with very slow returns, and since the Government has never adopted any positive measures to encourage this kind of investment, many manufacturers have already turned to the property and financial sectors which can give them quick returns. Moreover, most of the production lines have already moved to the Mainland and the neighbouring countries. It will therefore be impractical for the Government to attract them with high technology to move their base back to Hong Kong.

The Commission on Strategic Development, of which the Chief Executive, Mr TUNG Chee-hwa is the Chairman, should look into these arguments in detail. The Democratic Alliance for Betterment of Hong Kong (DAB) is of the opinion that high value-added industries are not necessarily high technology. We are very pleased that the policy address has recognized the contribution of the

traditional manufacturing industries to Hong Kong, and this very point was very often ignored by the past Governors in their policy addresses. As the Chief Executive of the Hong Kong Special Administrative Region (SAR) has said, at present Hong Kong still has over 300 000 people engaged in traditional industries. We therefore think that many traditional industries and manufacturing industries still have very high export earning ability. As long as the Government can devise a long term policy, the manufacturing industry can still play a major role in Hong Kong.

I once moved a motion debate on requesting the Government to formulate a long term industrial policy in the then Legislative Council, and I was supported by Members at that time. The present problem faced by the local manufactures is that very few of them can develop their own technology to lower the production cost. The industrial and commercial sector always hopes that the Government can help them to switch to high technology and high value-added production. However, the Government has all along adopted a "non-intervention policy", and the only way for the manufacturers to lower their cost is by moving their production lines to the Mainland or neighbouring countries where land prices, rent of the factories and wages of the employees are cheaper.

The policy address proposes to inject \$500 million more into the Applied Research Fund to support the business sector in the commercialization of their technological research. It is a positive measure which is worthy of our support. However, high technology itself will not create employment opportunities; it will only speed up the transformation of industry and increase the unemployment rate of the low skilled workers. While developing high technology, the Government should also lend a hand to the traditional industries and manufacturing industry.

In order to ensure the survival of the traditional industries, another way is to study how to add value to their products. In fact, for a traditional labour intensive product to move from the low-grade to the middle-grade, the most important thing is to put more emphasis on its design before production, and to develop the wholesale network after production, so that the competitiveness of the product can be enhanced and its position in the international market can be established. I agree with the direction stated in the policy address, and that is to encourage our talents who are innovative to study more in order to produce more creative designs, so that the competitiveness of our products in the world market

can be enhanced.

Regarding the long term policy, the Government can consider to model on the industrial policy of Singapore and its financing scheme, and provide different tax preferential treatments to high technology manufacturing industry and high value-added traditional industries by, for example, providing a tax exemption period. As a result, different types of industries can still service in Hong Kong, and more job opportunities can be provided.

Also, the policy address has mentioned that some traditional manufacturing industries, such as, the textile and clothing industry, has to kept their labour intensive processes here because they still have the quotas. To ensure that there is sufficient skilled manpower to take advantage of the unused quota, a working group has been set up to carry out a study. However, in the past 10 years, over 100 000 workers from the clothing industry have changed to the service industry because of the relocation of the factories to the Mainland for lower production costs and also low wages. The DAB is worried that unless the textile and clothing industry is willing to improve their existing skills and give higher wages to attract the workers to come back, the policy mentioned in the policy address about sufficient skilled manpower will become an excuse for the employers to increase the quota for the importation of labour.

Regarding the construction industry, the Government has set up a working group to study issues such as manpower supply and employment training for the coming years. The DAB therefore thinks that it is too early for the policy address to propose the importation of labour to help meet our housing construction targets and also the amendment to the Supplementary Labour Scheme.

In fact, according to the experiences of the past few years, the supply of the construction workers is very flexible. In 1994, 58 000 workers were unemployed during the low ebb of the construction industry, and the number of workers has increased to 83 500 in the first quarter of 1997, of which the increase is 40%. The unemployment and underemployment rates of the construction industry are the highest among all other industries in 1996, amounting to 3.9% and 8.7% respectively. This reflects that the supply of manpower in the construction industry is in fact very adequate, and shortage only appears periodically in individual trades. The DAB is therefore of the opinion that the Government should make good use of time to implement training for individual

trades before the peak time of housing construction, and it should not make casual remarks on the importation of labour to reduce the employment opportunities of local workers.

As I will move a motion debate on 5 November regarding the importation of labour and employee retraining, I therefore will not discuss these issues in detail today.

Madam President, housing is another important issue in policy address. The Chief Executive, Mr TUNG Chee-hwa, once told the public not to rush to be home owners. However, he only felt regretful when the property prices surged drastically. The Secretary for Housing, Mr Dominic WONG Shing-wah, also urged the public not to buy their property hastily. Members of the public, who hope to become home owners, will certainly be at a loss as to what to do. In fact, as the Chief Executive of the SAR or a high-ranking official of the Government, their main responsibilities are to ensure that there are adequate supply of housing, and to maintain the property prices at a reasonable level to curb speculation. Regarding whether we should buy our property or whether it is the right time to be home owners, the decision should be left to the public themselves and let the market adjust itself. It is not appropriate for the Government to assume the role of a property consultant, or else more mistakes may be made because of their comments.

The DAB thinks that the Government has all along neglected the affordability of the public by pushing up land prices and property prices, causing the public to have great difficulties in becoming home owners and creating a dangerous situation in which our economy is putting too much emphasis on the property sector. The Government therefore has the responsibility to lower property prices, which have an important impact on our livelihood, to a healthier level.

It is the expectation of the general public that the policy address will put forward immediate administrative measures to lower property prices, and we are therefore disappointed to find no such measures in it. However, the public should understand that all administrative measures will only have a short term effect. Long term speaking, the land supply should be increased, the construction pace should be expedited to achieve a balance in the demand and supply and to stabilize property prices, so that the housing problem can be

properly solved in the long run. The Chief Executive has planned to achieve three housing targets in the coming 10 years, and the DAB thinks that these targets are all acceptable and the public should have confidence in them.

The Chief Executive and the Bureau Secretaries concerned have mentioned the annual construction target of 85 000 flats many times, but for the first time they have listed out the distribution of over 900 pieces of land for building 780 000 flats in the coming eight years. No doubt it is a big leap forward. However, the DAB is worried that, according to the statistics provided by the Government, among the supply of private property, nearly half of the land involved comes from land exchanges and lease modifications. The private developers will decide whether to exchange land in accordance with commercial decisions, and it is therefore impossible for the Government to control this type of land supply. Also, people have all along criticized that many developers have kept the completed flats for better prices. As a result, no construction will be carried out even there is land available, and there will be no transactions even the flats are completed.

Madam President, owing to the unstable supply provided by private developers, the DAB always stresses that the housing supply should always focus on public housing, so that the planning of the Government will not be upset. Public rental housing, public housing for sale and private housing should be in the ratio of 1:1:1. However, among the 780 000 flats to be completed in the coming eight years, only 490 000 are public housing flats and we think this is not enough.

Among the 85 000 flats provided each year, after deducting 36 000 private residential flats and the Home Ownership Scheme flats and the Sandwich Class Scheme flats, the actual number of rental flats is about 14 000 each year. There is still no solution to shortening the waiting time for public housing. The DAB thinks that if we have to fulfill the Chief Executive's promise of shortening the waiting time to three years, the Government should provide 20 000 rental flats to the people on the Waiting List each year.

Also, among the existing two million families in Hong Kong, over 50% are living in their own property, and the remaining half includes 600 000 families living in public housing and 400 000 families living in private rental housing. If we have to reach the target of having 70% home ownership, no doubt the

Government must sell a large amount of public housing flats. Recently, it is heard that the Housing Authority may lower the prices of the public housing flats to promote the selling. I think this aims at increasing the attractiveness of the public housing, so as to achieve the target of selling 250 000 flats in the future. We therefore worry that while the supply of public rental housing will not be largely increased, the selling of a considerable amount of public housing flats will make the shortening of the waiting time impossible.

Madam President, although the policy address has promised to clear temporary housing areas and relocate all those who are displaced from bedspace apartments, regrettably, it has not put forward any specific timetable. In fact, in accordance with the information presented to the Provisional Legislative Council by the Government earlier, 13 temporary housing areas are still waiting for clearance, of which over 10 000 residents are involved. Except for the Yen Chow Street Temporary Housing Area, none of them has got a timetable for clearance. For those who are living in bedspace apartments, although the ex-Governor promised in his 1995 policy address that all bedspace lodgers would be rehoused to a better environment by the end of 1997, according to the information in mid-1997, about 3 000 people are still living in 113 bedspace apartments. It is therefore necessary for the Government to prepare a specific timetable for settling these people who have long been living in a bad environment.

Also, early this year, the Government published the Long Term Housing Strategy Review Consultation Document, proposing to carry out a means test on the prospective public housing tenants and the other adults in the family of the deceased public housing tenants. However, this proposal has been severely criticized by different sectors in society. The result of the Long Term Housing Strategy Review Consultation Document has not been announced yet, but the Main Points of the policy address has already proposed to introduce a comprehensive means test in 1998. The result of the Consultation and the opposition of the public have in fact been ignored. The DAB therefore is of the opinion that the Government should announce the result as soon as possible. We are also dissatisfied that the Housing Bureau has jumped the gun to implement the unreasonable proposals in the Long Term Housing Strategy Review Consultation Document so hastily.

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

PRESIDENT (in Cantonese): Mr MA Fung-kwok.

MR MA FUNG-KWOK (in Cantonese): Madam President, in his first policy address, the Chief Executive explains the direction and policy of development in various aspects as Hong Kong prepares itself for the 21st century. Various sectors in the community have diverse reactions to the explanation given on different items. On a number of issues relating to the people's livelihood which are of widespread concern, the policy address does not seem to be able to make the people feel at ease, mainly because the measures proposed produce no immediate effect. The people doubt whether these issues can be properly tackled. In fact, it seems rather impossible for problems on housing, welfare for the elderly and education to be solved at once. After all, such problems have not been properly dealt with for some time, and there is no immediate cure for them. Although the problems cannot be solved within a short time, the people expect the Government of the Hong Kong Special Administrative Region (SAR) to deal with them in a serious and firm manner. I now hope that reviews being conducted can be completed as soon as possible so that a more detailed plan and time-table can be tabled early. Some measures that can be implemented, such as the increase of the payment for Comprehensive Social Security Assistance for the elderly, should be carried out immediately.

As Hong Kong faces the 21st century, the Chief Executive proposes to enhance the personal qualities and develop high value-added industries. This suits the development of Hong Kong and its reality. While some say that such measures cannot help Hong Kong people get out of poverty or solve the problem of the disparity between the rich and the poor, I think that these are issues requiring separate policies. On the whole, the Chief Executive's policies are worthy of our support. The reason is that a long-term developmental policy is indispensable if Hong Kong is to face the keen competition in the 21st century. The policies on information and related measures, the proposal to sharpen our competitive edge, and enhancing the quality of our people are extremely timely and necessary ones.

We still need to wait and see what the SAR Government can achieve in its search for ways to lead Hong Kong people to break free from the psychological constraints brought about by the colonial era, and gather courage to set aside past modes of thought and plan Hong Kong's long-term future with new vision. We

hope the SAR Government can achieve its goals.

A major difference between the present policy address and past ones is that this time we have a policy address with the most cultural characteristics. There were 12 paragraphs in it explicating culture or using terms relating to culture. Such cultural characteristics have long been neglected in the policy addresses of the past Governors. The Chief Executive incorporates the cultural dimension when he discusses matters about the great cause of the Chinese people, the development of the relationship between Hong Kong and China, the improvement in living conditions, the establishment of policies on information technology, and the utilization of the strengths of East and West in the educational system. In a number of places in the policy address the relationship between cultural work and the development of Hong Kong, and thoughts along this line are explained.

Mr TUNG said we need to enhance our qualities as a person. In this connection, education can be said to be an important part. Another determining factor is the establishment of cultural policies and cultural development. The policy address talks about the Hong Kong culture. It endorses the benefit derived from embracing both eastern and western cultures. I welcome the promises made by the Chief Executive in the policy address to ensure the SAR Government attaches importance and encourages the deepening of our understanding of Chinese history and Chinese culture and Hong Kong's existing cultural characteristics. I also welcome the willingness of the SAR Government to provide resources and to promote Chinese culture through suitable means. I hope the Government can realize the cultural target with "one system, multi-cultures" in which the Chinese culture is the framework.

The policy address states that the Home Affairs Bureau will be launching a programme to strengthen civic education over the coming year to help nurture the growth of a stronger understanding of our community and culture. While the community is expecting the SAR Government to do the promotional work, it will launch some more profound programmes to strengthen the cultural foundations and enhance the cultural qualities of the community as a whole. In particular, there should be focused work and appropriate guidance in training our young people.

Although in terms of cultural promotion, the proposals of the SAR Government are not exactly what those concerned about cultural development would have expected, we should applaud the SAR Government's efforts to take the opportunity of the reunification to give second thoughts to the direction of the cultural development of Hong Kong, and to review and formulate policies once again. I hope officials of all Government departments at all levels can also take this opportunity to work hard together to formulate cultural policies that match the reality of Hong Kong, after fully consulting the public. In fact, cultural promotion cannot be the responsibility of just one policy bureau. The SAR Government should and must be united and work with full co-operation with the community to promote cultural work because indeed culture is a conscious behavioural phenomenon found in a number of facets and collectively manifested through all levels and diverse means. I hope the SAR Government will complete as soon as possible the review on how to make better and more effective use of resources to promote cultural work, especially the review for the Urban Council and the Regional Council.

In the policy address, the cultural environment is regarded as an important part in enhancing the quality of life of the people, in retaining expertise, and in maintaining economic development potential. This puts culture in the right perspective and represents a policy completely different from that of the colonial era. A favourable cultural environment is indeed closely linked to an improved quality of life. I hope we can actually see what is promised in the policy address: the protection of creative expression, and freedom of expression and the encouragement of the growth of the film and broadcasting industries. The policy address also endorses the achievements obtained by the film, music and broadcasting industries. This is most enlightening to those engaged in the work of the show business.

For some time the Hong Kong film industry has either consciously or subconsciously been acting as a cultural ambassador, creating wealth, providing the public with job opportunities and entertainment. In the past, despite of the difficult and lonely situation in which workers in the industry found themselves, they had many achievements which should be recognized. But in recent years the industry has found itself in times harder than ever before as production conditions have been difficult, intellectual property rights have been infringed upon, there has been restriction on unfair trading, and there has been wastage in expertise. The measures the SAR Government has promised to adopt to help

the development of the film industry mean a lot to the industry which has been struggling for its survival. I hope it is not too late now.

In response to the request of the film industry to set up a Film Development Council, the SAR Government proposes to establish a Film Services Office and a Film Services Advisory Committee. Response has been positive in general within the industry. I hope this can help to make some improvements on the present inadequacies and strengthen communication with the Government. But the industry still hopes the Government will consider further measures for there are worries that the measures may not be able to perform the full function of the Film Development Council or achieve its effectiveness. After reunification, Hong Kong films will become an inseparable component of Chinese films. I hope the Government can take the initiative to discuss with the industry and the mainland to help Hong Kong films enter the Chinese market.

In the policy address, the SAR Government undertakes to try its best to protect intellectual property rights. The departments concerned will take more effective enforcement actions and will continue raids against retail black spots for pirated products. Such undertakings will be, to a certain extent, helpful to the creative work. They can also project an image for the SAR Government on its determination to uphold the rule of law. But I think if the SAR Government is minded to become very effective in the protection of the intellectual property rights, it must review existing laws to keep them abreast of the relevant technological developments. It must decisively eradicate the production, import, export and retail of pirated goods. It should go one step further to take measures to protect the fruits of creativity and the intellectual property rights of the Hong Kong people.

Can Hong Kong become a centre to promote cultural understanding between people from China, Hong Kong and overseas? Can it be a centre for cultural exchange between eastern and western cultures? I think the policy address has provided a direction only. As for the practicalities, Government officials and the public need to work hard together to carry them out. I hope the Government can let the people see its time-table and plans at an early date.

With these remarks, I support the motion.

PRESIDENT (in Cantonese): Mr HO Sai-chu.

MR HO SAI-CHU (in Cantonese): Madam President, in his first policy address, the Chief Executive of the Special Administrative Region (SAR), Mr TUNG Chee-hwa, refers first and foremost to the realization of the "one country, two systems" concept and our bright prospects. I, too, could feel the wholehearted sincerity expressed by the Central Authorities. A few days ago, I went to Shanghai to attend the opening ceremony of the Eighth National Games, where Hong Kong, for the first time, participated in the capacity of a member of the nation. When the Hong Kong Team marched into the stadium, President JIANG Zemin led the whole audience to welcome the team with standing ovation and warm applause. The scene was really very moving. All these were just sidelights on the games, yet they could reflect the importance the Central Authorities has adhered to Hong Kong.

Of the content of the policy address, three topics have given rise to most arguments, and they are, housing, welfare for the elderly, as well as importation of labour. Since the Honourable Edward HO and Ronald ARCULLI from the Liberal Party have already discussed the housing issue in detail, I would concentrate my discussion on welfare for the elderly as well as importation of labour.

Care for the elderly has always been a special concern of Mr TUNG Chee-hwa since he was elected Chief Executive. The provision of "a sense of security, a sense of belong and a feeling of health and worthiness" which Mr TUNG refers to every now and then has been widely accepted by the public as the responsibility of our society towards the elderly. It is, therefore, the general expectation of the public that Mr TUNG would announce in his first policy address a series of active proposals regarding elderly service. However, we are all disappointed, the policy address has not brought about comprehensive or adequate improvement to elderly welfare; and the proposed adjustment in Comprehensive Social Security Assistance (CSSA) payment, which is the most basic part of elderly welfare, has also failed people's expectation.

The Liberal Party has for many years been urging the Government to

adjust the CSSA payments substantially, but the Government just turns a deaf ear to us. The accumulated rate of adjustment by this year should have exceeded \$1,000, which means the CSSA monthly payment should stand at the rate of \$3,100. Besides, this amount proposed by the Liberal Party is basically the same as that a number of elderly welfare organizations have been asking for. However, as announced in Mr TUNG's policy address, the CSSA monthly payment would only increase slightly by \$380, but the annual Chinese New Year Grant and the Social and Recreational Activities Grant, which amount to a sum of \$550 in total, would be withdrawn at the same time; and all these would only take effect from the first day of April next year. In other words, starting from the coming financial year, the elderly CSSA recipients would receive only \$334 more a month in real term. With a meagre increase of \$11 a day, how could the Government improve the living standard of the elderly substantially? Or could it be said that the laudable cause of "providing the elderly with a sense of security, a sense of belong and a feeling of health and worthiness" worth only \$11?

According to the Government officials, an increase of \$100 in CSSA payment would imply an additional expenditure of \$170 million, and an increase of \$380 would then cause the Government to spend \$650 million more. In my opinion, however, the Government should not refer only to figures in its deliberations, the most important consideration should be whether there is a need to use the public funds. If the Government has agreed to improve the living standard of the elderly substantially, even if the cost would amount to \$0.5 or \$1 billion, it should still appropriate enough resources to achieve the objective. Besides, with its strong reserves, the SAR Government should not have much difficulty securing the financial resources. The most important point is to make sure the financial resources are put into the right cause to benefit the society as well as its people. The Liberal Party urges the Government to reconsider adjusting the rate of increase in CSSA payment to a level much closer in line with the need of the elderly, and the new rate should be applied as soon as possible instead of in April next year.

In respect of elderly service, the policy address has in fact overlooked yet another important aspect, which is the arrangement to assist the local elderly to settle in the Mainland.

As we all know, over half of the local population in the early 50s were

immigrants from the Mainland. Half a century has passed since then, and many of them have now become our elderly people. With their roots as well as their friends and relatives still in the Mainland, most of them would like to return to their homeland and spend their golden years there. Moreover, the household expenses in Hong Kong are always on the increase, moving back to the Mainland to spend their golden years may well be an economical alternative.

However, to those 140 000 elderly CSSA recipients with limited means, moving back to the Mainland is by no means easy. They must resolve the three major problems, namely, how to receive CSSA in the Mainland; how to secure, in the Mainland, a place to live in; as well as how to get inexpensive medical services in the Mainland.

The Government has implemented since April this year the "Portable Comprehensive Social Security Assistance Scheme" (PCSSA) to help the elderly CSSA recipients, via the Red Cross, to receive their entitlement after they have settled in Guangdong Province. However, the service provided by the Red Cross is only limited to urging the Government to pay back those elderly who have not received their CSSA payment on schedule their correct entitlement. The daily needs of those elderly people, including housing and medical needs will not be catered for by the Red Cross. As the PCSSA has not been given sufficient promotion and comprehensive care services is not available, out of the 140 000 elderly CSSA recipients, only 323 (or 2%) have joined the PCSSA.

The Liberal Party has always been asserting that caring for the elderly is the responsibility of the Government, even if those needy elderly people have settled in the Mainland, they should still be provided with Government support as they used to be. From the perspective of social resources allocation, helping the elderly to settle in the Mainland could, in addition to helping to improve the living conditions of the elderly, help Hong Kong alleviate its burden in areas such as housing, medical care, transportation and so on. It is just reasonable for the Government to help the elderly people to settle in the Mainland if they so wish. Although only 323 persons joined the PCSSA, I am sure this small figure is by no means a reflection of the lack of interest among the elderly in settling in the Mainland. The small percentage only serves to reflect that the existing arrangements are far from perfect and could not, therefore, attract those elderly people who wish to settle in the Mainland to join the PCSSA. If the

Government could demonstrate its determination in implementing elderly support services, the number of elderly persons applying for the PCSSA will certainly increase tremendously.

In my opinion, the first step that the Government should take is to relax the application conditions for PCSSA, including the one which requires the applicant to have received CSSA for a continuous period of not less than three years, and that which requires the elderly person concerned to give up his or her public housing unit before leaving for the Mainland.

Besides, the Government should also assist our voluntary agencies to operate homes for the elderly in the Mainland so as to help the elderly resolve their accommodation problems.

Moreover, as reliable medical care is of utmost importance to the daily lives of the elderly, the Government should help those elderly who have settled in the Mainland to receive local medical services at affordable prices. In addition, the Government could also help those homes for the elderly operated by voluntary agencies from Hong Kong to provide medical services for their residents as well as elderly non-residents.

I am glad to see that a delegation under the Social Welfare Department has took the lead, shortly after the reunification, to visit Guangdong Province to study the elderly service there and to discuss with the provincial government officials. It is my hope that the Government would, after this visit, expedite its effort in implementing in full the support services provided for the home returning elderly. As regards those elderly people staying in Hong Kong, the Government should also provide them with proper care and attention; besides, efforts should also be made to encourage families to live with their older members so as to help resolve the housing problem.

Now I would like to talk about importation of labour. The policy address has not given any clear decision regarding the question of whether the restrictions on importation of labour should be relaxed or not, as a result, the

labour sector staged a series of actions to voice out their objection. The objection raised by trade unions are, in general, based on the grounds that Hong Kong does not need to import workers from abroad because of the strength of the local labour force, and that importation of labour would only affect adversely the wage level and job opportunities of local workers. I must first spell out here that my stance has always been to give priority in employment to our own workers. While we need to import those workers that are not available locally, we also need to ensure that the job opportunities and wage level of local workers would not be affected adversely. As such, efficient planning and good timing are much needed to ensure that we could import well trained skilled workers when such need arises and send them back to their home place after the need has been catered for, and that the imported workers could shift to other kinds of work thereby hampering the job opportunity of local workers.

As I have been engaged in the construction industry for many years, I would like to take the trade as an example for illustration purpose. At present, we have about 180 000 construction workers in Hong Kong, most of them are either engaged in the new airport related projects or other large scale construction projects. In addition to the building projects required to meet the target of producing 85 000 flats a year in the public and private sectors, more than 15 major infrastructure projects are also forthcoming one after the other in the coming 10 years. Bearing in mind that apart from major infrastructure projects and residential buildings, hundreds of other construction programmes, such as commercial buildings, factory buildings and so on, are also in progress every year, the problem of labour shortage should not come as a surprise to us. It is indeed very obvious that the local labour force is unable to cater for the needs arising from the large scale construction works in the coming 10 years.

Importation of labour is not an ideal resolution, but to the construction industry, this is the practical measure that they must adopt. Should the various construction works be delayed by the shortage of skilled labour, construction cost would certainly be pushed up, and the additional cost would eventually be shifted to the general public or the buyers. On the other hand, through the importation of skilled labour, not only could the problem of labour shortage be overcome, building standards, industrial safety, as well as timely completion of construction work could also be guaranteed. This is surely a responsible measure to take and is in line with the interests of the labour, the management, as well as the society

as whole.

The Democratic Party has recently conducted a questionnaire survey in several restaurants and interviewed 256 construction workers, including 233 steel fixers. Among the steel fixers, almost 90% have indicated that they are employed for less than 10 days a month on average. In addition, 70% of the respondents have indicated that there has been a zero growth for their wage over the past 12 months. According to the Democratic Party, the results of the survey have reflected how difficult the lives of local construction workers are, and that importation of labour would only deal another heavy blow to them.

I wish to point out here that this survey is both unscientific and unfair, it simply could not reflect anything. In the first place, the construction workers gathering at that several restaurants every morning are mostly out of work, they are there to wait for a sub-contractor to hire them. In fact, as the Democratic Party went to those restaurants to interview the jobless workers, the conclusion of the unemployment survey has already been determined, and there was indeed no need for the survey. The entire matter is just as absurd as asking a congregation attending Sunday service in church if any of them are christians. Let us say all those 256 construction workers have responded that jobs are far from enough, what could this situation tell us? It only tells us that of the 80 000 odd construction workers in Hong Kong, 256 have difficulty finding enough jobs. As regards the question of whether these workers are skilled labour, or whether they are among those scarce skilled workers urgently required by certain sectors of the construction industry, we have yet to find out. Any survey that is not targeted at the problem of skill-mismatching which causes construction works to hit periodic bottlenecks, or not aimed at investigating the situation where certain types of jobs suffer labour shortage while others experience excessive supply of labour, is bound to produce biased results.

The issue of whether importation of labour would cause local workers to suffer a downward adjustment of wage levels and a decrease in job opportunities has already become a research topic among economists since long ago. In 1995, three local economists carried out a study in that respect using the United States and Germany as sample cases and found out that, in the long run, importation of labour would not deprive local workers of their job opportunities nor cause them to suffer a downward adjustment of wage levels. On the contrary, importation of labour would stimulate the community to create more employment needs to

resolve all problems.

Madam President, it is my hope that both the labour and the management would calm down and come together to deal with the issue of importation of labour in a practical way. It is also my hope that the Government will submit to this Council as soon as possible the estimated number of construction workers required to meet the needs of the various infrastructure projects and building projects in the coming 10 years, so that the public could understand the whole matter clearly.

Last but not least, infrastructure. In this connection, Mr TUNG spoke only of transport infrastructure and made no mention of other development programmes such as sewage treatment, harbour works, and even the new airport at Chek Lap Kok, albeit it is the community's major development and the focus of world attention. To ensure that the new airport could enter into operation before the end of April next year, not only the building projects relating to the airport have to be completed on schedule, the various supporting services and facilities such as traffic and transportation, security system must also be ready promptly. The prompt inauguration of the new airport should never be hindered by any inefficient work arrangement, otherwise massive financial losses would be incurred. For this reason, I urge all the government departments concerned to co-ordinate well with each other, so as to ensure that the entire programme could be completed on time and within budget.

With these remarks, I support the motion.

PRESIDENT (in Cantonese): Miss CHOY So-yuk.

MISS CHOY SO-YUK (in Cantonese): Madam President, I must say that this first policy address delivered by Chief Executive Mr TUNG Chee-hwa following the establishment of the Hong Kong Special Administrative Region (SAR) is indeed very far-sighted, filled with the sincerity to build a good SAR. The Honourable Ambrose LAU who belongs to the Hong Kong Progressive Alliance (HKPA) has already commented on the whole policy address. So, I will just give some remarks on two aspects, namely, information technology and women.

The Chief Executive attaches great importance to information technology (IT), and a very large part of his policy address is devoted to this particular area. What is said in the policy address on IT has led to extensive discussions in the community, and has also invigorated the IT industry, which views that the proposed measures and policies are indicative of the SAR Government's far-sighted vision. At one consultation meeting which I held with members of the IT industry, all those present were unanimous in saying that their demands had finally been listened to for the first time over 20 years. They are indeed over-joyed.

The Chief Executive has finally initiated the community of Hong Kong into taking the first step which connects it to the information age. It is not at all easy to take this very first step, to make this great breakthrough, and for this reason, it should be treasured.

In paragraph 154 of the policy address, the Chief Executive says that when he was drawing up the policy address, he kept asking himself whether he had only delivered the good news and not the bad. Following his pragmatism of delivering both the good news and the bad, I shall now put forward some opinions of mine, in the hope that the relevant policies can be further improved.

First, many IT professionals and I share the same view — and that is a very strong view — that there is a pressing need to set up a separate organization with special responsibilities for the development of the IT industry. Hong Kong may well be the only major economy in the world which has not yet established a separate policy-making body for IT development. It is important for us to realize that such a separate body will help maintain Hong Kong's first-rate competitiveness in the world, and will also enhance its competitiveness.

The policy of dividing the responsibilities for IT development among five or six government departments will make an integrated approach impossible and will also work against any sound and healthy development in this area. This is simply an erroneous policy. But, it is an equally erroneous policy to concentrate all such responsibilities on one single government department which has to shoulder many other types of responsibilities.

The reason is that in the latter case, the separate identity and focus of the entire IT policy will be blurred, and the momentum that comes only with an integrated approach will inevitably be lost.

IT will become the "technology of universal application" in the 21st century. By it, the entire world will be transformed into a brand new world where all social activities — economic, commercial, entertainment and educational alike, will be carried out on the information network. Time and space will be compressed in dimensions, leading to the automatic disappearance of all boundaries.

Hong Kong must integrate fully into this brand new world. And, the best possible way to achieve full-scale integration is to set up a separate organization for this special purpose. But, the establishment of such an organization is not all, for we must also ensure that this organization is of a high level. Hence, I recommend that the Government should follow the examples of other countries such as Britain, where the Deputy Prime Minister takes overall charge of IT development, or the United States, where the Vice-President assumes the same role, or Japan, where the Prime Minister is also in personal charge of this area. In other words, either the Chief Executive himself, or the Chief Secretary for Administration with delegated authority from the Chief Executive, should take personal charge of this matter. A committee comprising a wide range of IT professionals and relevant government officials should be formed to promote IT development in Hong Kong under the personal leadership of either one of them.

Madam President, what we are discussing is not just information, nor is it just technology. No, we are not talking about information and technology alone. Rather, we are also looking at the issue of "information society" — a brand new type of society with its unique problems and concepts which is set to replace society as we now know it.

The issue of "information society" is definitely no less significant than the problems of housing, the elderly and education. For this reason, I sincerely hope that the Chief Executive and his Administration will accord equally serious attention to the issue, and seek to tackle it with equally strong political determination and commitment.

We think that the Government must pay serious attention to three aspects of work: first, the setting up of a separate organization with special responsibilities for IT; second, the building up of a grand and far-sighted vision in respect of "information society"; and, third, IT education in schools and IT training for adults.

With respect to the introduction of IT education in formal primary and secondary schools, the ideas, concepts and implementation procedures set out in the policy address are both specific and detailed. But, it must be pointed out that the plans mentioned are mainly on the provision of "hardware" facilities; the policy address does not touch on the relationship between the introduction of IT and the school curriculum, and possible problems such as those relating to the Chinese hardware are not dealt with either. Another neglected area involves the need to foster computer application among working adults and the need to give them the re-training required. Such needs are indeed of a very urgent nature. If working adults are not properly trained in the use of the computer, not only will they fail to meet the demands of "information society", but they will also resist the policy on the adoption of IT. I notice that Hong Kong has been labouring to foster a widespread application of IT at work for some 20 years already. But, so far, not much progress has been achieved. One very possible reason for this failure is that the present generation of working adults are mostly computer illiterates, who fear and resist the use of the computer. As a result, the formulation and implementation of any IT policies have been greatly hindered. We must not underestimate this resistance, and I very much hope that an IT education scheme for all working adults can be drawn up as early as possible.

I hope that the Chief Executives will give more thoughts to the three aspects of work which I have just mentioned. Remember, each and every single cent of investment we make today will certainly pay off many, many times over in the future.

If we do not make any investment today, or, if our investment is not adequate, there may come a day when Hong Kong is removed altogether from the economic atlas of the world.

Madam President, let me now say a few words on how I look at the issue of women. Since women make up half of the population of Hong Kong, it is only reasonable that they should not be neglected. Regrettably, Hong Kong has

hitherto failed to draw up an integrated policy on women, and our policy-makers have all along shown a very low sensitivity towards the implications and problems resulting from sex difference. A good example is the policy address this year, which devotes only a few lines to the issue of women. This is far too inadequate to reflect the importance of the female sex, which constitutes half of the population of Hong Kong. I maintain that the Government should draw up an integrated policy for women so as to assist them in their development. Such a policy must seek to accord equal opportunities and treatment to women in all such areas as employment, education, political participation and health, so that they can be empowered to give full expression to their abilities and strengths, and contribute to the well-being of society.

Since 1987, many organizations in the community have been urging the Government to draw up an integrated policy for women to promote sexual equality and elevate the status of women. These organizations have also recommended that a woman affairs commission should be set up to carry out the work required. Regrettably, under the rule of the former colonial administration, the demands of women were simply brushed aside. The SAR Government has now been set up, and it is a government of the people. For this reason, it should free itself from the colonial legacy and review our public policies with a people-oriented approach. In particular, the formulation of a policy on women must be placed on the agenda, so as to satisfy the demand put forward by so many woman organizations over the years. But, I am very disappointed at noticing that the formulation of a policy on women has not been included in the policy address this year. So, I very much hope that the Government will draw up such a policy as soon as possible. Since some Honourable Members already put forward quite a number of specific recommendations relating to such a policy yesterday, I would not repeat any of these views today. Instead, I would just say a few words on some other issues relating to women in general.

As far as employment is concerned, the Government has the duty to correct the social misconception that women are "born homemakers" who do not have to be paid for their work, and it must also emphasize and indeed create a social environment which is conducive to the employment of women. In order to enable women to work without any worries, the Government must give them more support by, for example, setting up woman centres and providing child care/after-school child care services on a much more extensive basis. To enhance the employability of grass-roots women in the high-tech economy of

Hong Kong, the Government should seek to raise their levels of literacy by organizing occupational training courses, mutual assistance groups and employee re-training for them. That way, these women will be able to make meaningful contributions to society. In addition, the Government should allow female CSSA recipients aged under 30 who are mothers of single-parent families to receive employee re-training, so as to encourage them to earn their own living. The Government should also consider the possibility of subsidizing the courses offered by woman organizations and non-government institutions. The qualifications awarded after the successful completion of these courses should be recognized by the Government, so that admission to degree courses may be possible after examination.

The Government should have noted that every year, many women die of gynaecological diseases such as breast cancer, hysterocarcinoma and many other pregnancy-induced diseases. For this reason, the Government should consider the possibility of setting up woman health-check centres in all the territory's administration districts. Alternatively, woman health centres may be set up inside existing Family Health Service Centres. But, in any case, it is important that women must have access to early diagnosis and treatment. What is more, the Government should step up its publicity efforts and education on health care for women, and counselling hotlines on different kinds of gynaecological diseases should be set up.

Yesterday, some Honourable Members spoke on the need to look after the elderly. Today, I want to talk about the need to look after our children, an issue which is directly related to women. In particular, I want to express my hope that the Government will pay more attention to pre-school education. Since it is now already two years into the implementation of the Kindergarten Subsidy Scheme, it is about the right time that a review is conducted to set down a plan on incorporating pre-school education into our system of free education. The quality of living in Hong Kong has improved greatly. And, given its huge fiscal reserves, the Government should be more than able to provide 11-year free education starting from kindergarten. Currently, most children aged between three and three in Hong Kong will go to nursery classes and kindergarten before starting Primary 1. The whole community and parents have come to regard kindergarten as an integral part of education; and, under the existing education system, if children do not attend kindergarten before they go to primary school, it will very difficult for them to catch with their studies in Primary 1. So, there is

a real need to improve the quality of pre-school education, and in order to do so, the Government should standardize the kindergarten curriculum and the qualifications of kindergarten teachers. Moreover, kindergarten management must be strengthened, and a kindergarten teachers' training school must be set up as soon as possible to provide pre-employment training to prospective kindergarten teachers. What is most important is that pre-school education must be incorporated into our system of formal education as soon as possible.

Madam President, in the years ahead, hundreds and thousands of people in China who are entitled to the right of abode in Hong Kong will come here as new immigrants. They will certainly exert very heavy pressure on our education, housing, medical care and public facilities. Most of these new immigrants will be women and children. That is why the Government must properly address the problem of assisting female new immigrants in adapting to a new life in Hong Kong. A pressing task now faced by the SAR Government is that more resources must be allocated to handle the problem of new immigrants. Specifically, services have to be provided to them, and civic education must be enhanced to instil a sense of social responsibility among them. Above all, the various problems faced by women in Hong Kong must be properly resolved, so that these female new immigrants can integrate into our society as quickly as possible.

Hong Kong is a modern city which can always keep up with the times. But, the status of its women is far lower than that of their counterparts in other countries. If Hong Kong is to continue to progress, the status of its women must be raised. So, the Government must promptly formulate a well thought out policy for women to enhance their well-being.

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

PRESIDENT (in Cantonese): Mr CHEUNG Hon-chung.

MR CHEUNG HON-CHUNG (in Cantonese): Madam President, on the 100th day since the establishment of the Hong Kong Special Administrative Region (SAR), Mr TUNG Chee-hwa, our Chief Executive, made his first policy address. Although Mr TUNG made his speech in a deep voice, the people of Hong Kong

remained unaffected by his monotonous tone and managed to listen with full attention. As Mr TUNG speaks Cantonese with a Shanghai accent, a little imagination might be required to help understand his message. For instance, when he said new "industrial estates" should be built, he has mispronounced the word "estates", but then the people of Hong Kong could still get his message. Along the way to build a more successful Hong Kong are thorns and prickles, but instead of being held back, Mr TUNG is ready to respond to the various problems in our society and accept challenges. He is indeed worthy of our support.

Madam President, we do not want to compare the policy address by the SAR Government with that by the colonial government as in the past. Those self-complacent, inert, short-sighted, "solving problems superficially" attitudes as demonstrated by the colonial government are not worthy of our discussion. The first policy address by the SAR Government has shown us our prospects into the 21st century; set our course towards building Hong Kong into a civilized, prosperous, stable and democratic society; as well as proposed a series of long term policies to facilitate economic development, promote talent enhancement, improve quality of life, resolve social welfare problems and so on. All these have reflected the far-sightedness of the Administration in planning for the long term development of Hong Kong and are therefore fully in line with the theme of the policy address — Building Hong Kong for a New Era.

Madam President, as Members of this Council from the Democratic Alliance for Betterment of Hong Kong (DAB) will speak on the different aspects of the policy address respectively, to avoid being repetitious, I will focus my discussion on the transport infrastructure of the community and then comment on the other aspects in general.

The issue of transport infrastructure is discussed under the section on housing in the policy address because the SAR Government has decided to launch extensive building programmes to resolve the housing problem in the community and to support such developments by upgrading the transport and communication system. The transport infrastructure in the community as a whole will, in future years, be improved substantially and showing us new colours. Under the colonial government, in most cases, road facilities would only be provided after the area concerned had become populated. One good example is the new town development in Tuen Mun. The SAR Government has promised to improve on such kind of development mode, in this respect, we will be lending our full support to the cause while keeping a prudent yet optimistic

view towards the realization of the promise.

The Financial Secretary has pointed out earlier that priority will always be given to housing production should there be any policies capable of affecting the timely progression of building programmes. It is our hope that the construction works for transport infrastructure will be dealt with in the same manner, otherwise, development programmes for transport infrastructure might be delayed and thereby making it impossible for the policy of "facilities before population" to be realized.

Madam President, the transport infrastructure projects referred to in the policy address are nothing new, part of them have in fact been revealed to us in previous meetings. One point that disappoints me is that while the Housing Bureau has published detailed construction plans and schedules for the coming eight years, the Transport Bureau has only raised a number of proposals without any specific timing arrangement, thereby causing others to suspect whether the transportation networks could really be completed in line with the completion dates of the housing developments concerned. Another point that worries us is that the policy address has not spoken of any financial resources arrangement for the provision of extensive transport infrastructure even though it will certainly require the Administration to use a large amount of public funds.

Regarding railway development, we welcome the various rail projects proposed on one hand and urge the Government to implement the Ma On Shan rail link programme as soon as possible. However, we are disappointed to see that the Government has neither referred to the problem of traffic congestion in urban areas nor proposed any plans to improve the situation. We are also disappointed by the fact that the Government has failed to make any promise regarding the further improvement of supervision over public transportation services. The DAB maintains that the composition and terms of reference of the Transport Advisory Committee should be extended and enhanced to enable it monitor effectively the fares and service quality of various modes of public transport services.

Madam President, we are at a dilemma concerning one point. We certainly have to protect our environment, and at the same time, we also have to develop extensive infrastructure facilities and to ensure the timely completion of such facilities, as a result, we may have oversimplified the public consultation

process concerned. In addition, certain environmental protection related policies might have to give way to additional housing production and infrastructural facilities, the Government should therefore consider carefully ways to balance the opposition voices from environmental protectionists with those development projects, otherwise, we might have to live in a poor environment within a community that is neither in co-ordination nor in harmony with mother nature even though we could all enjoy home ownership and wonderful transportation networks. By then we might perhaps have to pay an enormous price to remedy the situation. For this reason, I urge the Government to take the issue into very careful consideration.

Madam President, human resources is the factor contributory to Hong Kong's success. For this reason, the heavy investment made by the Government in the provision of good quality education is worthy of our support. As to whether the resources invested could bring about the expected results, we have to wait and see. Resources alone could only resolve some of the education related problems, to achieve the objective of reforming the education system comprehensively, we must first remove the past mistakes such as bureaucratic attitude and spoon-feeding teaching methods. In terms of percentage of the GNP, the amount of resources allocated to education under the colonial government only was even smaller than that of underdeveloped places such as India and Pakistan. The increase in education funds could only make up for the past inadequacy, and should therefore be rated as a bare pass.

The Government has referred to the development of an education-specific intranet to cater for the needs of the school sector, I think this proposal is worthy of our support. We have also noticed that investment in computer hardware needs to be supplemented by software — teachers in computer science, or the expected effect could never be achieved. Very strictly speaking, people who do not know how to use a computer or who cannot make use of the computer to acquire information could be regarded as illiterates in the modern world. In view of the international competition confronting us, we must train our own talents and develop high value-added businesses so as to maintain Hong Kong's competitive edge.

Another reason we have found the policy address disappointing is that the Government is so indifferent towards the problem of polarization between the rich and the poor in the community that no specific measures has been formulated to resolve the problem, thereby further aggravating the situation. In my opinion, it is only after the Government has formulated a series of

comprehensive and all-round policies to help the poor that each and everyone in this community could have a share of the fruits of economic growth.

On the other hand, the Government has mentioned that a review on the system and structure of our medical services would be conducted next year, and that the eligibility for and system of the Comprehensive Social Security Assistance (CSSA) would also be reviewed next year. However, these issues, in particular, the medical services system, are those that warrant to be resolved immediately, and we therefore hope that the Government would not wait until next year to conduct the review.

For the majority of the people in this community, Hong Kong should have a bright future after its reunification with China. However, because of the ever changing external factors, Hong Kong would need to face tough tests as well, especially recently when the myth of the Asia miracle has increasingly been subject to doubt as a result of the financial market turmoil among Asian countries. The large-scale depreciation of Asian currencies would pose strict tests to the exporters in Hong Kong and southern China. In addition, our travel and tourism industry will also be affected as the cost of operation along the Peral River Delta area has always been on the increase. All these unfavourable factors would, to a certain extent, threaten the economy of Hong Kong, this is in fact a rather worrying situation.

Despite we are confronted with so many problems, I still believe Hong Kong would still have a bright future if we could strive to preserve and retain the essence of Hong Kong spirit, which include a free market, a sound basis for the rule of law, and a fair competition environment.

Thank you, Madam President.

PRESIDENT (in Cantonese): Mr CHAN Choi-hi .

MR CHAN CHOI-HI (in Cantonese): Madam President, on 8 October the Chief Executive read his first policy address for the Government of the Hong Kong Special Administrative Region (SAR). He outlined a future plan for Hong Kong with the title "Building Hong Kong for a New Era".

The main theme of the entire policy address is "business people ruling Hong Kong". Just like the chairman of the board of directors drafting a business plan, the Chief Executive's focus is on the economic development of Hong Kong, a business-friendly environment. He treats Hong Kong as a company and manages it likewise. He has many suggestions on how to increase productivity and economic benefits but leaves a blank in areas such as human rights, developments in people's livelihood and ways to ensure Hong Kong people can enjoy their freedom. He turns a deaf ear to demands for democracy.

As regards people's livelihood, the Chief Executive has made no efforts to tackle the disparity between the rich and the poor. He has not formulated any policy to help the poor, that is, to help the low-income group "get rid of poverty". Nor has he tried to work for the welfare of those people living beneath the poverty line. If we do not solve the problem of the disparity between the rich and the poor, it will surely become a time-bomb that will go off sometime in future.

The elderly, who account for a majority of those living under the poverty line, will receive an extra \$380 in Comprehensive Social Security Assistance (CSSA). This amount is a drop in the ocean, and will only reach them as alms in the next financial year. One does not know whether one should laugh or cry for this. CSSA payments for the elderly is increased by less than \$12 a day. Mr TUNG is an elderly man himself, and I hope he will personally experience the misery of the elderly, with only around \$2,400 a month to live on. Mr TUNG should not just spend time arranging banquets in the former Governor's house and create a situation in which, as the saying goes, "behind the vermilion gates meat and wine go to waste while out on the road lie the bones of those frozen to death".

The three major policies of Mr TUNG are centred on: housing, education and the elderly. The facts tell us that the elderly ranks second. Why? Is it because their productivity is low or even almost nil and therefore they would make no contribution to the economy? Naturally, a chairman of the board of directors who emphasizes economic benefits is not willing to invest in the "low value added" elderly. He would rather invest in such "high value added" items as housing and education. I do not know whether this has anything to do with

the Central Government's idea of "a speeding sports car about to crash out of control and kill its occupants".

From the CSSA payments granted to the elderly, we can see how obviously inadequate is the help from Mr TUNG Chee-hwa given to the weak minority in Hong Kong. He has even neglected their existence. The policy address only focuses on how to create wealth, to enhance competitive power, and maintain Hong Kong's status as an international financial and commercial centre. It gives a relatively small amount of attention to the distribution of wealth and completely ignores the social crisis hidden in the weak minority such as the elderly, women, and the youths.

If the SAR Government does not conduct a review and make improvements, social problems will become too serious to be solved after several years, even though there may be some economic growth. Behind prosperity are nearly one million people living under the poverty line. This is the biggest sarcasm for the SAR, is this not? With his usual broad smile, Mr TUNG has not the slightest idea of crisis. With his eyes bulging from their sockets, can he not see the predicament of the people?

On other livelihood issues, I want to present my views about housing and environmental protection. The policy address deals at great length with housing policies. There are 24 paragraphs, representing or 15% of the total volume, on housing policies. Basically, Mr TUNG proposes three targets. First, to achieve a home ownership rate of 70% in ten years; second, to build at least 85 000 flats a year; and thirdly, to reduce the average waiting time for public rental housing to three years.

I want to ask: Are the first two targets in the best interests of Hong Kong?

Would a home ownership rate of 70% mean more people have to toil for the developers, trying very hard to make ends meet and using a large part of their income to pay for the housing loans? Is this Mr TUNG's interpretation of "a home for everyone", and "stability and prosperity"? How much hardship and sacrifice is there in the home ownership of 70%?

Twice on the same day, Mr TUNG expressed regret for having advised

people not to buy flats. Would the target of building 85 000 flats be a pack of "true lies"? Does this target stem out of a tendency to be "over-ambitious"? Are Government officials bound to realize Mr TUNG's promise just because he said it? I am worried about the Secretary for Housing. If the target cannot be met, the Secretary may be transferred. But does Mr TUNG who started everything have to bear some responsibility? Does he need to resign out of guilt? Or should he apologize to the public and admit he is wrong again after five years when his term of office ends?

If I need to rate Mr TUNG for his work on environmental protection on a scale of 1 to 10, I will give him 1. He only follow the former policies left over from the British Hong Kong Government and continues with them. He has not made new promises for more resources. Nor has he laid down clear objectives for solutions to the serious pollution problems. His focus seems to lie in attracting and retaining the expertise we long for. There is no strong sense of environmental protection. Much is said on the economic function of environmental protection. There is no mention in the policy address on ways and means to enhance the sense of the public on environmental protection.

Madam President, under the Joint Declaration and the Basic Law, the International Convention on Civil and Political Rights and the International Convention on Economic, Social and Cultural Rights will be implemented in Hong Kong. But there is not even one word in the policy address on any actual measures that will be adopted by the SAR to accommodate the situation. So, this gives people the impression that Hong Kong does not care very much about human rights. The SAR Government should understand the uniqueness of Hong Kong. The whole world is watching on the human rights position in Hong Kong. Before 1 July, the British Hong Kong Government submitted a report on the human rights in Hong Kong to the Human Rights Commission of the United Nations.

There are only two short paragraphs in the policy address about progress in democratization. They are put near the end of the document. There is no new idea and there is not much worth mentioning. Does the SAR Government think that so long as it has catered to the interests of businessmen, big or small, and the financial and livelihood matters of the general public, it has done its job? Does it care any more about the demands for democracy by the people?

About quickening the democratization process, we debated on the issue when I put forward a motion last Wednesday. Luckily, I have not been made a target of attack.

In the policy address, Mr TUNG says the Government will work steadily towards the long term objective of having a Chief Executive and a Legislature elected by universal suffrage. He stated the target but he did not mention any corresponding measures. This makes people doubt his determination and good faith. When asked by the media about the matter, he only said lightly: "I am conservative." This further makes people think that he is being vague and dishonest. The eyes of the people are discerning. I think if we do not quicken the democratization process, this will be a matter of regret for the SAR Government.

Is Mr TUNG afraid to mention democracy, freedom and human rights for fear that the Central Government does not like these topics? If that is the case, I think it would be a tragedy for him and probably for Hong Kong as well. Is the "invisible hand" from the Central Government imposing its influence upon us? Can "one country, two systems" be really implemented?

Hong Kong people will not forget about democracy, freedom and human rights even without Mr TUNG mentioning them. If the SAR Government cannot make progress in these matters, Hong Kong people will eventually lose faith. Hong Kong will also be criticized by the international community. Extra visits paid to overseas countries to promote Hong Kong will prove to be futile.

Madam President, I will vote against Dr LEONG's motion. I am not sure if mine is the only vote against it, making me once more "one-vote CHAN". But I think mine is a vote with heavy weight. My vote is for the thousands of the elderly living in poverty, for comrades living in Hong Kong under the poverty line, for comrades who are continuing their struggle for democracy and freedom, for those who wrongly took Mr TUNG's advice not to buy flats, and for wakening the "elderly fools".

I so submit.

PRESIDENT (in Cantonese): Mrs Selina CHOW.

MRS SELINA CHOW (in Cantonese): Madam President, the economic development of Hong Kong has ground to a halt in the past few years as a result of the last Governor Chris PATTEN's policy of "politics overriding economy". Today, the industries are facing the predicament of rising costs and dropping competitiveness. The tourism industry is experiencing a crisis that has never happened before. The number of visitors falls to a new low. Due to chain reactions, the retail industry is dwindling. Sale of goods is poor. If things are allowed to continue, the ability of Hong Kong to generate money will be drastically diminished, and there will be a recession. That is why I am happy to note that the first policy address of the Chief Executive is a practical one, which puts forward a series of proposals to boost the economy and help enhance the competitiveness of all trades. I am particularly delighted to note that the Government has adopted the proposal of the Democratic Party to assist the art industries, especially the long-neglected film industry. As a representative of the wholesale and retail sector of the last Legislative Council, I promised at the establishment of the Provisional Legislative Council to bring their voice into this Chamber. Now I would like to state their areas of concern in the policy address.

The service industry would lend its unanimous support to the Government's promise to launch activities on an international level to promote Hong Kong, and to deepen the understanding of Hong Kong by the international community. It is hoped that this would attract international investors and tourists to come to Hong Kong. To effectively promote Hong Kong, we cannot use old methods and concepts any more. The Government should seek some innovative and practical means. For instance, in the past Hong Kong was labelled as a shopping paradise, and tourists can buy goods galore from all countries at relatively low prices. They have more to choose from than any other Asian countries. But this competitive edge of Hong Kong has disappeared with the recent devaluation of currencies and the lowering of exchange rates in neighbouring countries. Local goods are not made cheaper than those in neighbouring countries by price reduction. With less visitors coming, the tourism industry is experiencing more hardship than ever. Even local consumers flock to Thailand to go on a shopping spree for low-price goods. To revitalize the tourism industry, we need innovative promotional ideas. I think the Government should strive to polish the image and raise the status of local goods so that "made in Hong Kong" is the symbol of inexpensive and

quality products. Thus Hong Kong products are not just for export. They would be made an important part of the local market, creating income for Hong Kong. If the Government can take the lead in promoting internally and externally products "made in Hong Kong", this will surely be a boost to "shop in Hong Kong" and even stimulate 'high value-added' developments. Creative personnel can then have the space to display their potentials in design and market promotion, and they will be proud of the "Made in Hong Kong" label. I think this is worth trying. This may be a good idea with multi-purposes.

In fact, in promoting Hong Kong, the Government should turn to something new. We should not rely solely on emphasizing material abundance because this will make visitors think Hong Kong is a materialistic community with no sight-seeing spots to visit other than eating, drinking and shopping. In fact, Mr TUNG Chee-hwa has once reminded us that 80% of the land in Hong Kong is without buildings, and that 40% of that part of the land has been zoned as country parks. So, the green areas in Hong Kong is worth promoting to the international community. In addition, although foreigners in general regard Hong Kong as an example of a prosperous city, many of the foreign visitors are interested in historic sites. In other words, the diverse nature of Hong Kong and its varied cultural background should be brought to the screens overseas.

Moreover, cultural and art exchange activities can in fact work towards promoting Hong Kong. Many overseas countries, especially European or North American countries, have long cultural traditions. These exchange activities mean a lot to them and would attract their people to come to visit Hong Kong. So, cultural exchange can make certain contributions. I suggest that the Government should provide more space for the development of more folk art groups in this aspect so that the local culture can be given exposure to the outside world. At present, the Hong Kong Arts Development Council cannot promote groups with a high quality in this aspect. Even if such groups get the attention of overseas countries and obtain invitation from them, they may not be able to go to these countries for lack of patronage. Due to limitations in its duties and responsibilities, the resourceful Urban Council cannot assist art groups that are not under it. This unhealthy state of affairs should be changed. One method is for the Government to provide the necessary funds. Another is for the Government to endorse the status of the cultural groups to enable them to have more opportunities for mutual visits and exchanges to raise their prestige and influence in the international community. These diversified promotional

strategies should not be taken slightly but should be carried out in greater depths, with efforts from both the Government and the public. I hope the Chief Executive will initiate some investigation and discussion on the matter in the Commission on Strategic Development.

Talking about the retail industry, other than promotional work the Government should work on human resources, especially front-line workers. In the first quarter of this year, there were 6 100 vacancies in the industry. Current training for the retail business by the Employees Retraining Board is extremely inadequate. In the last financial year, among 55 000-odd trainees, only 686 or 1.2% were in the retail industry. I suggest the Government should tackle the problem in three ways. First, the Government should strengthen training provided by the Employees Retraining Board for the industry. Second, the Government should increase financial assistance to on-the-job training provided for employees in the retail business to encourage setting aside more resources for such training. Third, the Government should impose stricter requirements to those coming from the mainland to Hong Kong on one-way exit permits not for such special reasons as family reunion. These new comers should at least be required to possess certain skills for survival so that on arrival they can become a new force to ease the demand on manpower in the labour market, including the retail industry and other service industries.

Madam President, recently there have been lively responses from the public on the speech made by the Secretary for Broadcasting, Culture and Sport on cultural policies. This is a good sign. It proves that Hong Kong is not just a community in which people care only for their living: they care about spiritual matters as well. But I must stress by central co-ordination I do not mean everything is to be controlled and dominated by the central government. Rather, I think the Government's role is to organize all sorts of cultural activities and provide conditions for growth. There have been reports recently that the Government intends to take over the power of making decisions from the Urban Council and the Regional Council to facilitate patriotic cultural activities. I hope this is just a misconception. Patriotic behaviour should be spontaneous, not government-directed. Of course it is a good thing for the Government to assist and strengthen exchange activities with the mainland, but the process should be two-way. And the principle of maintaining freedom in creation and quality in production should be adhered to.

As regards the film industry, that Hong Kong films can be recognized in Hollywood, Cannes and the international market is the result of efforts put in by local workers in the film industry, not by the Government. Such workers rely on their own, work body and soul without asking for rewards of any kind. The support mentioned in the policy address is limited to the production of films. In fact, the local film industry, especially the low-cost or independent film production experts, are badly in need of assistance from the Government for finance and promotion. The Secretary for Trade and Industry may respond to my comments by saying that the Hong Kong Trade Development Council has held film exhibitions. Before she says so, I need to point out one thing: there is a general feeling in the film industry that Hong Kong still lacks the required conditions to hold our own film exhibitions. Therefore, the best thing to do is to send Hong Kong films bearing the label of "made in Hong Kong" to major film exhibitions overseas. In addition, the Government should provide support to the local film industry by protecting intellectual property rights. We understand, through passing copyright laws and the briefing sessions by the Secretary for Trade and Industry, the Government would launch certain measures in Hong Kong. But up to now, we have not seen any results to our satisfaction. The Liberal Party will continue to push and monitor the relevant authorities. I recently receive reports that in some countries overseas, television channels broadcast Hong Kong films to the public without obtaining permission from the distributors or without ever obtaining copyrights. So, to effectively protect intellectual property rights in overseas countries, we cannot rely just on the meagre power of individual distributors or film makers. To held fruitful talks with foreign governments, we need the protection of the SAR Government. In view of the foregoing reasons, despite the establishment of the Film Services Advisory Committee, which is a good start, I am worried that its scope of responsibilities is limited. In addition, the Committee is under the Secretary for Broadcasting, Culture and Sport, which may cause the Trade and Industry Bureau to neglect its responsibility towards creative production.

Now, I want to speak about education. I am glad the policy address endorses the importance of education. It proposes a number of new measures. Among them is the implementation of mother-tongue education, which is a very important issue that has been dragged on for many years. It also endorses the target of quality education. All these are consistent with the beliefs of the Liberal Party. However, we think that the specific measures mentioned in the policy address still have room for improvement. For mother-tongue education

to be successful, co-operation of all parties concerned is needed. Apart from schools, parents and teachers have to co-operate. Many years ago, the Government encouraged mother-tongue education in our schools but the exercise was not successful. A number of parents still fear that mother-tongue education will not bring about quality education and are therefore resistant to schools switching to mother-tongue education. Again, a number of teachers are afraid that they cannot adapt to mother-tongue education. At the same time, secondary schools with a long history, which have been successful in using English as the teaching medium are worried that the Government would dismiss their past success and force them to adopt mother-tongue education. Hence, the Government has to strengthen its promotion about mother-tongue education and education of the public about the issue so that everyone in the community knows about the benefits of mother-tongue education to eradicate the fears of parents. In the past, the Education Department did not do enough about the matter. In the years ahead, the Government must do everything it can to promote mother-tongue education, including issuing guidelines, assisting schools to smoothly change to mother-tongue education, helping teachers with difficulty in adapting to new ways of teaching and ensuring that there are sufficient textbooks printed in Chinese. The policy address suggests importing Native-speaking English Teachers, which has aroused a number of controversies. The teaching profession thinks it is not fair for local teachers if expatriate teachers are allowed to draw housing allowance. But the policy is welcome by principals, parents and students alike. In fact, if one is to learn a new language, it is better to learn from people with that language as their first language than from people with that language as their second language. So, it is desirable to recruit from overseas English teachers who are native speakers. I think the policy should be made a long-term one until we can recruit equally qualified teachers locally. At the moment, however, the local supply of suitably qualified teachers is certainly not sufficient. So, we need to recruit from outside. The policy should be a continuing one, not an ad-hoc one.

About quality education. I am glad the policy address proposes an encouragement scheme, bringing life to the education system which was like a strait-jacket. However, we think that to reach the goals of quality education, one must look at the system. One needs to set up quality schools. We can see parents have a great need for quality education. For example, international schools, which are intended for expatriate students, are having 40% of their students from Chinese families, despite their high school fees. So, parents are

willing to pay high fees to send their children to international schools, which have relatively better resources and more advanced teaching methods. Each year, during admission times, thousands of parents would queue overnight to obtain admission forms from prestigious private schools. They even rent flats near prestigious schools to be in the relevant zones. Such behaviour is a sarcasm to the "big pot" type of education system. Centralized allocation, centralized subsidies, centralized systems, and centralized curricula make it impossible for parents to choose schools, and for schools to choose students. The Liberal Party has always thought education should focus on both quality and quantity. At the same time as we popularize education, we must also pay attention to quality. We think parents should be allowed to choose schools for their children. Likewise, good schools should be given more autonomy to decide admission of students. We hope the Government can introduce more reforms to the existing allocation system to increase the freedom given to quality schools in their admission of students. This will certainly benefit both parents and the development of our schools.

Madam President, we do not have too much time today. I thought I would talk about student financial assistance schemes and offer some ideas on security. Due to a lack of time, I can only follow these ideas up in the relevant panels.

PRESIDENT (in Cantonese): Mr CHAN Wing-chan.

MR CHAN WING-CHAN (in Cantonese): Madam President, on the 100th day after the establishment of the Hong Kong Special Administrative Region of the People's Republic of China, the Chief Executive read his first policy address with the title "Building Hong Kong for a New Era" at the Provisional Legislative Council meeting. At the end of the Address, there was thundering applause in this Chamber. Yesterday, a Member moved an amendment to express "regret" but it was negated as there were only five votes for it. From the applause given, the Member who moved the amendment should know beforehand the result of his amendment.

The day following the reading of the policy address, the mass media reported: "There was a rare encouraging thundering applause for the Chief

Executive's policy address in the Chamber." This was a positive report, and the response was generally good.

Several days afterwards, the son of a former colleague of mine, who is now a police officer said to me he noted there was a programme on the television about the applause, but the topic was expressed in a very sarcastic way. He thought the programme was a bit outrageous, showing no respect for the Chief Executive.

I did not watch the programme, so I am not in a position to comment on it. But I told the young man there is still freedom of speech, even though Hong Kong has become a Special Administrative Region. This is a characteristic of "one country, two systems". Possibly, the host of the programme needed more time to adapt to the new situation. With a pat on his shoulder, I said to him: "We should look yonder. The important thing is that there is fairness in the hearts of the people."

I also heard that the media wanted to know who led the applause.

I can assure you, Madam President, I was not the first one to clap my hands, nor the last one. I was not moved by the first clapping to do the clapping but it was a reflex action. I think Members clapped their hands enthusiastically not only because Mr TUNG Chee-hwa is the first Chief Executive under the "Hong Kong people ruling Hong Kong" principle to be in this Chamber to read his policy address, but also because, which is more important, he has shown himself to be very sincere and he has pledged undertakings in the policy address.

There is one more point. In his policy address, Mr TUNG Chee-hwa said he would not open the doors to unrestricted import of labour. If what he said was "I will agree to import large amounts of labour", then I would surely not have clapped my hands. I would, instead, hit the table to show my disapproval. If, according to former parliamentary practice, hitting the table means approval, I would have left the Chamber to express my profound dissatisfaction in protest of what he said. I would also have chanted anti-labour importation slogans.

Madam President, fortunately, such actions did not take place in front of the cameras.

Madam President, you might ask a question. Why is the Hong Kong

Federation of Trade Unions (FTU) so strongly opposed to more labour importation? Some of the views were expressed by the Honourable CHENG Yiu-tong and the Honourable Miss CHAN Yuen-han yesterday. I will leave my detailed comments about the topic to the debate on Mr CHAN Kam-lam's motion to oppose to the enhancement of the Labour Importation Scheme. One thing I have to point out now is: some say many countries have labour importation, for example Singapore, where there is no objection to it. They ask why there are strong objections, especially from labour unions, against labour importation. I can respond to such remarks by briefly pointing out that in Singapore they had already solved the problem of "structural unemployment" resulting from economic restructuring, when they started to import labour. That means some workers had received retraining to enhance their occupational skills to switch to high value-added industries; while some of them remain in labour-intensive jobs. So, they keep their jobs. They do not become jobless as a result of economic restructuring. In addition, the Singapore government has devised a mechanism to determine the annual salaries. The Singapore government, labour unions and employers work together to determine the trend and development in salaries. Labour importation there will not lead to a check in the salaries of the workers. Furthermore, workers are protected in areas such as housing and medical care.

Madam President, Hong Kong is always talking about enhancing the importation of labour, which is not different from the "earn-quick-money" mentality now existing in Hong Kong. It will not support the long-term development of Hong Kong. Enhancing labour importation will surely hurt our workers. Salaries will be lowered and jobs lost.

In specific terms, enhancing labour importation will drive workers out of their jobs.

Madam President, let me go back to the policy address. Overall, it is practical and covers a number of areas. This shows the Chief Executive has been listening to every suggestion and heeds the advice from all sources. However, the policy on livelihood issues is far from being complete. I will focus my discussion on welfare for the elderly.

It is an undeniable fact that we have to face problems about the elderly and poverty. But the entire policy address has no suggestion on how to actually solve problems such as the plight of the elderly, the sharp increase in the number

of cases of persons on Comprehensive Social Security Assistance (CSSA), and the widening disparity between the rich and the poor. The elderly, in particular, have only few years to live and may not live long enough to get much benefit till the next century, even though the policy address may be well-written, far-sighted and deemed a masterpiece. The source of the problem is that there is absolutely no retirement protection in Hong Kong.

For retirement protection, the Chief Executive only relies on the Mandatory Provident Fund (MPF) Schemes to be implemented next year, hoping in twenty to thirty years all the workforce will have provision for their retirement. Madam President, we must not forget that the MPF Schemes are for protecting the middle-income group and the young generation. They cannot offer any protection to the elderly who are near retirement age, the low-income group, the unemployed, the underemployed and those women who are without jobs. Hence, the elderly will continue to live in poverty and in misery in their old age.

The HKFTU thinks that when the MPF Schemes are launched, a social security system with contributions from the Government, the employers and the employees, or an "old age pension scheme", should be set up as soon as possible to provide protection for the people and to provide a solution to the problem of the elderly.

I do not think the Chief Executive will neglect the problems faced by the elderly, in particular those faced by those people who are lonely and needy. At a very early stage, he set three targets for the policy on the elderly: "to provide a sense of security, a sense of belonging and a feeling of health and worthiness." He has also set up an Elderly Commission to work towards the targets. The determining factor is whether the relevant Government departments have the faith and will power to achieve the goals.

In providing a sense of security to the elderly, the Government plans to increase the monthly payment to elderly CSSA recipients by \$380. This amount includes the annual Chinese New Year Grant and the Social and Recreational Activities Grant. So, the elderly get an extra \$11 per day per person for their CSSA payments. This amount is better than none as it can only be used to buy two or three small pieces of bread. It obviously lags behind the cost of living and falls short of improving the lives of the elderly. More important, the elderly have to wait till April next year to get this meagre extra amount of \$380. This is

disappointing.

At the press conference held on the same day as the policy address was read, I suggested making the increased CSSA payments to the elderly ahead of time. Several days ago, in connection with the above issue I consulted party leaders such as Mr TSANG Yok-sing, Chairman of the Democratic Alliance for Betterment of Hong Kong, Mr Allen LEE from the Liberal Party and a number of other Members. They all agreed the \$380 should be paid out immediately to the elderly. I have faxed my message for the opinions of those Members I could not get into contact with. I take this opportunity to thank the Members, more than twenty in number, who responded actively and who supported my suggestion.

Madam President, the HKFTU hereby urges once again that the Government should change its mind and immediately pay the increased amount of \$380 to the elderly.

Furthermore, the policy address has not responded directly to the areas of concern to the elderly, for example, expanding the coverage of the Medical Grant in the CSSA Scheme so that it covers treatment expenses by traditional Chinese medicine, bone-setting, and private doctors. It says nothing on increasing old age allowance, lowering the age requirements of application for old age allowance, relaxing the application requirements or relaxing the restrictions on the elderly CSSA recipients who move to live in Guangdong area.

In the discussion on providing a sense of belonging and a feeling of health and worthiness, the policy address does not contain many solutions. For example, in providing a sense of belonging, the Chief Executive indicates that the Government will increase subvented residential care places by 2 400 over the next three years. But at present, there are about 18 000 places short in homes for the aged and 7 700 residential places short in care and attention homes. So, it can be seen the Bought Place Scheme is only an expedient measure. It cannot solve the problem of shortage in residential places for the elderly and the long waiting times for admission to these homes.

All the above information inevitably makes one wonder how the Chief Executive can realise the three ambitious targets for the elderly.

The HKFTU sincerely hopes the Government officials concerned would treat the matter seriously and implement the policies for the real benefit of the elderly.

Madam President, despite the numerous criticisms I made against the policy address and the numerous suggestions for improvement, I think it is on the whole a "practical, ambitious and forward-looking" policy address.

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

PRESIDENT (in Cantonese): Mr WONG Siu-ye.

MR WONG SIU-YEE (in Cantonese): Madam President, while we are here debating the Chief Executive's policy address in this Chamber, the Hang Seng Index has dropped over 1 200 points. Some of our colleagues may be dejected but I believe the future of Hong Kong is bright and our debate should not be affected in any way.

The last colonial governor Chris PATTEN earned himself the name "off-shore governor". The first Chief Executive of the Hong Kong Special Administrative Region (SAR), elected by Hong Kong people, has visited Singapore, Malaysia, the United States, Japan, Belgium and England within 120 days of taking office. However, the two persons are different in nature. Mr TUNG's overseas visits were meant to show the reality of Hong Kong to the rest of the world and to promote Hong Kong so that more people come to Hong Kong and the mainland to invest or to travel. The visits were done for the long-term economic benefit of the SAR. So, one of them signifies the end of an old era and the other, the beginning of a new one.

In the colonial era, we spent a lot of time in political bickering, resulting in polarization and politicisation. I think we should now put an end to such bickering and devote our full attention to creating a stable, harmonious and rational society. We should make every effort to do well in improving the

economy and the people's livelihood.

Madam President, let me try to share my views on the policy address bearing the grand objective of "building Hong Kong for a new era".

One can use the following verse of a Tang poem to describe the first policy address of the Chief Executive: "On must go higher in order to see farther". Now that we have left behind the colonial era in which people lived in "borrowed time, borrowed place", the policy address looks far and is full of new ways of thinking and outlook. It is forward-looking and practical and is therefore worthy of our approval.

Madam President, the policy address has made a comprehensive and wise analysis of the historical chance of Hong Kong, its favourable conditions and the challenges it needs to face. An ancient Greek philosopher has these words of wisdom: "know thyself". If we fail to properly recognize the status and function of Hong Kong under new historic conditions, we would not be able to determine the future direction of the development of Hong Kong; we would not be able to solve the numerous difficult problems left over from the colonial era.

Madam President, the policy address possesses a new outlook and is full of new ways of thinking because it can correctly describe the position of Hong Kong and the opportunities it has in history. As Mr TUNG points out, Hong Kong has reunited with China. We are now under "one country, two systems". We must recognize the reality. We must understand: "If Hong Kong does well, China benefits. If China does well, Hong Kong benefits more." This famous phrase of Mr TUNG underpins the success of "one country, two systems". It is the starting point for the policies of both Hong Kong and the Mainland and also for the long-term development strategies of Hong Kong itself. The policy address states "It is very important to the operation of Hong Kong's society that we understand the Basic Law." If "one country, two systems" and the Basic Law are not fully understood, some political elements, which represent the minority, and which oppose "one country, two systems" and want to eliminate the socialist system of the Mainland and end the so-called "dictatorship by one party" will have a chance to fool people. They will affect the stability and normal operation of the community. In the circumstances, it would be very difficult for the Government to run a pluralistic and harmonious society. The society will be full of conflict and unrest, causing destruction to itself from inside. This does

no good to the SAR in terms of economic development and improvement in people's livelihood.

Madam President, in addition to correctly explaining the status of Hong Kong under "one country, two systems", the policy address keeps a clear head and clever mind by pointing out the severe challenge Hong Kong needs to face. In front of the keen competition brought about by the international economy that is without frontier, and the profound changes to the way of life and production brought about by the ever-changing information technology, Hong Kong must undergo corresponding changes. It must be pre-emptive so that it can maintain its status as a centre for international trade and information. Hence, the policy address points out that we cannot derive competitive advantage from low wage costs. It is also impractical to attempt to maintain competitiveness by driving down incomes. Under these circumstances, the only choice for manufacturing and services is to develop high value-added industries and services. Some may think it impractical for the policy address to place emphasis just on high value-added business and neglect assistance to help people get rid of poverty. I do not think this is a fair comment as the two are not contradictory. On the contrary, they complement each other. Developments in high value-added businesses in Hong Kong can increase Government revenue and the Government can in turn allocate more money to help people get rid of poverty. This dialectical relationship is not difficult to see.

Madam President, Mr TUNG's policy address spells out clearly the concept of "a better business environment". It puts forward the idea of creating a business-friendly environment. This shows that the policy address is not only far-sighted but also complete and well thought out. What is most pleasing is that there are two lengthy sections with a considerable number of paragraphs on ways and means to boost the tourism industry and retail trade. This was rare in past policy addresses and this shows Mr TUNG's new way of thinking and new ways of looking at things.

Madam President, the Hong Kong Progressive Alliance (HKPA) is of the view that the tourism industry is an important part of the Hong Kong economy. It earns Hong Kong over \$104 billion in foreign exchange. The policy address puts forward three proposals and measures to help out the tourism industry, of which the retail trade is a part. First, it urges all sectors of the industry to examine their cost structure and business practices. Second, it urges the

industry to plan and add new tourism facilities and attractions, including projects such as the Hong Kong Exposition. Third, it proposes to start up a \$100 million International Events Fund designed to bring together private sector partnerships to stage 50 major international events here over the next five years. I think these proposals and measures are full of foresight. But with the exception of the first proposal, the other two can only benefit the tourism industry in the medium and long term.

Madam President, regarding ad hoc measures to boost the tourism industry, I have recently sent a letter to Mr TUNG making recommendations that the Government should allocate resources as soon as possible to produce short films to promote Hong Kong. These films can promote the numerous sight-seeing spots in Hong Kong, the attractiveness of Hong Kong as a shopping paradise and Hong Kong cuisine, and the polite retail service personnel. In addition, the films may also promote the harmonious situation and normal operation of the society of Hong Kong after the reunification. The films should be widely screened through the help of the government offices overseas. This will work towards allaying the fears of foreign visitors for political reasons and encouraging them to come to visit Hong Kong.

In addition, I also proposed simplifying the issue of visas for visiting Hong Kong. This can encourage Taiwan and the mainland visitors to come to Hong Kong. The great significance lies in the fact that Taiwan tourists represent the second largest group of consumers in the tourism industry. Spending of mainland visitors accounts for 40% of sales in the retail industry. Other appropriate measures include reductions in the rate of hotel accommodation tax and airport departure tax to entice tourists to come to Hong Kong. I trust the above proposals will be a shot in the arm for the retail industry. The revival of the tourism industry means a great deal for the economy of Hong Kong and for easing the pressure of unemployment. The policy address deserves to be applauded for it has for the first time paid attention to reviving the tourism industry and the retail industry.

Madam President, the social welfare policy in the policy address is a weaker part in the entire document. Mr TUNG lays down three targets: to provide a sense of security, a sense of belonging, and a feeling of health and worthiness. For the first target, Mr TUNG proposes to increase the Comprehensive Social Security Assistance monthly payment by \$380. This is

obviously inadequate. Moreover, the elderly have to wait till 1 April next year to be granted this increase. Most of the elderly are deeply disappointed. To solve this problem, the Panel on Welfare Services, of which I am the Chairman, convened an emergency meeting several days ago to pass a motion to urge the Government to immediately release the money to the elderly to satisfy their immediate needs. As far as the second target is concerned, the Government has done nothing. The Government limits its conception of health and worthiness for the elderly to the launching of an Elderly Volunteer Programme. This is obviously a step backward and reflects a lack of new ideas. Hence, once again I urge the Government to look into and implement the "sweet home for the elderly" proposal put forward by me and replace the traditional concept of "closed care" in Hong Kong with the new concept of "open care" for our elderly. Thus, the Government may do better in providing elderly care services, in letting them continue to develop their potentials so that they can lead a quality life and live in abundance in their old age. This is the true meaning of "a feeling of health and worthiness".

Madam President, the social welfare policy in the policy address, in particular in care for the elderly, is a relatively weak and backward part. The HKPA hopes the Government will make immediate improvements in this area.

Lastly, I want to talk about the relationship between the Government and the people. I think the SAR needs to be a government that is open and accountable to its people. It should also be one that gains support and understanding from the people.

In the colonial era, in addition to leaving behind a host of livelihood and economic problems that require immediate attention, the British also destroyed the mutual trust between the people and the Government. The Government must pool in all efforts to tackle the problem arising from the unbalanced and unhealthy relationship between the people and the Government.

Recently, I attended a meeting of residents. While I was explaining certain Government policies, someone suddenly rushed towards me and with his finger pointing at me, he told the residents: "WONG Siu-ye is on the Government side. He is not on the side of the people." His words should drive us to think deeply. Why is being on the Government side contradictory to being on the side of the people? Shortly before and after the establishment of the SAR, some opinion polls had this conclusion: the rating of the Chief

Secretary for Administration was higher than that of the Chief Executive. Furthermore, Radio and Television Hong Kong, which is funded with \$500 million by the government annually, produce programmes making jokes at the Chief Executive. The three examples given above alienate the Government from the people. This is an abnormal phenomenon. This needs to be corrected and improved.

In addition to rectifying distorted relationships, we need to establish new systems to cope with the changes of the times.

The Basic Law provides that the Chief Executive shall be elected. After 2007, the Chief Executive may probably be elected by a one-person-one-vote universal suffrage. But Article 100 of the Basic Law states that public servants may all remain in employment under service conditions no less favourable than before. So, some may interpret the system of public servants in the SAR is a life-time employment, or an "iron rice bowl". Even if they are not competent or do not perform well, there is nothing we can do. They can even stay put, come what may.

In this respect, the Chief Executive puts forward the idea of "An Efficient and Accountable Executive". At the beginning of the policy address, he points out a clear direction for the work of senior public servants: "We should have the courage to set aside past modes of thought and plan Hong Kong's long term future with new vision." At the conclusion, Mr TUNG tells public servants what exactly they have to do: they have to set up "an efficient and accountable executive". "We must manage for results, by results". Madam President, it is of utmost importance that the public servants form a team of loyal, honest, diligent and efficient public servants that is accountable to the people. On the other hand, the people themselves need to uphold the spirit of being masters of their own affairs. As we demand improvements in the Government, we need to make constructive suggestions. The people and the Government need to trust each other and work together for progress before we can gradually but firmly realise our ideals and build Hong Kong for a new era.

Madam President, I so submit. I also support and thank the Chief Executive for his first policy address.

PRESIDENT (in Cantonese): Prof NG Ching-fai.

PROF NG CHING-FAI (in Cantonese): Madam President, in the introduction of the policy address, Mr TUNG Chee-hwa makes clear the purpose from the very beginning, saying "Hong Kong has finally broken free from the psychological constraints brought about by the colonial era. We should have the courage to set aside past modes of thought and plan Hong Kong's long term future with new vision."

I much appreciate these lines by Mr TUNG. I believe that many Hong Kong people expect that the policy address made by the first Chief Executive for the Hong Kong Special Administrative Region (SAR) should have new concepts for the new era and the new Government. Here I wish to quote two lines by LIU Yu-shi, one of the greatest poets of the Tang Dynasty, "No songs about the former dynasty please, more songs about the newly-turned willow leaves". Indeed, the policy address has the boldness to break through restrictions of the past and make a full plan for the future of Hong Kong with the decisive attitude and the perspective of a new era. On the whole, the policy address emphasizes not only maintaining stability but also creating new conditions. It faces problems ahead and charts our future accordingly. It is a policy address which shows courage and accountability. It is not surprising that it has won positive response from all sectors of the community.

As is well-known, the policy address was made just 100 days after the establishment of the SAR. It is worthy of our appreciation, bearing in mind that Mr TUNG and his colleagues had only 100 days to prepare it.

As the policy address was prepared within a very short time, it is unavoidable that there might be deficiencies. As a policy guideline, the policy address will have certainly overlooked some areas. In the conclusion of the policy address, Mr TUNG Chee-hwa introduces eight questions that he always asks himself. These questions come with the whole process of the policy address, and they will always accompany him in the future. To me, he is fully aware that when the Hong Kong people put the policy address into practice, they will continue to make additions in order to enrich its contents.

I wish to further discuss the following points.

Firstly, on education. Education takes up 25 paragraphs in the policy address. If the two paragraphs about information technology education are also taken into account, there should be 27 paragraphs, outnumbering other topics. This illustrates that Mr TUNG is determined to fulfil his promise, made during his election campaign and after his inauguration, to upgrade education quality.

It is both correct and far sighted for him to emphasize "excellent quality" as the goal of education development in the policy address. It is directed against many serious problems. To achieve this objective, it is reasonable to provide sizable financial resources for elementary education. However, I think it is still not sufficient to have just goals, determination and resources. Whether we can achieve this goal depends very much on whether the people concerned are active in this respect. By the people concerned I mean the middle and high government officials in charge of education on the one hand, and the frontline teachers in the education sector on the other. We can see that the high-ranking officials are dynamic, but if they do not fully understand the situation of the frontline teachers, and do not communicate well with them, the policies laid down or the enforcement plan made will not be practical. They will naturally be unable to bring their initiative into full play, nor can they achieve the wishes of Mr TUNG Chee-hwa "to go forward together hand in hand and join in the education revolution". In fact, in a Seminar on "Views of the Education Sector on the policy address" jointly sponsored by the Honourable YEUNG Yiu-chung, Dr the Honourable TSO WONG Man-yin and me, most of the education workers endorsed the direction of the education policy put forth by Mr TUNG. However, there are also many frontline teachers who have expressed their worries. What we have seen is that it is only a new starting point for education in Hong Kong. People from the education sector have cherished great expectations for the review to be carried out on the Hong Kong education system this year, as mentioned in the address. Therefore, I hope that the officials who have laid down the policies would not "work high above the ground". They should listen to opinions from more frontline teachers who have enthusiasm in education, and they should also contact and communicate with school principals and teachers. Only by so doing can they activate the education workers and write a new chapter for Hong Kong education.

While I am talking about the topic, I wish to bring up once again the problem of 10% reduction of the operating expenses for tertiary education. In fact Dr TSO WONG Man-yin has mentioned this. I have said that the policy

address values elementary education, and I consider that it is absolutely correct for us to start from elementary education and to solve education problems step by step. However, I do not think that we should mix up the issue of increasing elementary education resources with that of reducing resources for tertiary education. Bearing in mind that the Government Treasury is "flooded with money" and that there are voices demanding tax reduction, we should not treat the issue of education operating expenses as a game of draw. Reducing education expenses cannot be consistent with Mr TUNG's demand for our tertiary education to attain higher success. Indeed, the negative effects of reducing operating expenses are that it would bring about not only financial but also morale implications. It may not lead to a matter of life or death to reduce 10% operating expenses but to the tertiary education workers, it is a matter of down-grading. Therefore, I think it not advisable to reduce the operating expenses of tertiary education nor is it a good way to consolidate the achievements of tertiary education. It will only transmit a negative message to both the international education sector and the Hong Kong tertiary education sector.

On the other hand, the Government has provided for tertiary education students low-interest loans which do not require a means test to apply. I think it is an appropriate time to do so. Certainly, it would seem that the 7.5% annual interest rate is too high. Will the Government consider to reduce it?

In the policy address, Mr TUNG has accorded information technology top priority. It is obvious that he hopes every sector in Hong Kong, including elementary education, will make full use of information technology. Information technology in Hong Kong certainly does not match with our GDP. Compared with Singapore, there is obvious difference. We are making big efforts to change our backward condition today because we did not have foresight in the past. Therefore, it is right for Mr TUNG to emphasize information technology.

Regarding applying information technology to education, we have to make clear first that to learn how to use computers is not the chief objective. In fact, we have to use computers to improve the effect of teaching and learning. Therefore, we have to consider not only hardware but also software. In the present condition in Hong Kong, we have to set a target for information

technology education, and consider in detail to supply what types of software, how well the teachers can master, technical support and so on to cope with these targets. It is not too late to do these before we buy hardware, otherwise there will be unnecessary wastage. Besides, I agree with Mr YEUNG Yiu-chung's suggestion yesterday. He said that the Government should establish an "Information Technology Education Committee". Apart from official members, there should be school principals, frontline teachers, scholars and information technology staff to draw up strategies together. About education software, as far as I understand, I am afraid that there is very few software suitable for immediate use by our primary and secondary schools. Therefore, the experts in the tertiary education sector should help to develop suitable software in conjunction with the teachers.

To sum up, though information technology has a significant role to play in education, computers cannot replace human brains, and it is still the responsibility of the teachers to maintain the quality of education.

Madam President, I would now like to talk about industry. I agree with the summary of Mr TUNG's policy address about strategic development of Hong Kong, that is, "two principles, one system". The two principles are free economy and stable money management. When added with the legal system, we can say that they are the three magics. However, we should not see the two principles from a rigid point of view. Free economy is not equivalent to an economy without control, with the Government doing nothing. Hong Kong is no longer a "borrowed place on borrowed time". A strategic long-term development should have foresight, definite responsibility and good timing. Therefore, it is necessary to establish a strategic development committee led by Mr TUNG.

I am glad that the policy address has made no reference to the policy of "positive non-interventionism" which has become a controversial issue in these years. It is replaced by "active support and promises" for the technical industries. This is exactly what the technology and industry sectors have hoped for. The depression of the tourism industry and the attack suffered by the monetary and financial industry in the past two days have revealed that Hong

Kong economy should be diversified. Certainly, we do hope the two industries can soon tide over the short-term difficulties. In the policy address, it is obvious that the importance of new products has not been overlooked, as a concept is introduced for developing Hong Kong as the product invention centre serving Southern China and Asian Pacific regions. However, I do not think that it will bring about any special effect to inject \$50 million to the research fund, unless the way of operating the fund is improved to a large extent. I hope that the proposal of the policy address for a high level committee consisting of scholars, representatives from the commercial and industrial sectors and government officials should be put into practice as soon as possible. I also hope that such a high quality committee and the strategic development committee will be complementary to each other.

Now I wish to talk about culture and environmental protection. The policy address has brought a new dimension to our culture. Like the Honourable MA Fung-kwok, I welcome its views. Culture in its broad sense includes all the activities in which the human beings try to change the nature in a significant manner, and it also include the experiences and results of these activities. Mr TUNG thinks that one of the important reasons why Hong Kong is successful is the interflow of Chinese and Western cultures, which is a special feature of the Hong Kong social culture. Mr TUNG thinks that this type of Hong Kong culture gives us an advantage. At the same time, we should not be blind to another feature of our Hong Kong culture, that is, some of the Hong Kong people, particularly the younger generation, do not understand the history and present conditions of their country. They do not have much knowledge of their own culture, let alone their country or their national sentiments. To improve this situation, I agree with what Mr TUNG has said, that is, the Hong Kong Special Administrative Region (SAR) Government should put in more resources. At the same time, it should motivate the public, and provide good conditions for more Hong Kong people to have various opportunities to exchange ideas, and to promote the understanding of Hong Kong people about their country and nation. Madam President, I agree that it is necessary to develop our affection, and I think now is the time to start. I think the education and cultural sectors should join hands to create a healthy cultural atmosphere. It will thus enable the Hong Kong culture to take root in our national culture before it can develop into a high level and unique culture with diversities.

Finally, I wish to talk about the issue of environmental protection. I share the feelings of Dr TSO WONG Man-yin that it is a rather weak aspect in the policy address. There is no mention in the address of our commitments in this respect to the whole world in general and to our neighbouring regions in particular. For example, do we have to join AGENDA 21 and so on? It does not seem to be consistent with the status of international metropolis we always talk about. In fact, the sky is the same for hundreds of billions of people all over the world. The volcano disaster in the Philippines has brought about flooding in the Changjiang river. The fire in the Indonesian forests has also affected the neighbouring countries. At present, pollution knows no national boundaries, nor has it any need for passports. I wish that when we talk about environmental protection, we should not forget our commitment to the whole world and all the human beings. At least, when we talk about environmental protection in Hong Kong, we should consider the whole area of Guangdong, Hong Kong and Macau. Therefore, there should be concerted efforts on environmental protection among Guangdong, Hong Kong and Macau with legal support. The SAR should take the initiative in this matter.

Madam President, in his first policy address entitled "Building Hong Kong For A New Era," Mr TUNG Chee-hwa has laid down the plan to build up Hong Kong. In this plan, Mr TUNG is determined to co-operate with the general public to build up Hong Kong as a place that is civilized, wealthy, stable, democratic and full of vitality. I believe that my colleagues in this Meeting are certainly willing to hold out our hands. At the same time, we wish the Government will motivate the general public to go forward hand in hand.

With these remarks, I support Dr LEONG Che-hung's motion of thanks.

PRESIDENT (in Cantonese): Mr LAU Kong-wah.

MR LAU KONG-WAH (in Cantonese): Madam President, the theme of my speech today is "The Chief Executive shows resolution but the public have no confidence".

Before 1 July, we had a "political Governor" and after the establishment of

the Hong Kong Special Administrative Region (SAR), we have a "Chief Executive for people's livelihood". I think the most fundamental task for us when we promote democratic development is to improve people's livelihood. In the past few years, not only was people's livelihood not improved but it also got worse. The public could not afford high property prices, the capabilities of university students failed to meet the requirements of our society, and the retired old people could hardly maintain their living standards, all these have substantially reduced our competitiveness and impaired the quality of life of the public. Therefore, whether people's livelihood can be improved in the next five years is the key determining factor of the success or failure of this policy address, and we do not have to applaud at this moment.

A series of reform proposals made by the Chief Executive in the policy address have made us see that "the Chief Executive shows resolution but the public have no confidence". In housing development, although the Chief Executive and many Secretaries have demonstrated their resolution to spare no sacrifice in surmounting every difficulty to achieve the objective, but is this enough to give the public full confidence in the Government? For example, the recent proposal made by the Secretary for Housing to amend the terms of land leases, insisting that property developers should sell their flats as scheduled, has aroused very great responses. When the Government proposed that there should be more roads before building more houses, the Chairman of the Kowloon Canton Railway poured cold water on the Ma On Shan Railway Scheme, claiming that there was not enough people living there and it was inappropriate to build such a railway. He was undoubtedly giving the Government a big smack. Housing development is obviously an arduous task and only being resolute is not enough.

I am worried that the ten-year housing programme of the Chief Executive may emphasize quantity more than quality. There had been a few great leaps forward in the history of housing development in Hong Kong, and in each of such leaps, the Government had quantity in mind as it aimed at building more. However, many tenants found out after living in their flats for less than a year that there were many problems and their qualities were poor, and they are still at their wit's end in the face of the aftermath. There are several classical examples of the Home Ownership Scheme flats of the Housing Authority in which people still file complaints after having lived in their flats for seven years. They are foundation sinking at the On Ning Garden, water leakage at the ceilings of the

Carado Garden, and the rusted lifts of the Yu Ming Court after one year of occupancy, shoddy work and inferior materials used by the builders, ineffective supervision and irresponsible attitude of the Government. All these made the flat owners poured out endless grievances for which they have no channels of complaints. Furthermore, we can still recall incidents such as the collapse of a flyover as a result of the work carried out at a construction site, and the erroneous connection of a salty water pipe to an edible water pipe. All these are the adverse consequences of the stress placed by the Government on quantity instead of quality, and the great-leap-forward mode of economic plans are indeed worrying. Therefore, besides the Chief Executive's proposal of establishing a body responsible for looking into the progress of various capital projects, I think that it is more important to establish a body responsible for more effective monitoring of quality to avoid doing harm to our future generations.

Madam President, having observed the above phenomena in our society, I cannot help expressing my views. At present, under the attack of high property prices, land prices, rents and costs, and in the light of the fact that the Government's revenues come mainly from land sales and speculations in properties and shares, our economy has turned into a foamy economy. The real wages of many grassroots people keep on falling, they are working under capacity and they are leading increasingly difficult lives. The Chief Executive should not only blindly believe in the figures provided by government departments or make frivolous efforts such as visiting the districts. He should immerse himself among the general public and get to know more about the widening gap between the rich and the poor.

In addition, the Chief Executive wishes that 70% Hong Kong people will become home owners in 10 years' time. This is certainly gratifying but even though the property prices do not rise again, these people still have to spend 60% of their monthly income on mortgage repayments while they often have to live with this nightmare of mortgage repayments for more than 20 years and the sandwich class will become relatively poor. Therefore, the Chief Executive should agree to the Democratic Alliance for Betterment of Hong Kong's proposal to give home buyers tax concessions before he can be successful in governing Hong Kong.

Recently, in respect of the sole bid for a Kowloon Canton Railway property project, government officials rashly voted to show their support without

giving the public an explanation. Moreover, some retired senior government officials have established consultancies, and this has made people fear about the collaboration between former government officials and businessmen. Recently, the Chief Executive intended to use public money to organize a private birthday feast for someone, and it is suspected that he may be mixing up private and official affairs and he makes people think that he is still handling public affairs in the way he manages the business of a private company. He should have known better.

Therefore, we should not comment on the actual effects of the Chief Executive's policy address this year or next but five years later upon the expiry of his term of office. If there is a great leap forward in the housing volume with instances of shoddy work and inferior materials, and a decline in quality, I would say that this policy address is not up to standard. If 70% people have become home owners but are in fact poorer than before, I would say that this policy address is still not up to standard. And if there is a collaboration between officials and businessmen, I would also say that this policy address has failed to achieve what it wants.

Madam President, along with the implementation of "one country, two systems", and the tightening bond between Hong Kong and the Mainland, I think that the Chief Executive has overlooked three aspects concerning the people's livelihood in the Mainland and the SAR. Firstly, many Hong Kong people live, travel, buy properties, settle and visit relatives in the Mainland, and an average of 150 000 man-times cross the border at Lo Wu everyday. We have said that we have to take care of the 500 000 new arrivals to Hong Kong in the next decade, but how can we overlook the problem faced by 150 000 people who have to travel to the Mainland every day? The Secretary for Constitutional Affairs once indicated his intention to set up an office in Beijing to assist Hong Kong people and solve the problems and difficulties encountered by Hong Kong people in the Mainland. The aid would be too slow and the Government must consider setting up offices in more provinces and cities in the Mainland with resident Hong Kong officers to assist Hong Kong people in carrying out activities in the Mainland, to co-ordinate and follow up the problems encountered by Hong Kong people in the Mainland. Now that the Central Government can set up a Hong Kong and Macau Affairs Office, the SAR Government can also consider setting

up a "Mainland Office" to assist the public.

Secondly, people find it time-consuming and troublesome queuing up to cross the border when travelling between Hong Kong and the Mainland, and that is particularly toilsome during holidays. At present, the Lo Wu border is opened from 7 am to 11 pm but this fails to meet the current needs and it is necessary for the border to be opened 24 hours around the clock. However, when the Security Bureau responded to this in this Council, it denied that there was such a need and I feel sorry about that. I hope that the Hong Kong Government should adopt an open attitude to study and consider making an arrangement for the border to be opened 24 hours around the clock, and to open 24 hours the restricted areas adjacent to Lo Wu, so that public transport can travel directly to Lo Wu for people to cross the border there, instead of letting the Kowloon Canton Railway monopolize this lifeline.

Thirdly, I have been very worried about the water quality of Dongjiang. At present, the Dongjiang flows through many places; when I made an on-the-spot investigation, I found that waste water from factories, waste products from farms and domestic sewage all flow into the Dongjiang. This is the water that we drink everyday! Although the Government has repeatedly stressed that grade two water quality still meet the standard, why can we not enjoy grade one water quality? As far as I know, the Guangdong Province has a plan to lay new water pipes. The SAR Government should free itself from bonds of the past and negotiate with the Guangdong Province as soon as possible to assist in implementing such a plan.

Madam President, I would finally talk about the problem of Vietnamese migrants. Hong Kong has been harassed by this problem for 20 years and the Government has already spent \$10 billion in dealing with 200 000 Vietnamese migrants. It can be said that we have really shown the utmost tolerance and patience towards them. This Council approved of my amendment on 20 August, urging the Government to immediately abolish the port of first asylum policy and implement the policy of repatriating every person who illegally enters Hong Kong, as well as recover \$1.1 billion outstanding sum from the United Nations. The Chief Executive has not given a clear-cut reply in the policy address which make the public disappointed. The Chief Executive has just returned from

London. Obviously, the British Government has been paying lip service and has acted in an irresponsible manner. Therefore, we should do what we can expeditiously, and I hope the Chief Executive would shortly carry out the promise he made during his election campaign, and put into practice what this Council has called for.

Madam President, the policy address of the Chief Executive is entitled "Building Hong Kong for a New Era", I think that the Government must have a new way of thinking before new policies are made for a new era. I hope that the next policy address will be filled with new vitality and new way of thinking to prove that the Chief Executive is resolute, and the public have confidence.

I so submit. Thank you, Madam President.

PRESIDENT (in Cantonese): Mr Howard YOUNG.

MR HOWARD YOUNG (in Cantonese): Madam President,

Tourism

The travel and tourism industry welcomes the recognition of the importance of tourism industry to Hong Kong and the support from Government for Tourism development as stated in the policy address. The \$100 million loan to encourage the staging of international events in Hong Kong is an innovative measure and I believe it will have positive results. The task force which consists of tourism representatives and government officials held a meeting last Tuesday to discuss what can be done to help meet the challenge of a downturn over the last few months.

In my opinion, there are short term and long term solutions. In the short run, sales can be encouraged by lowering prices. In response to the chief Executive's call to various sectors of the industry to examine cost structure and business practices, the industry partners have already put their act together and

are offering bargain packages. In Japan, for example, a package with return air transportation and three night's hotel accommodation costs from only some three thousand Hong Kong dollars, normally a around trip air fare itself would far exceed that amount. The offer is therefore very attractive.

Madam President, selling at or close to net cost or even below cost, however, works only for a short period of time and cannot last forever. In the long run, the tourism industry needs support from government in terms of improving tourism facilities, adding more new tourist attractions and other ancillary facilities. In addition we need to redefine Hong Kong as a destination and market it even more effectively to overseas tourists.

Another thing the government can help the industry is to further relax immigration and visa application and entry procedures for visitors, especially from Taiwan. Taiwan is a major source of our visitor arrivals, accounting for more than 1.8 million or 15.6% of total visitor arrivals in 1996. To come to Hong Kong, Taiwan visitors need a visitors' permit, which can take as much as 12 days to process when including a chain of handling by the trade at both ends. To go to Macau, however, they need no visa. Visitors from the Mainland can come to Hong Kong seven-day visa free provided they hold valid air tickets and entry visa or permits of a third destination. What accounts for such unequal treatment? I hope Government will consider revising the existing policy towards visitors from Taiwan.

Fresh ideas on promoting Tourism

Hong Kong must not complacently rely on the long past reputation of "shoppers' paradise" to attract visitors, but develop as a multi facet tourist destination:

Environment Improvement

Environment protection is much of a topic recently in Hong Kong. It is already a part of life in many foreign countries. Eco-tourism is getting more popular. Government should educate the public on the importance of protecting our environment, such as do not produce excess waste and do not destroy our

country side. Whether travelling abroad or within Hong Kong, we should minimize the negative impact to places we visit. At the same time, the government should take measures to improve the environment, reduce air and water polluter, otherwise it will become more difficult to attract environmental conscious visitors. Taking the blazes in Indonesia as an example, visitor arrivals in the region dropped tremendously, affecting not just their tourism industry but also the catering and retail industries. The government must publicize and the public must practise, or we will end up being adversely affected not just economically but also health wise.

Natural Beauties — Dolphins

Hong Kong should explore more natural beauty, such as Chinese Pink Dolphins which are only found in Hong Kong. Tours can be organized not just to enjoy the beautiful coast lines of Hong Kong but also to let our children learn more about this rare species which faces extinction and thus the importance of protecting our environment.

Resort areas in Tai Long Sai Wan, Tai Long Tung Wan

In a metropolis like Hong Kong, people and tourists should be able to let themselves relax in resorts away from the hustle and bustle of the city. The government should study the feasibility of developing places, like east and west Tai Long wan, as another resort alternative for local as well as overseas tourist.

Develop Sai Kung as another type of attraction

Sai Kung has hosted a number of events such as the Seafood Festival that attract quite a number of visitors. Sai Kung has the potential to become another popular place for tourists but it needs roads infrastructure upgrading, including the road from Ho Change so Sai Kung if more and larger scale events are to be held there. The potential of opening up of beyond the Pak Tam Chung barrier should also be considered.

Open borders for 24 hours service

Just now an Honourable colleague has referred to this issue, but I will be

speaking from a different point of view. The traffic between Hong Kong and Shenzhen is getting busier. There is a need to open the border for 24 hours service, or at least longer hours for tourist coaches exiting Shenzhen, this would certainly benefit our tourism industry.

Welcome airport charge reduction.

The Airport Authority has in the same week of the policy address announced setting Airport Landing Charges for Chek Lap Kok at a level acceptable to airlines under keen competitions. I welcome Airport Authority's move. Airlines, which face enormous international competition and low profit margins, are thinking of lowering the cost to travellers to receive tourist arrivals to Hong Kong. I hope this will materialise soon and bring results.

For years I have been suggesting to Government, and I am not giving up, that the Airport Passenger Departure Tax should be replaced by an Airport Service Charge, which in turn should be used to improve and maintain airport facilities. If the "users pay" principle applies, why is what airport users have to pay is used for filling up government reserves rather than going to the Airport Authority to provide services?

Room Prices

Hotels have been blamed for putting up prices. Prices are determined not just by market supply and demand but also running costs. Hotels have to pay huge amounts on various fees and duty such as hotel licensing and sewage charges, which the hotel industry maintains is unfair. Hotel tax which is paid by guests is also included in the bill so the price is not just made up the profit hotel operators need. All this adds to the basic costs of running or staying in a hotel. Should such numerous fees from the government not be lowered then I cannot see how hotels can lower the room rates unless they cover the different with money out of their own pocket, which is not a way to do business. Despite high tariff figures, the standard of service is world acclaimed. Hotels in Hong Kong usually take up at least two to three places in the international selection of the World's 10 best hotels. So there is something in return for the price hotel guests pay for.

Maintaining a high standard of service is, however, not easy. Many hotels in Hong Kong have difficulties finding the right people to fill various

positions in their hotels. People with specific language skills can be hard to find in Hong Kong, and there are jobs that many Hong Kong people do not want to do, such as chamber maids and waiters. If local sources are available, hotels are more than happy to make use of them. The problem is, quite often there is inadequate response to the advertisements hotels put up. What can hotels do? That is why the hotel industry accepts the need to import labour.

This is not an isolated Hong Kong phenomenon: look at top hotels in America, Europe and Australia. Many have staff of different nationalities, including Asians. Hong Kong hotels cater for a special language, cultural and social skills to meet market demand. We should view importation of labour not as a conspiracy to break local rice bowls, but as a measure to introduce talent and resources to develop a local industry that provides many local jobs.

Health

The Liberal Party is not just concerned about the recent medical blunders, but also the long term health care system.

The public sector of the health care system is overwhelmed as a result of improved services and increase publicity, while prices have hardly raised. Government hospitals always have "full houses". Under the existing system senior doctors and nurses are generously paid to do administrative work, quite often leaving clinical tasks to green practitioners. The number of front-line team members cannot meet the ever increasing workload, and the senior clinical staff have no time to supervise their subordinates as they themselves have a lot to do as well. It is not difficult to understand why medical blunders happened one after another.

The Health and Welfare Department officials are not experts in medical matters. It is important to set up a committee that is made up of government officials, practitioners from both public and private sectors, insurers and so on in order to not just to study how to avoid medical blunders, but also to establish a long term health care policy, including the pricing policy.

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

PRESIDENT (in Cantonese): Mr David CHU.

MR DAVID CHU: Madam President, our Chief Executive's first policy address is historical in every respect. His speech projects a vision of our future, a future not what other people think it should be, but what we would like it to be.

I agree with some of my colleagues who say that the speech's content is not perfect. Nevertheless, it is a very good start. Let me tell you why.

First of all, this address, "long-term commitments", exceeds the depth and breath of British governors who were here for a short time and who, once gone, would never return again. Their ideas on housing, education, health and welfare were likewise transient and often failed to get the job done.

Second, the theme in this address is about "competitiveness". But it is not the "competitiveness" of catching up to others. Rather it is "competitiveness" to ring. Such a concept was foreign to British governors who after all could not possibly wish that we compete against and surpass Britain.

Third, this is about "individual responsibility", about how each and every one of us can do to build a more prosperous and caring society, the achievements of which are more than the sum of all our efforts. The Chief Executive's message echoes that of another famous leader who exhorted his people to "ask not what your country can do for you but what you can do for your country." This powerful notion that every person is responsible for his destiny is punctuated in all the major points in the Chief Executive's policy address, specifically:

In housing, more families will buy their own homes and be responsible for the finances as well as the profit.

In education, more choice for parents and more autonomy for school principals.

In Mandatory Provident Fund, people will only get back what they have put in.

In health care, most users will have to pay what they can afford and what is reasonable.

Fourth, this policy address is about prudence, about living within our means. There were people who had pressed the Chief Executive to spend some of our reserves on public programmes. He declined because that money is for the defence of our currency. In these recent days of turmoil at the Stock Exchange and pressures on the peg, we should be thankful that our reserves are big enough to stave off the worst speculators. We should be glad that China is lowering its own bank rates to help our market.

Fifth, is about our place in China and in the world. His speech points out the ways in which we can complement, participate and help the modernization of our country the ascent of which in the next century promises stability for the world and greater opportunities for us. The Chief Executive wants to imbue our youths with knowledge, appreciation and love for their nation and understanding of the rest of the world. Raised to be Chinese and cosmopolitan, they will have pride in their heritage, confidence in themselves, and the moral strength to lead the renaissance of China.

The policy address, for all these reasons I have cited and more, is a blueprint for our future that involves China and the community of nations. We are in an enviable position to bring and blend together influences from nearby and afar to create some day soon a global civilization to go with the global economy.

I share our Chief Executive's vision for our bright future and, like all of you, I will do my utmost to make this vision come true for this is our duty to our ancestors and our descendants.

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

PRESIDENT (in Cantonese): Mr MOK Ying-fan.

MR MOK YING-FAN (in Cantonese): Madam President, members of the Hong

Kong Association for Democracy and People's Livelihood (ADPL) yesterday expressed their dissatisfaction with and their stance against the policy address by the Chief Executive, pointing out that the policy address is biased towards the interests of the business sector but negligent of those of the grassroots.

Today, I will be speaking about our views with focus on the Government's other policies concerning people's livelihood, particularly the mandatory provident fund, medical services, registration of traditional Chinese medicine practitioners and the youth.

As regards the mandatory provident fund, I and members of the ADPL, and even other non-government grassroot bodies have been holding the view that it has certain "built-in" deficiencies. Basically, it cannot see Hong Kong people through their years after retirement.

First, the Government makes it "mandatory" for all employees in Hong Kong to join the contribution scheme without itself making any contributions or financial support. All it does is to supervise the scheme. This is despotic and irresponsible. Second, there will not be sufficient protection for people who are approaching retirement or who have worked for a short time, for people who have a disability, for housewives and for the low-income group. Half of the employees in Hong Kong are being paid salaries below the median wage. Assuming a return of 1% per year, after contributing for 35 years they can only get three-tenths of their salary back. With the price of all goods ever increasing so very quickly in Hong Kong, how can they rely on the meagre retirement fund to live the rest of their years in comfort after retirement? Indeed, with inflation taken into consideration relying on Comprehensive Social Security Assistance may be better. Dear colleagues, please consider this for a moment. 20 years from now can people like us, who are 60 years or more of age, have any protection? Can we rely on provident funds for support? If you think you can, I can only say "God bless you".

Medical services are another area of concern to the public, as the life and death of 6 million people are involved. Recently, a number of incidents occurred in the medical sector. There have been medical blunders one after another rocking the confidence of Hong Kong people in the medical system. In the policy address, Mr TUNG Chee-hwa said there would be a review of the health care system during 1998. I welcome this suggestion. But I hope the

review is going to be a serious one, because after going through the entire policy address I note there are 12 items for review and 18 for research. I trust there will be a number of review and research items, but I particularly want the Government to review the existing complaint mechanism in our hospitals.

Last week, we spent a considerable amount of time to debate the matter. Although we did not agree to the setting up of an organization such as a medical commission to supervise the Hospital Authority, there were 15 Members who spoke. I believe avoiding medical blunders is still an issue of grave concern.

Between March and August this year, there were seven medical accidents. But the methods used to cope with the situation were just verbal reprimand, written warning or suggested demotion. These fatal accidents have never entailed a suspension of duty. Is that fair? Or is this an example of people of the same profession protecting each other? Let us just look at Taiwan. It took only several military plane crashes during training sessions to demand the resignation of the Commander-in-Chief.

I must take exception to the attitude of "admitting errors without correcting them". I am not trying to demoralize the front-line medical personnel but I do not think it is fair to request Hong Kong people to tolerate this kind of irresponsible medical system. I hope that through a review by the Government on the medical system the transparency and accountability of the medical system in Hong Kong will be enhanced, and old practices changed.

In the last meeting, a Member jokingly said if people lost faith in western doctors they could go to see traditional Chinese medicine practitioners. First of all, I must according to the usual practice, declare interest. I am a practising traditional Chinese medicine practitioner who has received orthodox training in Chinese medicine. Of course, looking at the matter from the interest of the general public, I hope one day traditional Chinese medicine practitioners are given exactly the same status as their counterparts in western medicine. However, the present situation is: when a person catches influenza and goes to see a western doctor, that person can be given a medical certificate to prove that rest is required and a one-day leave can be granted. Certificates issued by us practitioners of traditional Chinese medicine are nonetheless not recognized. In Hong Kong, traditional Chinese medicine have existed for more than 100 years ago, and in early years, there were no social workers. Now social workers have

become registered, but registration for practitioners in Chinese medicine are still at the discussion stage. Luckily, Mr TUNG Chee-hwa clearly states in the present policy address that there is going to be registration for traditional Chinese medicine practitioners, who will then be more welcome. This also shows at long last that the Government of the Hong Kong Special Administrative Region (SAR) will recognize medical certificates issued by these practitioners. I am extremely happy about this.

Some time ago, I met with Dr E K YEOH, Chief Executive of the Hospital Authority. He said he too wanted to encourage western doctors to learn traditional Chinese medicine. So, it can be seen both kinds of medicine are not mutually exclusive. If the two streams can learn from each other, they can even complement each other.

In fact, traditional Chinese medicine has begun to attract the attention of the medical sector and the communities in the West. For example, in California in the United States, acupuncturists are licensed to practise. In Australia, Britain and Germany, there are medical schools conducting research on traditional Chinese medicine. In Asian countries such as China and Taiwan, traditional Chinese medicine has been registered and supervised for a number of years.

But to fully incorporate traditional Chinese medicine into the health care system of Hong Kong, I think the most important things to do are: registration, training and the opportunity to give service. So, we should set up branches and out-patient departments of traditional Chinese medicine in public hospitals. At present, there are only three hospitals in Hong Kong with out-patient departments in traditional Chinese medicine. I believe providing one more alternative for the people should ease the crowded conditions in out-patient departments of western medicine and reduce the work pressure caused by insufficient western doctors. Perhaps medical blunders will be reduced too. So, by allowing traditional Chinese medicine into the health care system we will be "killing two birds with one stone."

As Hong Kong enters the 21st century, social progress and economic development to a large extent depend on the ability and sense of responsibility of

our young people, and their willingness to shoulder that responsibility. The SAR Government also has a responsibility to make sure they do. I always remember the phrase: this world eventually goes to our young people.

But in the policy address, what we can see is still a youth policy that is "paternal" in nature. The paragraphs on young people are full of references about responsibility, not rights. This gives people the impression that what is said in these paragraphs resembles what was said by the late American President, J F KENNEDY: "Ask not what your country can do for you; ask what you can do for your country". I do not know whether the Chief Executive has paid any royalty to the KENNEDY family.

Indeed, just take a look at the policy address and one can see that the youth policy of the Government, in terms of education, promises to build 13 extra primary schools and 19 extra secondary schools for the newly-arrived children and youths; and, in terms of higher education, will launch a non-means-tested loan scheme working on the principle of the balance between income and expenditure and that of cost-recovery. Moreover, to cope with young people at risk and young offenders, the Government indicates it will establish two youth mobile teams as a pilot project to identify young night-drifters. In addition, it will also make reference to proposals in the Research on the Effectiveness of Rehabilitation Programmes for Young Offenders by the City University to continue to improve rehabilitation and follow-up services for young offenders. I welcome these initiatives of the Government to undertake to launch such plans to help our young people.

But, very regrettably, there is no mention in the policy address of reducing the high unemployment rate of the young people! The fact is: data from the Census and Statistics Department show that the unemployment rate of young people between 15 and 19 is 12% and the percentage is ever rising.

As regards how the Government will formulate measures to open doors for young people to participate in and influence public affairs, Mr TUNG Chee-hwa only vaguely says he would leave it to the Commission on Youth to find out ways to let young people play a more important role in building the SAR. But I do not think the future of Hong Kong relies solely on the volunteer work of our

young people.

Another point is the target of youth policies. It is strangely enough not our young people. Rather it is the schools and the parents. Last Thursday, I received a group called the "youth think-tank" formed by a group of youths who were students. At the meeting, when they talked about their views on Mr Tung Chee-hwa's youth policies, some of them expressed their dissatisfaction by saying: "Why do adults arrange everything for us? Why can they not listen to us about what our needs are?" I hope the Chief Executive will attentively listen to the aspirations of our people.

At a time when public participation is the norm, if in formulating youth policies the Government failed to give the youth a chance to take part in it, it means the Government is not only working behind closed doors but also lagging behind time. At this juncture, let me quote from part of the Youth Development, a magazine published by the "youth think-tank", to end this part of my speech: "We think young people not only have the obligation to serve the community. They should have the initiative to take part in public affairs, and the right to express their opinions on youth matters, social policies and government policies. The Government should provide the necessary resources to encourage this." I hope the group would not charge me any royalty for quoting them.

Lastly, after listening to the Honourable WONG Siu-yee talk about how to promote Hong Kong, I must say I never believe in the actual effects of promoting or bad-mouthing. I think the important thing is to act in such a way as to make people understand how good Hong Kong is. Hong Kong should be a rational society in which the interests of all classes are balanced, not tilted towards the business sector. I trust the silent majority must have their own rating towards each policy of the Government.

Madam President, I so submit.

PRESIDENT (in Cantonese): Mr Andrew WONG.

MR ANDREW WONG (in Cantonese): Madam President, I wish to explain why I voted, yesterday, against the amendment proposed by the Honourable Frederick FUNG. That I voted in opposition does not mean that I am in opposition to the content of his amendment which says the mover of the amendment is sorry that the policy address has not proposed any effective ways to resolve the problem of poverty; immediate increase to the Comprehensive Social Security Assistance (CSSA) payment for the elderly; ways to protect local workers' right to employment but prepared to import large numbers of foreign workers; effective measures to combat speculative activities in the private property market; or the implementation and development of specific arrangements for the Chief Executive and all Members of the Legislative Council to be returned through direct election. In my opinion, the motion moved during the annual debate on the policy address to thank the Chief Executive is an act of courtesy that we should observe. Besides, I can recall that in 1996 Mr LEE Cheuk-yan, a Member of the then Legislative Council, did propose an amendment to the motion to thank Governor Chris PATTEN, but that was eventually voted down, and is, therefore, not very meaningful.

Many Honourable colleagues have commented on the policy address, among them, the Association for Democracy and People's Livelihood may perhaps be the one least satisfied. I have also found many unsatisfactory areas with the policy address and will speak on them later. However, the Democratic Alliance for Betterment of Hong Kong would still compliment the policy address despite they are not satisfied with it. As regards the Liberal Party, it is of the opinion that although the policy address is pointing towards the right direction, there are still much room for improvement. The Hong Kong Progressive Alliance seemed to be more positive in its comment as it opined that despite a few minor blemishes, the major direction of the policy is still correct. Should Honourable colleagues see anything not proper, despite the need to be well-behaved, they could still express their views strongly, otherwise the Government would not take heed of what we say. Last week, I convened five forums; and for these forums, I have prepared a paper on five major issues, namely, housing, transportation, political system and human rights, education policy, elderly services, and labour matters. As I have already presented my views regarding these issues at the forums, I am not going to repeat them here.

Instead, I would like to talk about the culture issue which the Honourable MA Fung-kuok and Prof the Honourable NG Ching-fai referred to today. I had first intended to prepare my own speech, but very fortunately I came across a

very well written article in the newspapers yesterday and found its content completely in line with my thoughts. I will therefore read this article out to Honourable colleagues to explain why the major problem lies in culture.

Says the article, "Chinese culture is one of the oldest in the world, if Hong Kong does not have its own culture or its own cultural life, after the reunification with China, it would have no choice but to adopt the Chinese culture. In fact, a major trend pointing towards that direction could be seen from the recently emerged language style, hand-clapping style, security style, clothing style, as well as meeting style. Should this situation continue, the system of Hong Kong would very easily be swallowed up by the system of China. The embryo of Hong Kong civilization which has been nurtured for more than a century, would most probably be miscarried.

"The Chief Executive of the Special Administrative Region should have discussed this issue in his first policy address, yet very unfortunately, this is his blind spot. The entire policy address has made no mention of Hong Kong's cultural life at all.

"The successful implementation of Mr TUNG Chee-hwa's policy hinges on the way he handles the cultural life of Hong Kong as a whole; further still, his position in history is even more dependent upon the way he deals with lives in Hong Kong as a whole. In general, the cultural life of Hong Kong has the following nine characteristics:

"Firstly, in terms of time and space, it stretches from the East to the West, from the past to the present, as well as from an agricultural society to an industrial.

"Secondly, in terms of value standard, it is free, pluralistic, open, interactive and individualistic, and it also practises contractual collectivism on the basis of individualism.

"Thirdly, in terms of system, it is wholly capitalistic, albeit academics and government officials from mainland China claim it as partly capitalistic which involves only the economy but not politics, political culture or general culture. Mr TUNG Chee-hwa's understanding and recognition in this respect is also limited to the part of elementary capitalism.

"Fourthly, in terms of modernization development, it has resolved a lot of issues which are yet to be tackled in mainland China, for instances, secularization, demoralization, individualization, mobilization, deauthorization, reordering, the ascent of the middle class, as well as the execution of public rights by mid-level community organizations.

"Fifthly, in terms of management, it relies on an honest administration, the rule of law, a public interest-oriented government, open systems, self-discipline of professionals, independence of individuals, equal participation in social decision making, as well as objective and rational regulations to strike a balance between public interests and private interests to the benefit of both parties.

"Sixthly, in terms of thoughts and ideology, it normalizes contradiction theory and dialectical theory, seeks unconventional and innovative ideas; it does not denounce contingent ideas, neither does it admire absolutism or necessity. The ideologies are developed from within and without, and are therefore more impartial and objective than unilateral and linear thinking.

"Seventhly, in terms of economy, it is a profit-oriented free economy with simple yet flexible structure, as well as free flow of information and knowledge. It operates according to the international rules of the game and is highly competitive internationally.

"Eightly, in terms of power — right relation, it separates power from right and *vice versa*, checks and balances power with power and right with right; all powers are subject to term limit and regular examination, they are conferred by the people instead of officials so as to prevent power abuse by the officials as well as to strike a balance between power and responsibility.

"Lastly, in terms of history, it is the first modernized society under the rule of law and an honest administration the Chinese nationality ever has. However, Hong Kong's cultural life is just like an embryo created by chance, and then developed by several negative contingent social factors.

"Since the British Government does not regard the people of Hong Kong

as their subjects, they does not have any moral responsibility to cater well for Hong Kong, and adopts, therefore, *laissez-faire* policy in ruling Hong Kong. As such, Hong Kong could be let alone. Those who came from Britain or China to Hong Kong were not regarded as elites in their original community (China or Britain), very much the opposite, they had all been abandoned as substandards or rubbish in their homeland. However, when they came to Hong Kong, they became real elites. Hong Kong was originally like a landfill site, but with these people, it has evolved into the cream of the cake, with an honest administration, world acclaimed efficiency, well practised rule of law, first class infrastructure, as well as a highly prosperous economy.

"We have witnessed over the past year that Mr TUNG Chee-hwa never recognizes positively the operation as well as realization of Hong Kong's cultural life. He would advocate free economy, open market and fair competition, but not the free and open competition in the political arena. To him, the confrontations, interactions, as well as counter balances in Hong Kong's cultural life are too political. His dissatisfaction is so great that one could tell it from his behaviour. He treats all these as noise and sounds that need to be suffered anyway. As regards democratic participation, demonstration or petition, he would grant it as a piece of candy to the trouble-making people. He has never seen positively the freedom, openness, pluralism, interaction, self-actualization of individuals, self-dependence, as well as human rights so treasured in Hong Kong's cultural life. In fact, these elements are part of the factors leading to the success of Hong Kong and are indispensable to the sound operation of Hong Kong's economy. He could not see that they are, many a time, the adaptive efficiency referred to by economists in recent years; nor could he realize they are the necessary factor we need to supplement with creativity, quality-added and value-added production in order to survive in the 21st century. The success of Hong Kong's economy is to a large extent dependent upon such cultural characteristics, with which Hong Kong has made unique contribution to the pluralistic culture of the Chinese nation. However, Mr TUNG Chee-hwa turned just the other way round. In his policy address, free economy, creative production, value-added methods of the 21st century, competitive edge and competition culture, factors leading to Hong Kong's success, as well as the mode of operation in Hong Kong have been referred to many times, only if he had added in a little bit more effort, he could have entered the cultural life of Hong Kong. Yet it seems that Mr TUNG Chee-hwa just could not get away from this

blind spot.

"Although Mr TUNG Chee-hwa has made no mention of Hong Kong's cultural life as a whole in his policy address, hint of Chinese cultural life could be felt every here and there. His philosophy of how Hong Kong should be administered might most probably be planting a head made up of Chinese traditional culture to a body constituted by the free economy of the western world; matters should be handled in the light of dominating direction and general situation, should any mistakes be made along the way, they might perhaps be regarded otherwise, besides, corrections could be made very quickly. On the other hand, if the wrong direction or situation has been referred to, anything right would be regarded as wrong, and more mistakes will bound to be made should one keep moving along that wrong track.

"The successful implementation of "one country, two systems" in Hong Kong depends very much on what trend, situation, as well as direction are chosen. In terms of quality and modernization, Hong Kong's cultural life as a whole should be better; but in terms of quantity and authority, that of mainland China will certainly be the one. As such, the most difficult part with "one country, two systems" is how to turn this situation the other way round. If this could be done, then it would certainly be the Chinese nation's greatest blessing." This article is written by Mr HUNG Ching-tin and published on yesterday's newspaper.

I hope Honourable Members would think it over carefully, the major issue in front of us now is how Hong Kong could keep contributing to the motherland after the reunification, and where could we get the power to do so. The secret of Hong Kong's success is that we have of our own a unique culture essentially differently from that China has now. Certainly, we are also a part of Chinese culture, but then we are talking about the pluralistic culture. Under the circumstances where plurality is allowed, we should develop upon our own cultural foundation by ourselves. We have never been separated from the Chinese nation, since we are Chinese, we could build the cultural life of the Chinese nation for a new era. However, very unfortunately, we have seen many a time that we are dragging our legs behind us, instead of leading ahead in front of China, we drag our legs. When we are dragging our legs, the rest of the provinces in China would hurry up and overtake us. Is that what we want to see? Is that what our Chinese leaders would like to see? To me, I would say,

"certainly not". As such, I think we should drum up our courage and take a more liberal stance in respect of many issues, for this is the only way that we could build a more prosperous and more stable Hong Kong to contribute to the further development of our mother country.

Thank you, Madam President.

PRESIDENT (in Cantonese): Mr Henry WU.

MR HENRY WU (in Cantonese): Madam President, every Member in this Council has expressed their views on the first policy address by the Chief Executive. It has attracted both praises and criticisms, but from what I can gather, the majority of us are inclined to praise the policy address.

The policy address is highly forward looking, setting out a blueprint for the development of Hong Kong. After careful consideration and having balanced the interests of all parties, the Chief Executive proposes an ambitious plan to lead Hong Kong into the 21st century through this blueprint with a view to making Hong Kong more prosperous and more stable.

Obviously, the present policy address has its focus set on the economy and people's livelihood, whereas the policy address of the last governor of Hong Kong had its focus on politics. The present policy address is practical and desirable. Hong Kong basically lacks natural resources; it has only human resources. So, it is vital that we should make good use of these resources and try our best to protect them so as to make the fullest use of their potential for the benefit of Hong Kong. In the policy address were mentioned policies on topics such as education, housing, infrastructure, financial matters, information technology, care for the elderly, and help for the needy. Such policies help to improve the Hong Kong people's livelihood and the development of its economy. They also help to enhance its competitiveness in the world. The proposed policies, especially those about financial services, have gained wide acceptance, but we have to wait to see their effects after the proposals have been put into practice. I firmly believe that the proposed policies about the financial services, once realized, will strengthen the co-operation and link between the stock exchange and the supervisory body. In this way, investors will be able to have

sufficient knowledge of the financial items they invest in. This will increase the transparency and efficiency between the buyer and the seller, lowering the risk in investment. Then, the situation of abrupt drops and panic selling of shares in recent days would not happen again.

Madam President, it seems there has been not much discussion about the development of sports activities. I wish to take this opportunity to express my views. There is a word in Chinese in the phrase for "ambitious plans" which has same sound as another Chinese word meaning "red". In Chinese "red colour" has the connotation of joy and something to celebrate. We all know that our Hong Kong cycling representative, WONG Kam-po, won the first two gold medals for Hong Kong in the all-nation match held in Shanghai, not long after the establishment of the Government of the Special Administrative Region. This is applaudable. In the middle of last year, Miss LEE Lai-shan won a gold medal in boardsailing in the Olympic Games. Indeed, there were some pleasant surprises for Hong Kong in 1997. There was something to learn from these surprises.

The sports items in which gold medals were won were items relatively unfamiliar to the Hong Kong people. In the past, the Government did not place due emphasis on sports development, particularly sports activities which are not popular. I understand the two gold medalists, and some other sports people who have yet to win, have been working hard on their own. After some hard work they finally made their way to the top and bring honour to Hong Kong. Although in the past few years, following the launching of the policy of training top athletes by the Hong Kong Sports Institute (HKSI), they begin to gain achievements in international events, especially those events that suit Asian abilities better, such as ping-pong, and badminton. Despite limited resources from the Government, the Hong Kong athletes, with great determination, have managed to win for us and we are indeed proud of them.

Although in the policy address there is a promise by the Government to give continued support to the HKSI, the support given is for a small number of targetted items only. I do believe that there must be a number of other items that suit the abilities of Hong Kong people to be discovered. Now, Hong Kong people have always been laughed at for being money-minded. When it comes to sports and art activities, they are often slow to respond, and sometimes even prefer not to respond. We did very well in 1997 in sports. This reminds us of

the need to expand developments in training for the top athletes. So, I hope the Government will step up training for more sports items, whether popular or not. It should pay more attention and give more support to items that suit the abilities of the Hong Kong people. It should build more formal training grounds and schools so that top athletes can display their abilities to the fullest extent and bring honour to Hong Kong.

Madam President, in addition to having the meaning of joyful celebration, "red colour" also signifies attention. The Chief Executive surely knows very clearly that Hong Kong is undergoing another change in its economic development. That is why he has decided to support the development of industries in new high-technology. A number of people have indicated to me that it takes time for such industries to develop and that by the time production starts, the products may have become out-dated. In fact, no matter what industries we have chosen to develop, it is not possible to predict now whether we have made the right choice, especially when technology develops by leaps and bounds these days. So, the market for products in these industries changes increasingly quickly. This means risks in the investment in such industries will be high. Therefore, we must study the experience of other countries in this respect and make adequate assessments and take prudent steps.

In addition, the policy address needs to cater to developments in all areas and be aware of the influences, direct or indirect, it may have in various departments. In the past two weeks, we have been attending briefing sessions on the policy address. We felt that all Government departments indicated they would try their best to meet the targets set in the policy address. But unfortunately, we noted individual departments did not seem to have been well-co-ordinated with each other in executing the overall development plan. This is the case in particular in building or construction, including infra structure, housing, schools and transport. There did not seem to be any priority or time-table set. Hence, I hope that, when the Government in future reviews the progresses on promises made in the policy address, it will not place the responsibility of failures on us, Members of the Provisional Legislative Council.

Most colleagues talked about housing. Like other colleagues, I talked to my friends in the construction industry about the feasibility and difficulty in the building of flats mentioned in the policy address. So, I hope to voice my opinion from the angle of building construction. Indeed, building homes is an

important area in the policy address. The target of building 85 000 flats a year is no doubt a determined target of the Chief Executive's. But from recent reports made by various departments, one can see that the Government is trying to solve within two to three years the problems of the past years. In other words, it is trying to increase production from the 63 000 units abruptly to 160 000 in the years 2000 to 2001. Can the construction industry undertake such an increase? Can other related works and facilities keep abreast with this increase? Can existing professional personnel and management staff shoulder the pressure arising in the short term? Will industrial safety be affected? As some colleagues have put it, will the production quality be assured? Moreover, in addition to building construction, the policy address proposes a number of works programmes on education, medical care, transport, and large-scale infrastructure projects, all of which have to be launched in the future.

Madam President, I understand labour shortage is only one of the problems in the construction project. Importing labour will not completely solve the numerous problems, which may be directly or indirectly related to the process. This can be compared to the issue of children coming from the Mainland, which this Council has discussed. When related facilities such as schools, housing and social welfare are not ready, we cannot increase the quota for such children. Likewise, the rate of house production must be increased steadily. Only when there is a steady increase can we have the time to train up the necessary experts to safely build quality flats. This is then our long term plan. We should achieve the target of 85 000 units step by step in five years, not in two or three years.

The Chief Executive's policy address has set down a blueprint for planning the future of Hong Kong. It depicts the direction for our future development. To implement the proposals in the policy address, there must be a high degree of co-ordination from all government departments and support from the people. We must be alert enough to make appropriate and timely adjustments in the light of changes in the economic situation in the world, including that in the Mainland and in Hong Kong.

Madam President, as some colleagues have said, the late President of the United States, John F. KENNEDY, said in his inaugural speech: "Ask not what your country can do for you; ask what you can do for your country." I believe since the Chief Executive was elected, there must have been many suggestions

and demands made and he must have tried to balance the interests of all sectors before drafting an ambitious plan to lead Hong Kong into the 21st century. It is time we responded. We must unite. We must seek common grounds on major issues while reserving differences on minor ones. We must work together to overcome difficulties and implement "one country, two systems" and "Hong Kong people ruling Hong Kong". Thus we can chart a bright future for Hong Kong.

With these remarks, I support the motion that "this Council thanks the Chief Executive for his address".

PRESIDENT (in Cantonese): Mr IP Kwok-him.

MR IP KWOK-HIM (in Cantonese): Madam President, this maiden policy address of Chief Executive Mr TUNG Chee-hwa, delivered on the 100th day following the establishment of the Hong Kong Special Administrative Region (SAR), is also the first policy address of the SAR, and it has attracted attention from all the Hong Kong people and from all over the world.

The Chief Executive's first policy address sets down a mammoth plan to build Hong Kong in a new era. But, if we are to implement this mammoth plan successfully, we must rely on the co-ordinated efforts and whole-hearted co-operation of the various government departments, for we must bear in mind that one of the most significant factors contributing to the admirable achievements of Hong Kong today has been its team of first-rate civil servants.

Before 1 July, the focal concern of the community with respect to the civil service was their increasing politicization, a trend which, it was feared, might erode their political neutrality, thus dealing a serious blow to their morale and efficiency during the transition period. Fortunately, over the first three months since the establishment of the SAR, the civil service has demonstrated to the whole community that it is as dedicated and loyal as ever before, and that it has not experienced any serious blow to its morale, as evidenced by its wastage rate of a mere 4%, a record-low in nine years.

The policy address sets out quite a number of new commitments on the Civil Service, all meant either to maintain the integrity and high efficiency of our civil servants, or to enhance their language competence and leadership skills.

First, we welcome the proposal on establishing a special group to develop and implement a target-based management process to achieve continuous improvement in public services. This will definitely prove very useful in raising the work efficiency of our civil servants and in achieving a more effective utilization of our huge public resources.

Having stated our support for the special group, we would want to point out the importance of putting in place a satisfactory mechanism to handle representations relating to the appointment, dismissal, and discipline of civil servants. Following the end of colonial rule, the SAR Government must put in place its own mechanism and system to deal with such matters. We are pleased to learn that the SAR Government will shortly set up a review board for this particular purpose. We hope that this review board will handle representations from civil servants in a fair and impartial manner.

The policy address also sets out another commitment under which the SAR Government is to start to implement a new set of common terms of appointment and conditions of service for the civil service to remove the existing differences between local and overseas terms of appointment. The Democratic Alliance for Betterment of Hong Kong (DAB) supports such a move. No doubt, there is a need for us to attract more world-class professionals to serve Hong Kong, and the services of these expatriates have actually been one of the many factors contributing to our success. However, while we are doing so, we must not discriminate against our local talents and belittle their worth. The decision of the Education and Manpower Bureau to offer housing allowance to the 700 or so expatriate native-speaking English teachers will create unequal treatment between local and expatriate teachers, and will in fact run counter to the existing policy of "equal pay for equal work". So, the DAB is against this decision of the Bureau. The Civil Service Bureau is advised to re-examine this issue carefully.

Madam President, civil servants are an important asset of Hong Kong. Through their long years of experience of serving Hong Kong, they have acquired a profound understanding of how this community works, and they are

particularly experienced in running its day-to-day operations. For one reason or another, many retired civil servants are still physically fit for working for the community. However, under section 11 of the existing Pensions Ordinance (Cap. 89), the pension for a retired civil servants will be suspended if he takes up post-retirement jobs in public organizations. This policy is a cruel discouragement to those retired civil servants who still want to render their services to the community and has in fact been strongly criticized by civil service trade unions. So, the DAB welcomes the Government's initiative as set out in the policy address to review this policy.

The hearings conducted by the ad hoc committee on the departure of former Director of Immigration, Mr Lawerence LEUNG, have given Honourable Members and the community at large immense enlightenment and experience, bringing home to them the needs to increase the transparency of the integrity checking system for civil servants and to improve and review the system on the declaration of their interest and investments. In this regard, the Government has responded positively to the advice of the ad hoc committee, and it has made a new commitment in the policy address to conduct a review on these areas. We welcome this commitment.

Madam President, when the Chief Executive touches on environmental protection in his policy address, he remarks, "..... unless Hong Kong provides an environment that is good to live in, how are we going to attract or retain the talented and creative people whom our business and economy need in order to grow?" His remark can only offer a partial explanation as to why we should be concerned about environmental protection, because environmental protection is not just meant to attract and retain talented and creative people. More importantly, it must be pointed out, environmental protection will closely affect the life of all the Hong Kong people, and even their future generations.

Having studied all the recommendations on environmental protection, both in the policy address itself and in the policy programmes which go with it, the DAB has come to the conclusion that all these recommendations are simply "the same old stuffs which lack any forward vision". We simply cannot find any new initiatives among all these recommendations. At a time when Hong Kong is marching into the 21st century, if the SAR Government still clings to its piecemeal policy and do things without any integrated approach, we are convinced that it will be very difficult for Hong Kong to succeed in easing its

environmental problems.

Many developed countries have by now implemented the concept of "sustainable development" as the overall direction of their development policies. In Hong Kong, most unfortunately, we have only just started to explore this concept, and we will have to wait until the year 2000 before this concept can be applied to the formulation of our policies. But, it is highly likely that, before the arrival of this very year, we may have already inflicted irreparable damage to our environment because of the numerous massive construction works and major policies which we need to launch in order to prepare ourselves for the developments and population growth in the 21st century. So, the DAB views that when the SAR Government carries out any development works, it must bear in mind that our "green zones" should be expanded as much as possible, and this it should do by making the best use of sitting-out areas and road-sides where as much vegetation as possible should be planted. Most importantly, it must speed up its work on exploring a course of "sustainable development" which is appropriate to the particular context of Hong Kong. A possible short-term measure in this regard is for the Strategic Development Board under the leadership of the Chief Executive to take the lead in getting to know this concept. Following this, the Board should then attempt to base the formulation of our policies on the perspective of striking a balance between development and environmental protection.

In retrospect, of all the environmental protection policies which have been implemented over the past few years, the Strategic Sewage Disposal Scheme should be described as the messiest. Basically, this is just a scheme intended to improve the water quality of the Victoria Harbour. But, it attracted a lot of criticisms even during its consultation period. Then, because of the delay in the construction of six underground sewers during phase I, the expected effectiveness of the entire project has been greatly reduced; the winding up of the sewage disposal trading fund, in addition, has dealt another great blow to the sewage disposal policy. According to the policy address, the studies relating to phase II will be completed by the end of 1998. The DAB hopes that, apart from increasing its capital injection for existing sewage treatment and improving the procedures involved, the SAR Government will learn from past experience and conduct more studies and consultation before implementing phase II. In particular, the SAR Government must step up its co-operation with mainland experts, so as to ensure that we will not seek to improve the water quality of the

Victoria Harbour by dumping our sewage into the backyard of our neighbour.

Air quality has recently become a major concern among the entire community of Hong Kong. As repeatedly pointed out by the Environmental Protection Department, the respirable suspended particulates (RSP) emitted by diesel-powered vehicles are the main source of our air pollution. That is why a trial of liquefied petroleum gas (LPG) taxis was launched in November this year. The DAB welcomes this pilot scheme, though we are worried that there may not be enough maintenance technicians with the required expertise to assist the operation of this pilot scheme. Another problem is that the varying standards among vehicle maintenance technicians in Hong Kong have directly affected the maintenance quality of our vehicles, thus leading to excessive vehicle emissions. The DAB views that the SAR Government should encourage vehicle maintenance technicians to receive more refresher and enhancement training, and it should also take further steps to educate vehicle owners on the importance of vehicle maintenance. With the introduction of cleaner fuels, and after we have enforced more stringent standards for vehicle inspection and emissions, it is hoped that we will be able to effectively improve the air quality of Hong Kong.

With respect to traffic noise, it is stated in the policy address that the feasibility study on traffic noise mitigation measures for existing roads will be completed in early 1998. The DAB welcomes this feasibility study because many residents of Hong Kong are living beside elevated highways and flyovers, and they are tortured everyday by traffic noise. Those living beside the Hill Road Flyover in West Point and the Tsing Fung Street Flyover in North Point are typical examples. Their plight certainly warrants prompt Government actions to implement noise mitigation measures. For new roads, we maintain that there are all the more reasons for the SAR Government to install noise barriers and enclosures to reduce the nuisance suffered by neighbouring residents, because it will be much easier to do so.

Besides, let me also stress the point that as far as environmental pollution is concerned, the policies implemented by our neighbours will necessarily affect us and vice versa. So, apart from doing its job well, the SAR Government must develop multi-facet co-operation with the mainland, in particular the provincial authorities of Guangdong. It should do this by elevating the status of the existing Guangdong-Hong Kong Environmental Protection Liaison Group, which is hitherto confined to a very limited scope of co-operation. The Liaison Group should be given more extensive authority to conduct research on some

large-scale and strategic environmental protection issues, such as the terminal discharge point of the Strategic Sewage Disposal Scheme, the water quality of Dong Jiang, the air pollution problem in Guangdong and Hong Kong, the ecology and environment in the Pearl River Delta and so on. All these are areas in which we hope to see more co-operation and research.

Madam President, following the tragic landslide of Kwun Lung Lau, slope safety has become an issue of great concern to both myself and the DAB. Undeniably, Hong Kong has devoted huge resources and efforts in recent years to the work of slope inspection and maintenance. But, since there are hundreds and thousands of natural hillsides and man-made slopes in Hong Kong, the Government will have to act with more determination and devote even more resources to tackle this problem if all the slopes in the territory are to be maintained up to the required safety standards. It is mentioned in the policy address that following the completion of the existing Landslip Preventive Measures (LPM) programme in 2000, a new 10-year LPM programme for natural hillsides will be implemented. The DAB welcomes this government initiative. That said, the DAB still wants to say that it is very disappointed with the results of the government efforts to encourage owners of private buildings to maintain their private slopes. We must remember that slope maintenance should be a common responsibility of both the government and the public. Regrettably, property owners in general still hold a "could-not-care-less" attitude at present, and the effectiveness of government publicity in this respect still leaves much to be desired. In view of this, the DAB thinks that the SAR Government must work out some new measures to increase property owners' awareness of slope safety. At the same time, and more importantly, the SAR Government must provide active and professional assistance to property owners, so that they can become well-equipped to keep their slopes under reasonable and appropriate maintenance.

Madam President, a policy address which deals with the future development of Hong Kong and which concerns the interests of everyone here has just been delivered. As the people of Hong Kong, who live under the concepts of "one country, two systems", "Hong Kong people ruling Hong Kong" and "a high degree of autonomy", we must face our future with a proactive, objective and impartial attitude. I know very well that the roads ahead for Hong Kong will be twisty. But, I am also convinced that our prospects will definitely be very bright.

Let me just conclude my remarks today by quoting a few lines from the last paragraph of the policy address: "I sincerely hope that each and every one, with the same sense of responsibility and commitment towards our families, will join hands to achieve our goals as we move steadily forward".

Madam President, I so submit.

PRESIDENT (in Cantonese): Mr Bruce LIU.

MR BRUCE LIU (in Cantonese): Madam President, I would like to voice my dissatisfaction with the policy address, as it has scarcely mentioned how the policy of "one country, two systems" is to be firmly implemented.

I think that we have already entered into the era of the Hong Kong Special Administrative Region (SAR). Apart from developing the economy of Hong Kong, it is also very important to further raise the competitiveness of Hong Kong and to improve the living standard of its public. Our principle is, under the concept of "one country, two systems", try to figure out a way to put it into practice.

In order to make the concept of "one country, two systems" a success, we should continue to work hard and, in particular, to consider how to set up the boundary of "one country, two systems" between Hong Kong and the Mainland. The boundary could clearly be fixed through actual implementation of the system.

I would like to point out four areas where the SAR Government should put in more effort. First of all, the Basic Law has given the SAR "four authorities", namely the executive, legislative, judicial and final appeal authorities. These four authorities should be extended and applied appropriately. As regards the executive management authority, the SAR Government has sufficient executive management authority. This authority should be applied to boost the interests of the SAR. In case the Central Government and the SAR Government have

any conflicts on standpoints, principles or benefits, the SAR Government should first of all, protect its executive management authority and interests and regard this as its mission. Take an example, should the national song be played before screening films in cinemas? This seems to be a minor matter. However, it is worthy of our consideration. Being Chinese people, we should, of course, respect the national song of China. However, what arrangement would be more appropriate? I greatly appreciated the response of one of the public officers at that time. He pointed out that this matter should be decided by the SAR Government. This is the accurate way to protect the executive authority of the SAR. The reason is that although the national song should be played in proper circumstances, but in the circumstances of the SAR, should it be played in cinemas? Perhaps, at the time, the atmosphere and the mood of the people in Hong Kong was not ready for such arrangement. And we should claim back the right of making decisions and the matter should be decided by Hong Kong.

Take another example. Usually, the executive management of the SAR Government should be applied to boost the public's interests. Recently, we have a hot issue on the coming 80th birthday of "Sir SY CHUNG". The Chief Executive planned to hold a birthday banquet for him in the former governor's house. This incident may seem to be a storm in the tea cup or just a trifling matter. And it might just be a private party of the Executive Council. However, what the public are concerned is not this point but the mixing up of the official and private matters. That is to say, the executive management authority of the SAR Government should consider the public interests as the first priority. Therefore, when the Government responds to the debate of members' motions later, I would like the Government to answer a question: Is this a case of mixing up official and private matters? When the Chief Executive uses public funds to hold some private activities in the government premises, is there a case where official and private matters are mixed up? I hope he can give us an explanation and to clarify the queries of the public.

For the executive management authority of the SAR Government, how can it be adequately exercised for of the public? I consider that, in the long run, the Chief Executive should be chosen through the system of "one person, one vote". This has been the standpoint of the Hong Kong Association for Democracy and People's Livelihood (HKADPL).

The second area is about the legislative authority. At present, the

Provisional Legislative Council should only make the legislature of laws which are vital for the smooth running of the SAR. This is an important principle. Of course, as there is no "through train", the Provisional Legislative Council at present may not enjoy the legislative authority empowered by the Basic Law. Therefore, as a remedy, the only alternative is to complete the various election ordinances or regulations, the voters' registration and so on expeditiously. At the same time, the election for the first Legislative Council should take place as soon as possible. The policy address has already mentioned this point. During this process, the SAR Government should be very fair, particularly in drawing the boundary of the constituencies which has aroused active discussions among the public recently. Why are they so anxious about this matter? Some are worried that some people may "make use of their authority for self interests". This is only part of the criticism. However, another point which is also very important is that we should see to it that there will be a fair and just election. The method for drawing up the boundaries as adopted by the Electoral Affairs Commission is accurate. How can we maintain its justice? One of the point is that if any member of the Executive Council wants to take part in the election, please avoid suspicion by abstaining from making any suggestions for amendments. In this way, the Electoral Affairs Commission can carry out its work independently. The public have discerning eyes. They would pay close attention to any announcement concerning boundaries of the constituencies. The SAR Government should handle the whole process carefully.

As a long-term measure, we should consider how to implement the legislative authority empowered by the Basic Law. The answer is that all members of the Legislative Council should be selected through the system of "one person, one vote" as soon as possible. At this point, I just want to add that Mr TUNG Chee-hwa once said that he was a conservative person in the Question and Answer Session, meaning that he would not consider moving to amend the Basic Law in coming years. I have already mentioned this point in my debate. However, I find his statement very disappointing. He can be regarded as a Tai Chi expert who is very familiar with the practice of avoiding responsibilities. In fact, this mode of "self-concealment" is really disappointing. In the Basic Law, it is mentioned that ultimately, there will be a general election. However, it will be held ten years later. A lot of members and the public would like to ask for one thing, whether the Chief Executive will implement concrete measures for a general election. For example, during his term of office, will he conduct any consultation to make sure that a general election will be held in ten years? Will

he put in some effort? As regards these areas, he has not given any views and has just kept on evading the questions. This is really very disappointing, giving us the impression that he is too conservative.

On the judicial and final appeal authorities, since the establishment of the SAR, it is fortunate that the independence of the judiciary in Hong Kong can still be maintained. And what we have to do is to preserve the achievement in this area. We should never allow the independence of the judiciary in Hong Kong be destroyed. Of course, what the Government can do in this area is not much. However, the Government should ensure the smooth running of the judiciary system, and in particular, more resources should be invested in promoting the use of Chinese in courts.

Apart from the extension of the four authorities, protection of the freedom of human rights is also very important. I think in the system, there is still room for further improvement and struggle, particularly Article 39 of the Basic Law has stated that: the provisions of the two international covenants shall remain in force and shall be implemented through the laws of the SAR. The Human Rights Commission of the United Nations has made an authoritative interpretation for this article. It is provided that upon the return of Hong Kong after 1997, the new sovereignty country (China) should still be responsible for submitting reports. That is to say, China should consider how the report of human rights of Hong Kong will continue to be submitted to the Human Rights Commission of the United Nations continuously. I have asked Mr TUNG Chee-hwa whether the reports on human rights will be submitted in future? Mr TUNG said that the most important thing was that the people in Hong Kong could enjoy human rights and that there was no need to be so concerned about whether the reports on human rights would be submitted or not. I totally agree with the first part of the sentence that "the most important thing was that the people in Hong Kong can enjoy human rights". However, I consider that the second part of the sentence is also very important. It is because in the international civilized community, there are at present a lot of member countries which have signed or accepted the international human rights covenants. Why they have tried their best to submit reports on human rights? The answer is that they all accept a system for reminding and monitoring each other to encourage members to keep on improving the standard of the human rights. And all of them think that there are advantages for adopting this system, as the level of the human rights of these member countries will be developed further. Before 1997,

as the United Kingdom was the signatory country of the International Covenant on Civil and Political Rights, Hong Kong did submit reports on human rights. Under such an arrangement, Hong Kong could enjoy the benefits of the mutual reminding and monitoring system in the international community. At the same time, some authoritative opinions of the Human Rights Commission of the United Nations could give Hong Kong a very powerful motive for improvement. Therefore, I hope Mr TUNG will put some effort in this area, including fighting for it with the Central Government. One of the feasibilities is to authorize Hong Kong to submit its own reports on human rights of Hong Kong to the Human Rights Commission of the United Nations. Of course, the best way is for the Chinese Government to become a signatory of the International Covenant on Civil and Political Rights. I desperately hope this will become true. If China signs this covenant some days in future, it will be the time when China has made a great move on political reform.

Madam President, I just want to add the two points stated above. I hope in the policy address, apart from economic development, the development on politics and human rights should also be considered. Let me add one more point. Actually, under the concept of "one country, two systems", one of the most successful areas is that Hong Kong has preserved the existing living style as well as the environment of social cleanness and fair competition. The Honourable Andrew WONG has just delivered a long speech which gave me the feeling that I was backed to the classroom of the Chinese University of Hong Kong fifteen years ago when I was attending his lecture. However, I totally agree with one of the points, that the multi-culture of Hong Kong should be preserved. I understand that there is also a multi-culture in the Provisional Legislative Council. Some of us have given a big "applause" to the policy address delivered by Mr TUNG, while some have tried to introduce an amendment to express their regret. All these opinions are expressed freely. I regret to see that there are only five votes for this motion expressing regret. Madam President, I heard a song last night which was sung by Mr Danny SUMMER. The name of the song is "Nothing to say about the future". This song first came on the charts more than 10 years ago. It explained why the people in Hong Kong had a feeling that they had nothing to say about their future at that time. In fact, it just meant that we had no confidence in the future of Hong Kong. However, up till now, we have entered into an era of the SAR. I find that a lot of people have shown their confidence by means of their feet as there are a lot of people coming back to Hong Kong. Under this situation, we

have very confident in Hong Kong and also have great expectations for the SAR Government. I hope apart from the economic development, there are also complementary development in politics.

I so submit.

PRESIDENT (in Cantonese): I now invite Dr LEONG Che-hung to move a motion to adjourn the debate on the Motion of Thanks. Public officers will speak on the Motion at the next Council meeting.

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

PRESIDENT (in Cantonese): I now propose the question you and that is: That the debate on the Motion of Thanks be now adjourned.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour of the motion please say "aye"?

(Members responded)

PRESIDENT (in Cantonese): Those against please say "no".

(No Member responded)

PRESIDENT (in Cantonese): I think the "ayes" have it. The "ayes" have it.

NEXT MEETING

PRESIDENT (in Cantonese): In accordance with the Rules of Procedure, I now adjourn the Council until 2:30 pm on Wednesday, 29 October 1997.

Adjourned accordingly at five minutes to Seven o'clock.