

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 29 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 JAMES TIEN PEI-CHUN, J.P.

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 NGAI SHIU-KIT, J.P.

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

THE HONOURABLE LEUNG CHUN-YING, J.P.

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 WING-CHAN

THE HONOURABLE CHAN KAM-LAM

THE HONOURABLE TSANG YOK-SING

THE HONOURABLE CHENG KAI-NAM

THE HONOURABLE FREDERICK FUNG KIN-KEE

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

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE KENNEDY WONG YING-HO

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 LAU WONG-FAT, J.P.

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 PAUL CHENG MING-FUN, J.P.

THE HONOURABLE CHENG YIU-TONG

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

THE HONOURABLE TIMOTHY FOK TSUN-TING

THE HONOURABLE KAN FOOK-YEE

THE HONOURABLE NGAN KAM-CHUEN

THE HONOURABLE TAM YIU-CHUNG, J.P.

THE HONOURABLE CHOY SO-YUK

MEMBERS ABSENT:

THE HONOURABLE DAVID CHU YU-LIN

THE HONOURABLE MRS PEGGY LAM, J.P.

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE LO SUK-CHING

DR THE HONOURABLE LAW CHEUNG-KWOK

PUBLIC OFFICERS ATTENDING:

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

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

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

MR MICHAEL SUEN MING-YEUNG, J.P.
SECRETARY FOR CONSTITUTIONAL AFFAIRS

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

MR NICHOLAS NG WING-FUI, J.P.
SECRETARY FOR TRANSPORT

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

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

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

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

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

MR KWONG KI-CHI, J.P.
SECRETARY FOR THE TREASURY

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

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

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

CLERKS IN ATTENDANCE:

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

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

MRS JUSTINA LAM CHENG BO-LING, ASSISTANT SECRETARY
GENERAL

PAPERS

The following papers were laid on the table pursuant to Rule 21(2) of the Rules of Procedure:

Subject

Subsidiary Legislation	<i>L.N. No.</i>
Road Tunnels (Government) (Amendment) Regulation 1997	482/97
Employees' Compensation Insurance Levy (Rate of Levy) (Amendment) Order 1997	483/97
Employees' Compensation Insurance Levies Ordinance (Amendment of Schedule 2) Notice 1997.....	484/97
Protected Places (Declaration) Order 1997	485/97
Specification of Arrangements (Government of the Federal Republic of Germany Concerning Air Services) (Double Taxation) Order	486/97
Specification of Arrangements (Government of the United Kingdom of Great Britain and Northern Ireland Concerning Air Services) (Double Taxation) Order	487/97
Tsing Ma Control Area (General) (Amendment) Regulation 1997	488/97
Volunteer and Naval Volunteer Pensions Ordinance (Amendment of Schedules) Order 1997.....	489/97
Statutes of the University of Hong Kong (Amendment) (No. 2) Statutes 1997	490/97

Electrical Products (Safety) Regulation (L.N. 187 of 1997) (Commencement) Notice 1997.....	491/97
Plant Varieties Protection Ordinance (Cap. 490) (Commencement) Notice 1997.....	492/97
Plant Varieties Protection Regulation (L.N. 279 of 1997) (Commencement) Notice 1997.....	493/97

Sessional Papers

- No. 28 — Report of changes to the approved Estimates of
Expenditure
approved during the first quarter of 1997-98
Public Finance Ordinance : Section 8
- No. 29 — Hong Kong Sports Development Board
Annual Report 1996-1997
- No. 30 — Land Development Corporation
Annual Report 1996-1997
- No. 31 — The Prince Philip Dental Hospital Hong Kong
Report by the Board of Governors
for the period 1 April 1996 to 31 March 1997

ADDRESS

PRESIDENT (in Cantonese): Address. Mr CHAN Kam-lam will address the Council on the report of the Bills Committee on the Employment and Labour Relations (Miscellaneous Amendments) Bill 1997. Mr CHAN Kam-lam.

Report of the Bills Committee on Employment and Labour Relations (Miscellaneous Amendments) Bill 1997

MR CHAN KAM-LAM (in Cantonese): Madam President, I submit this report as Chairman of the Bills Committee on Employment and Labour Relations (Miscellaneous Amendments) Bill 1997. Since the details of the deliberations of the Bills Committee have already been given in the report, I will only speak on a few main points.

The Bill is to repeal the Employment (Amendment) (No. 4) Ordinance 1997, the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance and to amend the Trade Unions Ordinance. The operation of the three Ordinances has been suspended until 31 October in order for the Administration to review them and to come up with further suggestions.

The Bills Committee has discussed the form of the Bill with the Administration and some members have asked the Administration to split up the Bill in order to consider the three relevant Ordinances separately. However, the Administration has replied that the Bill is meant to follow up the Legislative Provisions (Suspension of Operation) Ordinance 1997 passed by the Provisional Legislative Council in July, which also deals with several Ordinances in one single Ordinance.

Some members of the Bills Committee held quite different opinions with the Administration with regard to the various legislative proposals. The Bills Committee understood that the standpoints and views of both sides had already been adequately reflected and discussed in the meetings of the Panel on Manpower. The Bills Committee was also clear about the views represented by different sides and understood that its members might not be able to reach a consensus on some matters of principle and controversial issues, such as whether a mandatory collective bargaining system should be implemented in Hong Kong.

In the course of discussing the Administration's proposed amendments to the Trade Unions Ordinance in the Bill, in response to the Bills Committee's request, the Administration explained that the affiliation of local registered trade unions with organizations in the Mainland and Taiwan will be dealt with in accordance with the Basic Law and the basic principles and policies announced by the Central People's Government in June 1995. The relationship between local labour organizations and their counterparts in the two regions shall be based on the principles of non-subordination, non-interference and mutual

respect.

The Bills Committee has also exchanged views with the Administration on the organizations to be affiliated with and the transitional arrangements of the Ordinance. The Administration has agreed to propose relevant Committee stage amendments so as to give the provisions better clarity and consistency.

The Bills Committee's views concerning the three labour laws in the Bill are given in the report and I will not repeat them here. On the whole, the Bills Committee has no unanimous stand on the Administration's proposals to repeal and amend the relevant Ordinances.

Madam Chairman, I so submit. Thank you.

WRITTEN ANSWERS TO QUESTIONS

Processing Applications for SAR Passports

1. **MR CHOY KAN-PUI** (in Chinese): *Will the Government inform this Council:*

- (a) *of the number of residents who have applied for Hong Kong Special Administrative Region (SAR) passports in the three months from 1 July to 30 September this year; how it compares to the estimation of the Administration;*
- (b) *of the number of SAR passports issued by the Administration during that period;*
- (c) *of the estimation of the Administration regarding the time still needed to finish processing the remaining applications received in that period; and*
- (d) *when the Administration anticipates a large number of applicants for SAR passports will be submitted; and whether it will consider accepting such applications by phases during that period, for the sake of an orderly processing of such applications?*

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) As at 30 September 1997, the Immigration Department has received 313 932 applications for SAR passport. This figure is more or less in line with our planning estimates.
- (b) As of 30 September 1997, 191 615 applications (61%) have been finalized. Of the 140 897 passports already prepared, 92 166 passports have been collected.
- (c) Of the applications currently under processing, the average processing time for urgent applications (that is, where the applicant does not possess any other travel document or whose documents will expire within 12 months), is around 15 working days. For other applications, the average processing time is around 17 weeks.
- (d) As expected, the peak period for application was at the onset. To cater for the large number of applications, the Immigration Department identifies urgent applications for fast-tracking. Applications not belonging to this category are processed separately. This system has proven to be effective. We will continue to monitor the situation and make adjustments as necessary.

Traffic Accidents Involving Drivers Using Mobile Phones whilst Driving

2. **DR TANG SIU-TONG** (in Chinese): *Will the Government inform this Council:*

- (a) *of the number of traffic accidents in the past three years, which involved motorists using mobile phones while driving;*
- (b) *of the measures in place to regulate the use of mobile phones by motorists while driving; and*
- (c) *whether it has conducted any studies on traffic accidents caused by motorists using mobile phones while driving; if so, what the findings*

are; if not, whether any such study will be conducted?

SECRETARY FOR TRANSPORT (in Chinese): Madam President,

- (a) Between 1994 and 1996, there were a total of six injury traffic accidents which involved drivers using mobile phone while driving. No such case was recorded in the first eight months of 1997. The number is relatively low when compared with the annual overall accident injury figure of about 15 000. A breakdown of the statistics on accidents involving mobile phone is as follows:

Number of Accidents with Contributory Factor of Driver
Using Mobile Phones while Driving (1994-1997)

<i>Severity</i>	<i>Year</i>			
	<i>1994</i>	<i>1995</i>	<i>1996</i>	<i>1997 (January-August)</i>
Fatal	0	0	0	0
Serious	1	0	2	0
Slight	2	0	1	0
Total	3	0	3	0

- (b) At present, there is no specific legislation in Hong Kong to prohibit the use of mobile phone while driving. However, drivers may be charged for careless or negligent driving if they fail to have proper control of the car due to any in-vehicle activities, including the use of mobile phone, which may cause distraction to the driver.
- (c) We are carrying out a study on overseas experience and regulatory practices regarding the use of mobile phone while driving. The study is near completion. We will forward our findings and conclusions to the Provisional Legislative Council Panel on Transport when available.

Cross-posting of Four Assistant Directors in the Education Department

3. **MR YEUNG YIU-CHUNG** (in Chinese): *It is learnt that a reshuffle of posts among four Assistant Directors of Education was made recently. In this connection, will the Government inform this Council of the reasons for and details of such a reshuffle, and whether it has affected the Department's administrative efficiency?*

SECRETARY FOR EDUCATION AND MANPOWER (in Chinese): Madam President, the management of the Education Department reviews staff postings at all levels on a regular basis. Where necessary, staff will be redeployed to meet the current and future needs of the Department in its operation and provision of services. Such redeployment also enables the officers concerned to widen their experience through working in different posts, broaden their horizons, and enhance their capabilities. They can more fully develop their potential to meet the future needs of the Department.

The recent reshuffling of posts among the Assistant Directors is a routine personnel arrangement. It involves heads of the Planning and Research Division, Schools Division, Information Systems Division, and Inspectorate Division. In making this arrangement, the departmental management has carefully considered and balanced the Department's operational needs and the training needs of the staff concerned. The redeployment will help enhance the Department's administrative efficiency and provision of services.

Controlling Mainlanders Entering into Hong Kong with Cross Border Farming Permits

4. **DR LAW CHEUNG-KWOK** (in Chinese): *It is learnt that some Mainlanders enter Hong Kong with a "Cross Border Farming Permit" (CBFP). In this connection, will the Government inform this Council:*

(a) *of the causes for issuing CBFPs and the purpose of CBFPs;*

(b) *of the measures in place to control the activity of persons entering*

Hong Kong with CBFPs; and

- (c) *whether persons entering Hong Kong with CBFPs were found to have engaged in activities other than farming in Hong Kong during the past three years; if so, what the details are?*

SECRETARY FOR SECURITY (in Chinese): Madam President, when the New Territories came under the administration of the United Kingdom in 1898, some of the farms used to be cultivated by Mainlanders fell within the boundary of Hong Kong at the time. To enable those affected to continue to cultivate their fields, market their produce and procure daily necessities, they were given special permission to cross the border for the above purposes without the need to go through formal immigration clearance everyday. The customary practice had continued until the late 1970s when there was evidence to show that the system had been exploited as a channel for illegal immigration. Following consultation with the mainland authorities, the CBFP system was introduced in January 1981 to regulate their entry into Hong Kong.

Strict conditions are imposed on CBFP holders. They are only permitted to cross the boundary through the designated entry/exit points, enter Hong Kong only between 6 am and 8 am, return to Shenzhen before 6 pm on the same day and are only allowed to visit the Frontier Closed Area and five traditional market towns (Sheung Shui, Fanling, Yuen Long, Lau Fau Shan and Sha Tau Kok). If the permit holders have genuine reasons connected with their livelihood for going beyond the permitted areas, they will have to apply to the Director of Immigration for a permit to land in Hong Kong. Police officers stationed at designated entry/exit points will record the movements of each permit holder everyday. Anyone found to have breached the permit conditions would be arrested and repatriated as illegal immigrants. If the police, through their daily operations, found any CBFP holder to have committed an offence in Hong Kong, they would be arrested and prosecuted before being repatriated to the Mainland.

Figures on CBFP holders who have breached the permit conditions or have committed an offence in the past three years are set out below.

	1994	1995	1996	1997 (January-September)
Illegal employment	86	18	7	8
Going beyond permitted areas	-	3	2	2
Late return without good reason	5	1	1	-
Using forged document	-	1	-	-
Theft	-	-	1	-
Smuggling	1	-	30	6
Total	92	23	41	16

Penalty for Not Wearing Rear Seat Belts

5. **MR CHIM PUI-CHUNG** (in Chinese): *Since implementing the legislation requiring passengers in rear seats of vehicles to wear seat-belts, will the Government inform this Council of:*

- (a) *the number of persons prosecuted for contravening the relevant legislation;*
- (b) *the penalties imposed by the court on such persons in general and how those penalties compared to the maximum penalty for this offence; and*
- (c) *the number of rear seat passengers who were saved from injuries during traffic accidents for wearing seat-belts as required by law?*

SECRETARY FOR TRANSPORT (in Chinese): Madam President, the legislation requiring rear seat passengers of private cars to wear seat-belts came into effect on 1 June 1996. Up to 30 September 1997, the number of convictions relating to rear seat-belt offences and the range of penalty are as follows:

<i>Amount of Fine</i>	<i>No. of Convictions</i>
\$200	4
\$250	1
\$320	9
\$350	6
\$400	11
\$450	4
\$500	3
Total	38

The maximum penalty for a person convicted of offences relating to rear seat-belts is a fine of \$5,000 and imprisonment for three months.

We do not have information on the number of rear seat passengers avoiding injury in accidents because of having worn seat-belts. However, the number of casualties involving rear seat passengers of private cars has decreased from 1 438 in the 12-month period before the implementation of the legislation to 1 192 in the 12-month period after the implementation of the legislation, that is, a reduction of 17%.

Human Resources Planning for Implementing Quality Education

6. **MR YEUNG YIU-CHUNG** (in Chinese): *Will the Government inform this Council whether there are plans to re-allocate and redeploy the staff resources of the Education Department in order to complement and implement the "Quality Education" policy; if so, of the details of such plans?*

SECRETARY FOR EDUCATION AND MANPOWER (in Chinese): Madam President, the Government is committed to providing quality education. We have accepted the recommendations of the Education Commission Report No. 7 (ECR7) published in early October 1997 to promote a quality culture in the school system. The Report considers that the Education Department (ED) should be a pioneer in practising quality reform. It therefore recommends, *inter alia*, that the ED should review its management structure and operations to better co-ordinate different education initiatives so as to maximize their impact on quality education.

In response to ECR7's recommendations, the Education and Manpower Bureau will commission a consultancy study shortly to review the organizational and management structure of the ED, to enable it to function more efficiently and effectively in its mission to promote quality school education. The study is expected to be completed in early 1998.

Meanwhile, the ED has redeployed staff resources from various divisions to set up an integrated team to carry out quality assurance inspections using the whole-school approach. The integrated team will commence operation soon and the ED will, if necessary, further reorganize its staff resources after the pilot inspections in 1998 to support the development of quality education.

Use of the Hong Kong International Airport by the Central People's Government

7. **DR LAW CHEUNG-KWOK** (in Chinese): *Will the Government inform this Council whether there is any agreement or consensus with the Central Government to enable the Central Government to commandeer or close the Hong Kong International Airport under certain circumstances; if so, what these circumstances are?*

SECRETARY FOR ECONOMIC SERVICES (in Chinese): Madam President, there is no agreement nor consensus between the Government of the Hong Kong Special Administrative Region and the Central People's Government to enable

the Central Government to commandeer or close the Hong Kong International Airport.

Implementation of the Immigration (Amendment) (No. 3) Ordinance 1997

8. **MR HUI YIN-FAT** (in Chinese): *Regarding the implementation of the Immigration (Amendment) (No. 3) Ordinance 1997, will the Government inform this Council:*

- (a) *of the number of certificates of entitlement which have been issued by the Director of Immigration since 1 July this year, and the related statistical breakdown in terms of sex, native place and age of the persons issued with the certificates;*
- (b) *among these persons, of the number who have arrived in Hong Kong on one-way exit permits issued by mainland authorities, and the related statistical breakdown in terms of sex, native place and age; and*
- (c) *among the eligible applicants for certificates of entitlement currently living in the Mainland (that is, those who claim to have permanent residency in Hong Kong under Article 24(3) of the Basic Law and paragraph 2(c) of Schedule 1 to the Immigration Ordinance), of the number of persons at or over the age of 18; and of the estimated average waiting time on the part of the applicants from the date of applications to their arrival in Hong Kong?*

SECRETARY FOR SECURITY (in Chinese): Madam President,

- (a) Between 10 July 1997 when the Immigration (Amendment) (No. 3) Ordinance 1997 was enacted and 15 October 1997, 8 733 certificates of entitlement have been issued by the Immigration Department. A breakdown in terms of sex, application province and age of the persons issued with the certificates is as follows:

Sex	Male	4 408	8 733
	Female	4 325	

<i>Application Province</i>	Guangdong	8 124	
	Fujian	55	8 733
	Others	554	
<i>Age</i>	0-5	1 011	
	6-10	2 488	
	11-15	2 924	8 733
	16-20	1 775	
	21 and above	535	

- (b) Among the persons mentioned in (a), 5 344 have arrived in Hong Kong on one-way permits (affixed with certificates of entitlement) issued by the mainland authorities. A breakdown in terms of sex, application province and age of these persons is as follows:

<i>Sex</i>	Male	2 614	5 344
	Female	2 730	
<i>Application Province</i>	Guangdong	5 299	5 344
	Others	45	
<i>Age</i>	0-5	223	
	6-10	1 375	
	11-15	2 163	5 344
	16-20	1 298	
	21 and above	285	

- (c) Currently, we do not have information on the number of persons at or over the age of 18 living in the Mainland who are eligible to a certificate of entitlement and on their average waiting time from the date of applications to their arrival in Hong Kong. After the implementation of the Certificate of Entitlement Scheme, we have been upgrading the information system so that specific information such as the average waiting time for the eligible persons to obtain approval for coming to Hong Kong for settlement broken down by age will become available by the end of this year.

Fees Charged at the New Airport

9. **MR HENRY TANG** (in Chinese): *The Airport Authority plans to scale down the proposed level of fees to be charged at the new airport at Chek Lap Kok. In this connection, will the Government inform this Council:*

- (a) *how the proposed fees to be charged at the new airport compare to those at the Kai Tak Airport (for example, charges on 747 freighters for using the two airports);*
- (b) *whether assessment has been made by the Administration on the impact of the proposed charges on the air cargo trade and Hong Kong's economy; if so, what the findings are; if not, why not;*
- (c) *whether the Administration will release information on the scheme of control on profits of air cargo terminals; if so, what the details are; and*
- (d) *whether the Administration has considered retaining Cargo Terminal 2 of the Kai Tak Airport as a cargo distribution point to cut down the cost of small consignment; if so, what the outcome is; if not, why not?*

SECRETARY FOR ECONOMIC SERVICES (in Chinese): Madam President,

- (a) In aggregate, the proposed fees to be charged at the new airport represent an increase of about 20% over Kai Tak in real terms. Real increase in charges for different aircraft types will range from about 10% for a B737 passenger aircraft to about 30% for a B747 passenger aircraft. Freighters will pay less charges than passenger aircraft at the new airport because they will not be subject to the Terminal Building Charge. For a B747 freighter (assuming MTOW of 395 tonnes and average turnaround time of four hours), the real increase in airport charges will be around 11% compared to current charges at Kai Tak as illustrated below:

<i>Kai Tak (1997\$)</i>	<i>Chek Lap Kok (1998\$)</i>	<i>Real Increase (assumes 7% inflation)</i>
\$27,352	\$32,376	11%

- (b) International Air Transport Association air cargo carriers were represented in the eight rounds of consultation on airport charges conducted by the Airport Authority (AA). As illustrated in (a), the planned charges on freighters are less than those for passenger aircraft and the real increase for a B747 freighter will only be around 11%. The AA's planned charges are levied on airlines which will no doubt take into account the total cost economics, the demand and supply and the level of competition on particular routes before setting their own charges for carriage of air cargo for specific destination.
- (c) The AA has incorporated into each of the franchise agreements for air cargo a Scheme of Control in the form of an annual maximum price cap per tonne of cargo. This price regulation mechanism is to ensure the provision of quality air cargo handling services at reasonable prices, whilst allowing the franchisees to service their debt and to earn a reasonable return on their investment. It establishes a target nominal internal rate of return on equity of 17.5% on the shareholder's cashflow over the franchise period of 20 years within a band of plus or minus 1.75%. However the Scheme does not provide any form of guaranteed return on profit as actual performance will be influenced by market forces. The Scheme will be in force for at least six years from airport opening and would be reviewed by the Authority in the light of competition prevailing then.
- (d) Based on the latest available information, HACTL Terminal 2 will not be immediately affected by the future planned development of the area upon the closure of the airport in Kai Tak. After the closure of the airport, the building will be managed by the Government Property Agency (GPA) until such time the site is required for permanent development. The GPA is likely to tender out the use of the building on a competitive basis.

Waiting Time for Admission to Subvented Care and Attention Homes and Infirmarys

10. **DR LEONG CHE-HUNG:** *Will the Government inform this Council of*

the longest, shortest and average waiting time for an elderly applicant to be admitted to a subvented care and attention home and infirmary respectively, and of the number of those applicants who passed away before being admitted in each of the past three years?

SECRETARY FOR HEALTH AND WELFARE: Madam President,

Care and Attention places

In analysing the waiting time for care and attention places, applicants can be differentiated into three categories. For those who are in urgent need, priority placement can be arranged within a couple of days. For those who have not indicated any particular home or locational preferences, they have to wait an average of about 27 months before admission. For applicants who have indicated locational, home, religious or diet preferences, their waiting time will vary but will usually be longer.

When interpreting the waiting time for care and attention places, we should take note that not all applicants have an immediate need for residential care services, as applicants are not required to undergo medical assessments before registration on the waiting list.

The number of applicants who passed away while on the waiting list for care and attention places is about 2 000 per year in the past three years. According to professional advice, the death rate is influenced by many medical factors and should not be seen to relate directly to the waiting time.

We are fully aware of the demand for residential care services and efforts are being made to increase the supply. Between 1998 and 2002, 7 000 additional subvented places will be provided.

Infirmary

Admission to infirmary beds is managed by the Hospital Authority, and priority of admission is determined by the patients' need for infirmary care. About two thirds of infirmary beds are taken up by patients who were admitted as an integral part of continued care following the acute clinical phase. For applicants on the waiting list, urgent placement can be arranged for those who have a proven need, in which case, admission can be made within a few days. The average waiting time for the remainder in the past three years has been

around 48 months.

According to data kept by referral workers, about 1 300 to 1 400 applicants passed away per year in 1995-96 and 1996-97 while they were on the waiting list. According to professional advice, the death rate is influenced by many medical factors and should not be seen to relate directly to the waiting time.

As part of the effort to increase the overall supply of residential care places, over 1 000 infirmary beds will be provided in the next five years. The commissioning of nursing homes in the next two years might also help to alleviate the demand for infirmary beds.

Immigration Department's Performance Pledge in Respect of Processing Visa Applications

11. **MR HOWARD YOUNG:** *Will the Government inform this Council:*

- (a) *of the respective average time taken by the Immigration Department to process entry visa applications from overseas applicants routed through the Chinese Embassy in their respective countries and from the applicants direct; and*
- (b) *whether, since 1 July 1997, it has received complaints or comments that entry visa applications have taken a longer processing time than before; if so, whether it has carried out any investigation and what the findings are?*

SECRETARY FOR SECURITY: Madam President,

- (a) The Immigration Department does not keep statistics based on the average time of processing visa applications. This is because there can be substantial variations for individual cases on the time required to process visa applications. For entry visas and visit

visas, most applications can be completed within four to six weeks. For Multiple Taiwan Visit Permits and Macao Visit Permits, virtually all applications can be completed within five working days. There is no significant variation in the time required for processing applications received from overseas applicants routed through the Chinese Diplomatic and Consular Missions in their respective countries/territories or those lodged with the Immigration Department by the applicants direct or through their sponsors in Hong Kong.

- (b) There is no indication that the time required to process entry visa applications now have taken longer than before 1 July 1997. This is indicated by the fact that the Immigration Department has only so far received one complaint on processing time for entry visa application since 1 July 1997. After investigation, it was found that the cause of the complaint was that the application had been misplaced, and the problem was immediately rectified.

102 Recommendations on Primary Health Care

12. **MR HUI YIN-FAT** (in Chinese): *The Report of the Working Party on Primary Health Care entitled "Health for All, The Way Ahead" published in December 1990 contained 102 recommendations. In this connection, will the Government inform this Council of the present progress in implementing those recommendations?*

SECRETARY FOR HEALTH AND WELFARE (in Chinese): Madam President, the implementation of the Working Party on Primary Health Care's recommendations has made good progress. Of the 102 recommendations, 99 have been implemented or are being planned, some of which have been introduced as pilot programmes. Recommendations which have been implemented include the commencement of Woman Health Centres, Student Health Service and Elderly Health Centres, and the enhancement of health education. The remaining three items, namely, the formulation of a new fees and charges structure, the establishment of a Primary Health Care Authority, and the re-organization of the Department of Health, which involve major policy and

financial implications, will have to be further examined in the context of the overall development of medical and health services.

Treatment of SAR Passport Holders at Overseas Immigration Checkpoints

13. **DR LEONG CHE-HUNG:** *Will the Government inform this Council:*

- (a) whether it has received complaints from Hong Kong Special Administrative Region (SAR) passport holders about their treatment at overseas immigration checkpoints in the past three months; if so, of the number of such complaints, together with a breakdown according to the nature of complaints; and*
- (b) of the countries or regions which have offered visa-free entry for SAR passport holders in the past three months, highlighting those offers made in written agreement?*

SECRETARY FOR SECURITY: Madam President,

- (a) So far, the Immigration Department has not received any complaint from SAR passport holders about their treatment at overseas immigration checkpoints.
- (b) Currently, 44 countries grant visa-free entry to SAR passport holders (including three countries which do not require SAR passport holders to apply for visas prior to departure but grant visas upon arrival). So far, of the five countries which granted visa-free access after 30 June 1997 (namely, Cape Verde, Croatia, Malaysia, Nepal and Thailand), only Thailand's decision is set out in a written bilateral agreement with the SAR Government.

Non-emergency Ambulance Services in the Restricted Area of the New Airport

14. **MR HOWARD YOUNG:** *Will the Government inform this Council whether non-emergency ambulance services will be available in the restricted*

area of the new airport at Chek Lap Kok, in respect of embarking, disembarking or transitting passengers in stretchers or under medical care?

SECRETARY FOR SECURITY: Madam President, non-emergency ambulance service for passengers using the new airport at Chek Lap Kok will be as follows:

- (a) For in-bound passengers seeking admission into a hospital in Hong Kong and who are not suitable for travel by other means of transport than ambulance, the Fire Services Department would provide ambulance service to them even if their condition is not serious and thus regarded as a non-emergency case.
- (b) For out-bound passengers, the Hospital Authority (HA) and the Auxiliary Medical Service will provide non-emergency ambulance service for those passengers with a disability departing from HA hospitals/institutions, and Department of Health clinics, Social Welfare Department institutions and private hospitals respectively.
- (c) The conveyance of stretcher/wheelchair bound transit passengers who are required to be transferred from one aircraft to another is the responsibility of the respective airline operators. The Airport Authority (AA) will examine with its contractors operating in the apron area the most suitable arrangements on the provision of such a service.

Where necessary, the airline operators will make special arrangements for non-emergency ambulances to convey stretcher bound passengers to the apron for direct boarding onto the departing flights. The AA will facilitate such arrangements by providing appropriate escort service to the ambulances for entry into the Restricted Area.

BILLS

First Reading of Bill

PRESIDENT (in Cantonese): Bill: First Reading.

SEX DISCRIMINATION (AMENDMENT) BILL 1997

CLERK (in Cantonese): Sex Discrimination (Amendment) Bill 1997

Bill read the First time and ordered to be set down for Second Reading pursuant to Rule 53(3) of the Rules of Procedure.

Second Reading of Bills

PRESIDENT (in Cantonese): Bill: Second Reading. Secretary for Financial Services.

SEX DISCRIMINATION (AMENDMENT) BILL 1997

SECRETARY FOR FINANCIAL SERVICES (in Cantonese): Madam President, I move that the Sex Discrimination (Amendment) Bill 1997 be read a Second time.

The purpose of the Bill is to remove a drafting ambiguity in the Sex Discrimination Ordinance (the "SDO"), as amended by the Sex and Disability Discrimination (Miscellaneous Provisions) Ordinance (the "MP Ordinance"). The MP Ordinance was a Member's Bill enacted by the previous Legislative Council in June 1997. The drafting ambiguity is related to the commencement date of sections 11(4), 15(4) and 16(4) of the SDO as amended by the MP Ordinance.

If the ambiguity is not removed, there will be two possible interpretations to the commencement date of sections 11(4), 15(4) and 16(4) of the SDO as amended by the MP Ordinance (20 December 1996 or 15 October 1997). This is certainly undesirable as one of the interpretations (20 December 1996) will have retrospective effect and cause difficulties and administrative costs to employers and retirement scheme administrators who may be unable to amend their retirement schemes terms. Alteration of scheme terms will also create inconvenience to scheme members. The retirement scheme industry has already raised a lot of queries on the commencement date of the relevant provisions.

This in fact is not what the original legislation had intended.

In view of the above, we have made it very clear in our Bill that the commencement date of the relevant provisions is 15 October 1997. This will remove the ambiguity and address the serious concern expressed by the retirement scheme industry on the commencement date. In any case, the proposed amendment is entirely consistent with the original legislative intention.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Sex Discrimination (Amendment) Bill 1997 be read the Second time.

PRESIDENT (in Cantonese): According to 54(4) of the Rules of Procedure, the debate is now adjourned and the Bill referred to the House Committee.

Resumption of Second Reading Debate on Bill

EMPLOYMENT AND LABOUR RELATIONS (MISCELLANEOUS AMENDMENTS) BILL 1997

Resumption of debate on Second Reading which was moved on 15 October 1997

PRESIDENT (in Cantonese): The Council is now resumed the Second Reading debate of the Employment and Labour Relations (Miscellaneous Amendments) Bill 1997. Does any Member wish to speak? Mr NGAI Shiu-kit.

MR NGAI SHIU-KIT (in Cantonese): Madam President, on 16 July this year, my colleagues of the Hong Kong Progressive Alliance (PA) supported the Government's suspension of the operation of five ordinances mentioned in the Legislative Provisions (Suspension of Operation) Ordinance 1997, including the Employment (Amendment) (No. 4) Ordinance 1997, the Employee's Rights to

Representation, Consultation and Collective Bargaining Ordinance and the Trade Unions (Amendment) (No. 2) Ordinance 1997 which will again be discussed today. In our opinion, these three laws are closely linked with every citizen's life. If they are hastily passed without careful consideration and wide consultations, they will have an incalculable negative impact on society and the public. That being so, as legislators representing the general public, we feel that in deciding whether those ordinances should be implemented, one must consider the following three main principles: first, whether there has been adequate consultation with regard to each of those ordinances, and whether the views of the public and experts have been taken into consideration; second, whether those ordinances have gone through a proper process of consultation and legislation; third, whether the provisions of those ordinances are precise and clear and whether they will give rise to unnecessary lawsuits and seriously affect people's lives.

Based on the above three principles and taking into account the views of the Labour Advisory Board (LAB), we support the Government's motion to repeal the Employment (Amendment) (No. 4) Ordinance 1997 and the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance, since these two ordinances will give rise to unnecessary lawsuits and seriously affect people's lives. We also support the Government's amendment to the Trade Unions (Amendment) (No. 2) Ordinance 1997, since after detailed consultation and amendment, its provisions have become more precise and clearer than the provisions of the old ordinance and this is in the public interest.

Madam President, with regard to the Employment (Amendment) (No. 4) Ordinance 1997 and the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance, we support the Government's stand because they would damage the long-standing harmonious and stable labour relations in Hong Kong. This is particularly true of the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance, which would affect 18 000 organizations and 1.33 million employees in Hong Kong and seriously undermine the present labour relations in the territory. Moreover, it contains a provision that employers must consult representative trade unions on sensitive business decisions. Such a change would discourage foreign investors from investing in Hong Kong and undermine our international economic competitiveness. In the last analysis, local workers would be the losers.

With regard to the Trade Unions (Amendment) (No. 2) Ordinance 1997,

we agree with the Government's amendments. The amendments show that the Government is further relaxing the restrictions on trade union membership. For instance, persons at the age of 18, instead of 21 at present, may become members of the executive committee of a trade union, while persons under 16 may register as trade union members. As for the controversial issue of affiliation of local trade unions with organizations in foreign countries, the Government's present amendment allows trade unions to become a member of a relevant organization in a foreign country, provided that it gives notice of such affiliation within one month. This shows that the Government has no intention of restricting trade union activities. As for the Government's reinstatement of the restriction on the payment of contribution to foreign organizations by trade unions and trade unions becoming a member of other overseas organizations, its chief purpose is to protect the development of local trade unions from interference by foreign powers. This is perfectly natural and right.

Madam President, after taking into account all the arguments and the views of the LAB, I and colleagues of the PA agree with the Government's handling of today's three employment ordinances.

Thank you.

PRESIDENT (in Cantonese): Mr LEE Kai-ming.

MR LEE KAI-MING (in Cantonese): Madam President, I object to the Second Reading of the Employment and Labour Relations (Miscellaneous Amendments) Bill 1997, particularly since it repeals the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance without proper grounds.

- (1) The Ordinances concerned were enacted by the Legislative Council of the former Government in accordance with legislative procedures. The Hong Kong Special Administrative Region (SAR) Government should not conclude that these ordinances will seriously affect the Government's operations and so have them repealed before they are enforced. The SAR should first enforce the Ordinances, and then submit amendments if there are problems encountered in the process of their enforcement. Repealing the ordinances without enforcing them is not appropriate.

- (2) The Government has admitted that it has fully executed the International Labour Convention No. 98 since 1975 to promote voluntary collective bargaining between the labour and capital parties, but up to now there are still no favourable results. To cope with the spirit of the Convention, we should lay down laws on compulsory bargaining. Before other laws are formulated to promote collective bargaining between the labour and capital parties, it is inappropriate to abolish the only Ordinance concerning collective bargaining, which has been passed.
- (3) It is said that the majority of members of the Labour Advisory Board have agreed to abolish the ordinance, but they have also reached a consensus to add a condition — "to further study the style of bargaining and collective bargaining that suits Hong Kong best". Why do we not wait for the result of the study of the additional condition before repealing the ordinance?
- (4) The Government has quoted the unemployment rates of some European countries, when there are collective bargaining rights, as the ground for repealing the ordinance. I already made my points clear at the meeting when I rose to speak against suspending the Ordinance, and I am now going to add a few more points. The Government has cited individual European Union countries as examples, saying that these countries have been restrained by powerful trade unions, causing the unemployment rate to rise, but it has put forward no grounds to prove that there is anything wrong with collective bargaining. Why does the Government not quote the economic development and labour relations of other developing countries where collective bargaining rights are protected by law. In particular, why do they not mentioned the increased productivity under a democratic industrial system, such as the quality circle of Japan, for Honourable Members' reference? It is an incomplete approach that is not desirable, and it cannot prove that legislation to protect collective bargaining between the labour and capital parties will hamper the economic development of Hong Kong. On the contrary, it is when the Government yields to the pressure from the commercial sector and repeals the law by force that labour relations will be undermined and labour-Government relations strained.

With these remarks, I object to the Second Reading.

PRESIDENT (in Cantonese): Mr Frederick FUNG.

MR FREDERICK FUNG (in Cantonese): Madam President, I reiterate the views of the Hong Kong Association for Democracy and People's Livelihood (HKADPL) on the Government's attempt to repeal three ordinances on labour relations and rights. Actually, these three ordinances were properly enacted through formal and legislative procedures of the former Legislative Council. They have been ratified by the Governor and have become the laws of Hong Kong. According to Article 160 of the Basic Law, the laws of Hong Kong should continue to be valid and enforced unless they are in contravention of the Basic Law. Since the three labour laws were passed by the former Legislative Council, theoretically speaking, unless someone can point out which article of the Basic Law they contravene, the Government should enforce these three laws. Of course, if in the course of enforcement the Administration finds that the work involved in certain laws, or the enforcement of certain laws and present legislations might encounter difficulties or there are loopholes in these laws, the Administration may propose amendments at the Legislative Council. I believe this is acceptable to the Hong Kong people. However, after legislation and ratification by the Government, these three laws have never been enforced. The Hong Kong Special Administrative Region (SAR) Government has proposed to suspend these laws and now it wants to repeal them. That is totally inconsistent with the basic responsibility of the Administration to enforce laws which have been passed. This is the first point I want to raise.

Second, why does the Provisional Legislative Council approve the Government's repeal of the laws passed by the former Legislative Council? While the same laws are involved in both cases, the results are exactly the opposite. I think the main reason for this is that the background of most members of the Provisional Legislative Council is very different from the that of members of the last Legislative Council. Many or even most members of the Provisional Legislative Council are either from the industrial and commercial sector or supporters of the business sector. During the whole process, they failed to understand the importance attached by the labour sector and trade unions to these three ordinances and the basic rights that these three ordinances

give to trade unions and workers so that they will have more, and I stress the word "more", equal opportunities when dealing with employers or the industrial and commercial sector, in discussing issues related to labour relations and workers' welfare.

Third, from the very beginning, I thought that it is inappropriate for the Provisional Legislative Council to discuss and repeal these three Ordinances. From time to time we stress that the Preparatory Committee's decision is binding on the Provisional Legislative Council (actually I have always felt that this might be worth reexamining). If most Provisional Legislative Council members consider that it is binding on the Provisional Legislative Council, why is it that one of the powers and functions of the Provisional Legislative Council as defined by the Preparatory Committee does not seem to have a binding effect this time? When the Preparatory Committee decided to set up the Provisional Legislative Council, it was proposed that the Provisional Legislative Council should have seven functions. No. 7 states that the Provisional Legislative Council may only enact laws which are indispensable. This refers to laws and not debate or discussion without a binding effect. Therefore I will ask in what way are these three labour Ordinances "indispensable"? If the Government thinks there is a problem with these three ordinances after one year of enforcement and after the dissolution of the Provisional Legislative Council, it can propose amendments and make proposals any time to the Legislative Council to be established after the Provisional Legislative Council and let it decide whether to support them or to amend them. Is this the right time to propose the repeal of laws? I think this deviates from the seventh function of the Provisional Legislative Council as defined by the Preparatory Committee, that is, that it can only enact indispensable laws.

Fourth, I disagree with the Government's handling of these three Ordinances not only on the grounds of legal principle. Actually, I find that collective bargaining is a basic mechanism that every civilized and modern society would have for trade unions or workers to negotiate with the industrialists and businessmen. People are worried that giving trade unions the power of collective bargaining would lead to labour movement, strikes or industrial actions, thereby affecting Hong Kong's production. But as one can see, very often western countries make use of collective bargaining to solve many problems. There are many such examples. In fact, every mechanism has its merits and shortcomings. Even if trade unions have no collective bargaining power, there might still be labour movements or strikes. The purpose of collective bargaining is to combine the problems and interests of workers into

one or two basic demands, after which one could sit down and talk with the employers.

I recall that in the last discussion, the Honourable Mr James TIEN mentioned the problem that there is no binding effect on the workers, meaning that the decisions reached at meetings might not be binding on workers. Actually, trade unions have a responsibility to bind their members. If Members find that there are loopholes in a law, they may propose amendments to make the law more consistent with the equal rights of bargaining of both sides, instead of getting rid of the whole law due to some minor loopholes. Thus I believe that the Government's move to repeal these laws is unpopular. It gives the general public and the grassroots people the impression that the Government sides entirely with the business sector, even helping the business sector to prevent the general public and the working class from expressing their opinions and seeking legitimate channels to claim and fight for their rights.

Madam President, I regret the Government's proposal of this Bill to repeal the laws and I am against the Second Reading of this Bill.

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

MR CHAN CHOI-HI (in Cantonese): Madam President, I object to the Employment and Labour Relations (Miscellaneous Amendments) Bill 1997. I have given my grounds in details during the last debate, and today, I just wish to discuss a few points.

Firstly, I think the Government has adopted a "lose-hit, win-take" approach by exerting excessive pressure. It proves once again that the Government has colluded with the business sector to put into practice the principle of businessmen ruling Hong Kong. There is a rumour in Hong Kong that the importation of overseas labour will be expanded and this, coupled with the repealing of Ordinances, has rendered the labour sector under attack on two sides, thereby openly depriving the labour sector of their rights.

Recently, people in the community are quite concerned about our

unemployment situation. A recent survey reveals that many people consider unemployment as a big problem. Even if we will continue to voice our strong objection, we know that this Bill will be passed today. After this message is disclosed, I believe the citizens may think that the Hong Kong Special Administrative Region (SAR) Government is not concerned about the interests of the labour sector. I think that it is one misfortune after another. The contradictions in our society in general and the labour sector in particular will intensify. I think it will be highly unfavourable to the long term economy of Hong Kong or to the stability of the SAR if we pass the Bill at this stage.

I think that we are proud to be a minority in votes. We are not afraid to be a minority and I shall continue to cast a vote against the motion.

PRESIDENT (in Cantonese): Mr James TIEN.

MR JAMES TIEN (in Cantonese): Madam President, we debated these labour ordinances about one or two months ago. During a meeting of the last Legislative Council at the end of June, some Members introduced these labour laws in the form of a private bill which we debated in detail. We have put forward our arguments over and over; possibly, we have to repeat them again today. Repeating the arguments is just like playing old records over and over again.

Madam President, I believe the Government will put forward its own ideas about collective bargaining later. I fully understand the opinions just expressed by the Honourable LEE Kai-ming's as he is a representative of the labour sector. The Honourable Mr Frederick FUNG mentioned that when I talked about collective bargaining last time, I remarked that a labour or trade union representative cannot pledge that the other members will honour the agreement which he has signed. Mr Frederick FUNG should understand that for collective bargaining in foreign countries, the trade unions have control over its members. In certain places, the unemployment rate is as high as 10%, and the workers do not have any chance to go to other places to look for jobs. May I ask which trade union in Hong Kong has enough courage to sign a contract with the employer, promising that the workers will never resign from their jobs? Regardless of the amount of wage increase, they will find another job whenever they are offered better wages. Can the trade unions ensure that their workers

will not resign from their jobs? Certainly not. Therefore, I think it is neither necessary nor feasible to make such a bargain.

Mr FUNG has asked why I have not tried to amend the laws concerned, but would this not infringe the rights of the workers, that is, their rights to resign and find another job? Does it mean that a worker cannot resign after signing a contract? After the contract has been signed, the majority of employers will accept that when an employee resigns, it will be all right if he gives one month's notice, but if he does not, it will still be the end of the matter. Will the employer really sue the employee? On the other hand, when an employer wishes to dismiss a staff member, he has only to give him one month notice or one month's wage in lieu of notice.

Regarding the unemployment rate, will collective bargaining really benefit the workers in the end? I do not think so. In many places, collective bargaining is necessary, because most of the companies in those places are large companies. In Hong Kong, however, the majority of the three million workers or employees work for medium or small firms. Under such circumstances, it would not be the case for several large companies, through negotiations, to deprive the employees of the chance to find other jobs; nor would it be the case for these large companies to control the fate of the workers in looking for employment.

Madam President, the Government has introduced today a bill concerning the three Ordinances. I believe there are less arguments in respect of collective bargaining and how donations should be spent. Nevertheless, in respect of the right of reinstatement, I wish to make some comments. With the constant efforts to the Labour Advisory Board (LAB) in conducting negotiations, labour relations have gradually undergone changes over the years. Whenever there are changes, it is always there is the labour side that has made some progress. We absolutely support this. In the last term, a Member raised the issue of the right to reinstatement in the form of a private bill. The Democratic Party fully supported the bill at the time and our Liberal Party lost because we had not enough votes. Now I wish to discuss the issue of the right to reinstatement again. In fact, the Employment Ordinance has since the '70 made provisions to the effect that employers should not discriminate against trade union members. Moreover, after the labour protection provisions took effect in June this year

(they have been passed as Government laws), the employees may make civil claims against their employers. Therefore, the employees are fully protected. The private bill introduced by the Member has added more provisions, but this has made many of the employers at a loss as to what to do, because they do not know which provision to follow. The Government certainly thinks that its ordinance is better, and therefore, supports repealing the private ordinance which provides that the court may order an employee to resume work without the employer's permission. We may find that it is not feasible to force an employer to accept an employee back to work, whether he is a trade union member or not.

Besides, it is said that there are some 500 000 to 600 000 workers who are trade union members, but we do not know which trade union they belong to. There are indeed lots of trade unions. When an employer recruits staff, can he request the applicant to write down the name of trade union he belongs to, or ask whether he belongs to any trade union? It is not possible because it is an offence against the present anti-discrimination legislation. Employers cannot ask this sort of question at all. After the employer has recruited a staff member, he may think that he can proceed with normal procedures about pay rise, internal transfer or disciplinary actions, but when the staff member says that he is a trade union member, the employer can do nothing about it. It is unfair to the small and medium firms.

The labour representatives may say that large firms have human resources managers or officers to handle these problems, but the majority of enterprises in Hong Kong are medium or small firms. How can they possibly attend to so many matters when they have to do business? If they do so, they have to pay a large sum of compensation. Honourable Members may have overlooked that there is no ceiling for compensation, unlike other laws which provide for maximum compensations ranging from \$60,000 to \$100,000. We find that it is extremely irrational especially to the medium or small firms if there is no ceiling for compensation.

The ordinance has also failed to mention another possibility; it is true that there are unscrupulous employers in this world, but in fact there are unscrupulous employees as well. The ordinance has not taken into account that an irresponsible trade union member may abuse this law. For example, a staff member is lazy at work every day, but when an employer wants to dismiss him, he will say he is a trade union member. The employer cannot dismiss him with immediate effect. This is a discrimination against the non-trade union workers,

instead of against the trade union workers. In fact, I think it is unfair to the employers.

On the other hand, with efforts made by the Labour Advisory Board all these years, many of the labour laws have struck a balance between the employers and the employees. For instance, as I have just mentioned, when an employee wishes to resign or to terminate his contract in order to find another job, all he has to do is to submit a resignation letter and the employer can do nothing about it. On the other hand, if an employer wishes to lay off an employee, he has to pay a certain amount of compensation to the employee, whether in the form of long service payment or severance payment.

In regard to reinstatement of work, I think the Government laws have stated clearly the five grounds on which an employer may lay off an employee without any compensation. When the Labour Department enforces the law, it will assess the five grounds strictly. Therefore, I think that it is not necessary to make other laws to give special attention to the discrimination of trade union members.

Madam President, all in all, the Liberal Party supports the bill made by the Government, as in fact, we discussed this problem for several days in meetings towards the end of June. We also submitted our opinions in July when it was suggested to suspend several of these ordinances. Therefore, I do not intend to repeat them now.

Thank you, Madam President.

PRESIDENT (in Cantonese): Mr Andrew WONG.

MR ANDREW WONG (in Cantonese): Madam President, originally I did not intend to speak, but now I have heard the Honourable James TIEN say: "Old records can be played over and over again". Even though old records may get older and older, their sound is still new. We can even say that they would new get old. Mr James TIEN was indeed very creative in his speech. When he spoke on the Employment and Labour Relations (Miscellaneous Provisions) Bill

1997, he just referred to three of the five clauses which have been suspended since 16 July.

Maybe I will repeat some of the points made by me when I strongly objected to the suspension of the Ordinance, but what I was thinking at the time was that, under such an emergency to suspend the Ordinances passed by the former Council, even though their contents may not be that perfect, was it "administrative domination"? It was even suggested to go through three readings in one day. Though the House Committee objected to it, the Government tried again later. The result was as expected; the majority of the Provisional Legislative Council Members supported the suspension. As the Honourable Frederick FUNG puts it, it may be because the composition of the legislature has changed to be more inclined to the interests of the business sector.

I initially wanted to speak earlier, but I had not prepared a draft. I was very surprised that there was no response from Members when the President asked if any Member wished to speak. I knew that the Honourable Mr LEE Kai-ming would certainly speak on the issue as he had handed me the draft of the speech giving the opinions of members of the Federation of Labour Unions, the people who are demonstrating outside the Council today. However, there are only two groups today, the Hong Kong Confederation of Trade Unions and the Federation of Labour Unions. I have neither seen representatives from the Hong Kong Federation of Trade Unions nor have I heard addresses by its Members or by Members of the Democratic Alliance for Betterment of Hong Kong in the Council. I have only heard the political parties making addresses.

We have to decide what is right and what is wrong, and know our position. It may be better if we mark it down clearly because to suspend the laws is different from to talk about specific matters as we are doing now. My feeling about "the former administration" (I do not like the term "former administration" because it may be a big offence to be courtiers of two administrations). Nevertheless, the existing ordinances were introduced by the former Legislative Council and passed through legislative procedures and signed by the Governor before they became laws of Hong Kong. Under these circumstances, if we think that the ordinances have problems with its content, we should be realistic (but I could not speak on the ordinances previously as there were some I supported, some I objected and still some others I considered not perfect) We should

support those that are correct, repeal those that are wrong, and amend those that have problems. However, we did not take such measures at the very beginning and we have indeed made a big mistake.

Today, I have to talk clearly about the three Ordinances which were passed at the time. They are the Employment (Amendment) (No. 4) Ordinance 1997, the Trade Unions (Amendment) (No. 2) Ordinance 1997, and the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance. How should we handle them now? I think two of the Ordinances should be linked together. It all depends on whether the Government will agree to the premises that the workers should be respected and whether their rights should be protected in a proper manner.

Regarding the right of reinstatement, although workers will no longer be discriminated against in these days for having joined a trade union, their right to reinstatement means that, if there is the Employee's Rights of Representation, Consultation and Collective Bargaining Ordinance, and if employers wish to dismiss the trade union members concerned, the workers concerned may be willing to sacrifice themselves because they represent the trade union. Though they feel upset in their work in the company, they may still be willing to continue to work there. There exists a balance between the employers and the employees. Therefore, I think that the two Ordinances — one is an amendment to an established law, and the other, a new ordinance — should be linked together.

Regarding the arrangement of the rights of the employers and the employees, are the details perfect? I do not entirely think so. For example, is it right or wrong that only 15% of the workers may form a trade union? Or should there be more? It is an ideal for all workers in their workplace to join the trade union; they should even be forced to join a trade union. We may discuss this matter and make more detailed arrangements. However, the bills introduced by Mr LEE Cheuk-yan have all been passed into laws. If we have them repealed instead of trying to enforce them first, it means the present Provisional Legislative Council has negated the collective bargaining right of the trade unions.

When I spoke on the motion of thanks, I quoted an article by a certain writer, but the press has not made any reports. I am not going to read the two paragraphs from an article of the Federation of Labour Unions. Mr LEE

Kai-ming has not read them out just now, but I think he should have read out the two paragraphs. I am not going to read them out; if I have done so, the media will not report it because of me. I hope that the media will report on it since it is not read out by me.

Briefly speaking, foreign experiences tell us that the right of collective bargaining may not necessarily lead to economic failures. There are various reasons for the economic failures or slow-down in some foreign countries. From a negative point of view, the right of collective bargaining may be a headache to the employers, but from a positive point of view, employers may welcome this right because the relations between the two sides may become more harmonious through negotiations. Therefore, I do not support today's Bill to repeal two of the Ordinances.

The third ordinance amends part of the provisions passed at the time. I had reservations towards the provisions passed to allow trade unions to seek donations for political or other activities. (As I was the President at the time, I could not express any opinion). I think it should be amended because labour movement and politics should not be linked together. If it is linked with politics, it will certainly not be party politics, but in the interests of workers only, neglecting the overall political ideology. That is my personal belief.

On the Trade Unions Ordinance, I always believe that when trade unions enjoy special rights, they will possess more "power" and have greater responsibility, but there will also be more restrictions, as some activities may not be carried out. Likewise, there is freedom in religion, but it cannot form into a political power, because politics and religions should be separated. Similarly, politics and labour movement should also be separated. Therefore, in this respect, I think the suggestion to amend the ordinance concerned is positive. I do not wish to express too much opinion here.

Considering the Bill as a whole, I think two very important linked Ordinances should be repealed. Though the present law has protection for those who have been discriminated against or dismissed for joining trade union activities, I think the right of reinstatement is very important. Though the two ordinances may have provisions overlapping each other, I think they must be retained. The part overlapped is just a technical problem which may be corrected in due course. To arrange for reinstatement of work, it is no big deal, because the court will certainly ask the worker concerned if he wishes to be

reinstated. If he is not willing, the court will compensate the worker instead of forcing him to resume work. If the court orders him to resume work but he does not wish to do so, it may be worse because he cannot receive compensation, as he does not wish to resume work. What should be done? Under this circumstances, courts in all countries will first ask what the employee wishes if he wins the case. Will he wish to resume work or to receive compensation? I, therefore, find that there is nothing to worry about. Moreover, the arrangement to resume work is related to joining the trade union activities. This is not a general discrimination, but related to labour movement. The other Ordinance is also related, that is, can unionists stand up to their employers as an equal. It may be, because their standing up as an equal will lead to co-operation. We have to further discuss this matter if this concept and the arrangement are perfect. However, as the Ordinances have been passed, the Government should carry out studies as a positive move. If there is anything improper in the contents of the plan, it should be amended, but not repealed.

Madam President, I fully object to the Second Reading of this Bill today. Related provisions of the Committee stage amendment is very confusing. I do not know what to do as I may cast a wrong vote. I hope that "our respected" President will give us more guidance. I would tell Honourable Members that the right to reinstatement is simple as it involves just one Ordinance, but the right of representation, collective bargaining is confusing because three Ordinances are involved. Honourable Members may not understand this because it is really confusing. Let me clarify it. Clause 3 of the Bill states that the employment (Amendment) (No. 4) Ordinance 1997 concerning the right to reinstatement is to be repealed. Clause 13 states that the employee's right to representation, consultation and collective bargaining is to be repealed. For these two clauses, even though they have been passed during the Second Reading, I hope that Members will cast a vote against them at the Committee stage. As a result, only clauses 5 to 11 which are related to the Trade Unions Ordinance amended by the Trade Unions (Amendment) (No. 2) Ordinance 1997 are left in the Bill. This is what I have just mentioned about the election right of trade unions, their relations with foreign trade unions, and whether they can receive political donations. I ask Honourable Members to further discuss the matter to see if these provisions are desirable. For clause 13, I hope Members will vote against it at the Committee stage.

Thank you, Madam President.

PRESIDENT (in Cantonese): Mr CHENG Yiu-tong.

MR CHENG YIU-TONG (in Cantonese): Madam President, regarding the Employment and Labour Relations (Miscellaneous Amendments) Bill 1997 which the Government has submitted to this Council for deliberation, the Provisional Legislative Council Members from the Hong Kong Federation of Trade Unions will adhere to the same principles in casting their votes as when this ordinance was passed in the former Legislative Council. We will continue to support those laws we have supported before; we will continue to object to those laws we have objected to before. However, I wish to respond to some Honourable Members' comments made a moment ago.

The Honourable James TIEN's opinions are quite enlightening in part, that is, the society at large are always aware of unscrupulous employers, but we learn that there are also unscrupulous employees, after hearing what he said. However, I wish to focus on the reason why trade union members strongly ask for the right to reinstatement? Though the Government has submitted a Bill containing this protection, the problem lies on the onus of proof. Besides, if the court has decided that the employers have discriminated against the trade unions and their office-bearers, why can they not have the right to reinstatement? I must emphasize again, if the court has decided that the employers have discriminated against a trade union or its office-bearer, why can we not let them have the right to reinstatement? After they have been given the right to reinstatement, will they be free to misbehave? I think that such a situation will definitely not happen. In respect of managing responsibility, employers may quote clauses from the Employment Ordinance to punish such employees. There is certainly no need for me to teach Mr James TIEN how to do in this respect. I believe that the workers will not misbehave in firms or factories just because they are trade union members or office-bearers. Therefore, when the court has decided that the employers have discriminated against them, I think they should be given the right to reinstatement. This has something to do with the basic dignity of the trade unions and their members. After the court has made such a judgement, it will be up to the trade union or its members to decide whether the worker concerned should be reinstated. Therefore, I think this is different from what the Government has previously mentioned that trade unions have the so-called reinstatement right. Therefore, in regard to the right of

reinstatement, we shall object to the Government repealing this Ordinance.

Regarding the amendment to the Trade Unions Ordinance, basically, we think that technical amendments are necessary. For example, the age of those who undertake to be office bearers can be reduced from 21 to 18. Besides, trade unions of different industries may form a federation of trade unions. I agree to these amendments, but the issue which I absolutely disagree is using trade union funds for political purposes, and trade unions may have connections with overseas political units. I wish to emphasize that we do not agree to maintaining connections with overseas political units. The Government has made amendments to the Trade Unions Ordinance, and these amendments basically meet our requirements. We shall therefore support the Government in making amendments to this Ordinance.

Regarding collective bargaining right, we always hold the same attitude towards it. As trade union members, we strongly demand that there should be a collective bargaining system. We do want to have collective bargaining right. As I have mentioned in the former Legislative Council, the function of trade unions, the right to form a trade union, the right to strike and the right of collective bargaining are objectives that people involved in labour movements must strive for. Therefore, we strongly demand that a collective bargaining system be set up through legislation. However, we do not agree to the contents of the collective bargaining ordinance as proposed by former Legislative Council Members. We think that the contents of this ordinance are unfavourable to the unity of our trade unions as well to the unity among workers. I think the contents of the ordinance will cause a break-up in a trade union, or among trade unions, resulting in their failure to get united.

We are asking for a collective bargaining mechanism, and we ask the Government to set up such a mechanism. On many occasions, however, the Government has emphasized that there has been labour consultation mechanism in the past to solve problems. However, upon looking back, what kind of labour bargaining mechanism can we see in the past 10 to 20 years? It could not really help to handle and solve problems through negotiations. On 1 July 1997, we became the Special Administrative Region Government, I think we must endeavour to seek ways and means, through negotiations and bargaining, to handle and solve problems relating to contradictions between the employees and the employers.

Therefore, as members of trade unions, we strongly demand the establishment of a collective bargaining mechanism. However, we do not agree to details of the collective bargaining ordinance passed at an earlier stage because they are bad for the unity of our trade unions. I strongly demand that the Government should review the necessity to establish a collective bargaining mechanism in Hong Kong through legislation, no matter what today's result is. Therefore, regarding the collective bargaining ordinance, we support the abolition of some of its contents, but I wish to emphasize once again that we need the setting up of a collective bargaining mechanism through legislation.

Thank you, Madam President.

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

MR CHAN KAM-LAM (in Cantonese): Madam President, the Democratic Alliance for Betterment of Hong Kong (DAB) has studied in detail the question of amending and repealing the three ordinances. Regarding the issue of collective bargaining right, we think that there is currently no fixed form of collective bargaining right in various countries of the world. Some advanced democratic countries have recently carried out reviews of their existing collective bargaining right, and some countries have even made amendments to it. Since the original ordinance concerning collective bargaining right was introduced, there have been differences of opinion in the Hong Kong community. The Labour Advisory Board, after holding discussions about this ordinance for a long time, has concluded that they do not quite agree with it. Therefore, we support the way the Government handles this Ordinance now, but we must emphasize that the Government should strengthen its role as a bridge between both the labour and the capital sides. Further, the Government should continue to study the issue of collective bargaining right with a view to seeking as soon as possible a suitable plan for labour relations in Hong Kong, and a model for collective bargaining right.

Regarding the Trade Unions Ordinance, the DAB fully supports the approach taken by the Government in regard to society management in Hong Kong. We do not wish to see the trade unions in Hong Kong linking at will with foreign labour organizations without any control, as this may have undesirable effects on our politics and labour relations.

Concerning the right to reinstatement, we object to the Government's approach in this Bill to repeal the Ordinance. The DAB thinks the employers may fear that the employees' daily routine will be affected because of their duties in the trade unions, and that there might be difficulties in dismissing them. However, this situation will only occur when workers go on strike or fight for their rights. Therefore, to protect the rights of the labour and to promote the development of labour movement, we have to ensure that members of trade unions will have the right of reinstatement.

Thank you, Madam President.

PRESIDENT (in Cantonese): Secretary for Education and Manpower. Do you wish to reply?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, first, I would like to thank the chairman and members of the Bills Committee for their co-operation and efforts in completing within one month the scrutiny of this Bill and the two Committee stage amendments proposed by the Government. The two amendments are of a technical nature and their content has been agreed by the Bills Committee. Later at the Committee stage, I will explain them in detail.

The purpose of this Bill is to implement the Government's proposals after reviewing the three labour-related Ordinances the operation of which has been suspended. The conclusion we have come to is to propose repealing the Employment (Amendment) (No. 4) Ordinance 1997 and the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance, as well as amending the Trade Unions (Amendment) (No. 2) Ordinance 1997. During the Second Reading of the Bill, I already explained the reasons for the Government's proposals in detail. Now, I would just like to reiterate the main points of and chief reasons for these proposals.

The main reason for our proposal to repeal the Employment (Amendment) (No. 4) Ordinance 1997 is that similar protection for employees has been provided in the Employment (Amendment) (No. 3) Ordinance 1997 which commenced on 27 June this year, including safeguarding the rights of employees

to become members of trade unions and to participate in their activities. If they are dismissed on these grounds, the employer will assume civil liability, while the employee who wins the case will receive compensation. I can assure Members that we will closely monitor the enforcement of the Employment (Amendment) (No. 3) Ordinance 1997 to ensure that employees, including members of trade unions, will receive adequate legal protection. The Labour Advisory Board (LAB) also agrees that the (No. 3) Ordinance should be reviewed after one year of enforcement to see if there is a need to improve the provisions on reinstatement.

We propose to repeal the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance for the following two main reasons: first, labour relations in Hong Kong have always be harmonious. This is because at present, employers and employees enter into direct bargaining voluntarily, in addition to the arbitration services provided by the Labour Department. Therefore, there is no need for Hong Kong to legislate to introduce a mandatory collective bargaining system; second, the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance would directly affect 20 000 employers and 1 300 000 employees. If it is enforced, it would seriously affect labour relations in Hong Kong as well as the investment and economic environment. Nor does it enjoy popular support. Since the Ordinance is not suitable for enforcement, we should not retain it.

I want to stress that although the Government is against legislating to introduce mandatory collective bargaining, we encourage employers and employees to engage in voluntary and direct collective bargaining. We have earmarked funds to set up a special task force in the Labour Department responsible for promoting communication between employers and employees as well as good management methods. We will also come up with a series of measures to ensure that the special task force can achieve the set goals.

We propose to amend the Trade Unions (Amendment) (No. 2) Ordinance 1997 in order to implement the conclusions of the comprehensive review of the Trade Unions Ordinance. The main amendments include: allowing trade unions of different trades to become registered trade unions and repealing the provision that officers of a federation of trade unions must be engaged in the relevant trade; allowing local trade unions to become members of an organization of workers or employers or a relevant professional organization in a foreign country without having to obtain the prior consent of the Chief Executive; to reinstate the

restriction on the use of funds of trade unions, including the prohibition of the use of funds for political purposes. The aims of these proposals are to ensure the healthy development of local trade unions and that the activities of trade unions are dedicated to protecting the welfare and interests of their members.

Madam President, we decided to introduce the Employment and Labour Relations (Miscellaneous Amendments) Bill 1997 only after careful study of the relevant Ordinances. We feel that this Bill strikes a reasonable balance between the different positions of the employer and the employee and is consistent with the overall interest of Hong Kong. Therefore, I urge Members to vote for and pass this Bill and all its clauses.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Employment and Labour Relations (Miscellaneous Amendments) Bill 1997 be read the Second time. Will those in favour please say "aye"?

(Members responded)

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

(Members responded)

Mr LEE Kai-ming rose to claim a division.

PRESIDENT (in Cantonese): Mr LEE Kai-ming has claimed a division. The division bell will ring for three minutes.

PRESIDENT (in Cantonese): Members, the question now put is: That the Employment and Labour Relations (Miscellaneous Amendments) Bill 1997 be read the Second time. Will Members please proceed to vote.

PRESIDENT (in Cantonese): If there are no queries, the result will now be displayed.

Mr WONG Siu-yee, Mr James TIEN, Mr HO Sai-chu, Mr Edward HO, Dr Raymond HO, Mr NG Leung-sing, Prof NG Ching-fai, Mr Eric LI, Mr Allen LEE, Mrs Elsie TU, Mrs Selina CHOW, Mr Henry WU, Mr NGAI Shiu-kit, Mr Henry TANG, Mr Ronald ARCULLI, Mr YUEN Mo, Mr MA Fung-kwok, Mr CHEUNG Hon-chung, Dr TSO WONG Man-yin, Mr LEUNG Chun-ying, Mrs Sophie LEUNG, Mr CHAN Kam-lam, Mr TSANG Yok-sing, Mr CHENG Kai-nam, Dr Philip WONG, Mr Kennedy WONG, Mr Howard YOUNG, Dr Charles YEUNG, Mr YEUNG Yiu-chung, Mr IP Kwok-him, Mr LAU Kong-wah, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Ambrose LAU, Mr CHOY Kan-pui, Mr Paul CHENG, Dr TANG Siu-tong, Mr Timothy FOK, Mr KAN Fook-yee, Mr NGAN Kam-chuen, Mr TAM Yiu-chung and Miss CHOY So-yuk voted for the motion.

Mr LEE Kai-ming, Dr LEONG Che-hung, Mr MOK Ying-fan, Mr CHAN Choi-hi, Mr Frederick FUNG, Mr Andrew WONG and Mr Bruce LIU voted against the motion.

Mr HUI Yin-fat, Mr CHAN Wing-chan, Mr CHIM Pui-chung and Mr CHENG Yiu-tong abstained.

THE PRESIDENT announced that there were 42 Members in favour of the motion, seven against and four abstaining. She therefore declared that the motion was carried.

CLERK (in Cantonese): Employment and Labour Relations (Miscellaneous Amendments) Bill 1997.

Committee Stage

CHAIRMAN (in Cantonese): Bill: Committee Stage. Council is now in Committee.

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CHAIRMAN (in Cantonese): I now propose the question to you and that is: That the following clause stand part of the Bill.

CLERK (in Cantonese): Clause 1.

CHAIRMAN (in Cantonese): Will those in favour please say "aye"?

(Members responded)

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

(Members responded)

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

3.35 pm

At this point, someone demonstrated in the public gallery and shouted loudly.

CHAIRMAN (in Cantonese): Security guards, please have these people removed out of this Chamber. Members, since we cannot carry on the meeting peacefully now, I will suspend the meeting. We will resume later.

Meeting suspended.

3.55 pm

Council then resumed.

CHAIRMAN (in Cantonese): Secretary for Education and Manpower.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam Chairman, since the Rules of Procedure stipulate that any schedule shall be considered after the clauses of a bill have been disposed of, may I seek your consent to move under Rule 89 of the Rules of Procedure that Rule 58(7) of the Rules of Procedure be suspended in order that Schedules 1 and 2 may be considered together with the relevant clauses under the same motion, as they are inter-related.

CHAIRMAN (in Cantonese): Secretary for Education and Manpower, as only the President may give consent for a motion to be moved, without notice, to suspend the Rules of Procedure, your request cannot be dealt with in Committee. I therefore order that Council shall now resume.

Council then resumed.

PRESIDENT (in Cantonese): Secretary for Education and Manpower, you have my consent.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I move that Rule 58(7) of the Rules of Procedure be suspended to enable the Committee of the whole Council to consider Schedules 1 and 2 together with the relevant clauses.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That Rule 58(7) of the Rules of Procedure be suspended to enable the Committee of the whole Council to consider Schedules 1 and 2 together with the relevant clauses.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour 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.

CHAIRMAN (in Cantonese): Council is now in Committee.

CLERK (in Cantonese): Heading before clause 3, clauses 3 and 4, part 1 of Schedule 1 and part 1 of Schedule 2.

CHAIRMAN (in Cantonese): Does any Member wish to speak on the above clauses and parts of schedules which relate to the Employment Ordinance.

(No Member indicated to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That heading before clause 3, clauses 3 and 4, part 1 of Schedule 1 and part 1 of Schedule 2 stand part of the Bill. Will those in favour please say "aye"?

(Members responded)

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

(Members responded)

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

CLERK (in Cantonese): Heading before clause 5, clauses 5, 6, 7, 8, 9, 11 and 12.

CHAIRMAN (in Cantonese): Does any Member wish to speak on the above clauses which relate to the Trade Unions Ordinance?

(No Member indicated to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That heading before clause 5, clauses 5, 6, 7, 8, 9, 11 and 12 stand part of the Bill. Will those in favour please say "aye"?

(Members responded)

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

(Members responded)

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

CLERK (in Cantonese): Clause 10.

CHAIRMAN (in Cantonese): Secretary for Education and Manpower.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam Chairman, I move that clause 10 be amended as set out in the paper circularized to Members.

This amendment consists of two parts:

- (1) amending section 45(9) of the Bill. This is a technical amendment to give a clear definition to an organization of workers, an organization of employers or a professional organization in order to include reference to a federation of such organizations;
- (2) amending section 45A of the Bill. The purpose of this amendment is to add appropriate transitional provisions and make technical amendments. It clearly stipulates that the relevant clauses of this Bill will not apply to any local registered trade union which became a member of any organization in a foreign country according to legislation then in force during two periods before the commencement of this Bill, that is, before the commencement of the suspended Trade Unions (Amendment) (No. 2) Ordinance and during the suspension of operation of the Ordinance.

Madam Chairman, I beg to move.

Proposed amendment

Clause 10 (see Annex)

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

(No Member indicated to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendment moved by the Secretary for Education and Manpower be approved. Will those in favour please say "aye"?

(Members responded)

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

(No Member responded)

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

CLERK (in Cantonese): Clause 10 as amended.

CHAIRMAN (in Cantonese): Will those in favour please say "aye"?

(Members responded)

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

(No Member responded)

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

CLERK (in Cantonese): Heading before clause 13, clauses 13 and 14 and part 2 of Schedule 1.

CHAIRMAN (in Cantonese): Does any Member wish to speak on the above clauses and schedule which relate to the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance? Mr Andrew WONG.

MR ANDREW WONG (in Cantonese): Madam President, I have said clearly during the Second Reading that when I object to clause 3, I also object to clause 4. When I object to clause 13, I also object to clause 14. Clause 4 is a consequential amendment to clause 3, and clause 14 is a consequential amendment to clause 13.

I do not wish to waste Honourable Members' time. The arguments I have just made are still what I truly believe. I hope that Members will object to clauses 13 and 14.

CHAIRMAN (in Cantonese): The Secretary for Education and Manpower, do you wish to reply?

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I urge Members to approve these clauses.

CHAIRMAN (in Cantonese): I now put the question to you and that is: That heading before clause 13, clauses 13 and 14 and part 2 of Schedule 1 stand part of the Bill. Will those in favour please say "aye"?

(Members responded)

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

(Members responded)

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

Mr Frederick FUNG rose to claim a division.

CHAIRMAN (in Cantonese): Mr Frederick FUNG has claimed a division. The division bell will ring for three minutes.

CHAIRMAN (in Cantonese): Honourable Members, the question now put is: That heading before clause 13, clauses 13 and 14 and part 2 of Schedule 1 stand part of the Bill. These clauses all relate to the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance. Will

Members please proceed to vote?

CHAIRMAN (in Cantonese): If there are no queries, the result will now be displayed.

Mr WONG Siu-yee, Mr James TIEN, Mr HO Sai-chu, Mr Edward HO, Dr Raymond HO, Mr NG Leung-sing, Prof NG Ching-fai, Mr Eric LI, Mr Allen LEE, Mrs Elsie TU, Mrs Selina CHOW, Mr Henry WU, Mr NGAI Shiu-kit, Mr Henry TANG, Mr Ronald ARCULLI, Mr YUEN Mo, Mr MA Fung-kwok, Mr CHEUNG Hon-chung, Mr LEUNG Chun-ying, Mrs Sophie LEUNG, Mr CHAN Wing-chan, Mr CHAN Kam-lam, Mr CHENG Kai-nam, Dr Philip WONG, Mr Kennedy WONG, Mr Howard YOUNG, Dr Charles YEUNG, Mr YEUNG Yiu-chung, Mr IP Kwok-him, Mr LAU Kong-wah, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Ambrose LAU, Mr CHOY Kan-pui, Mr Paul CHENG, Mr CHENG Yiu-tong, Dr TANG Siu-tong, Mr Timothy FOK, Mr KAN Fook-yee, Mr NGAN Kam-chuen, Mr TAM Yiu-chung and Miss CHOY So-yuk voted for the motion.

Mr LEE Kai-ming, Mr MOK Ying-fan, Mr CHAN Choi-hi, Mr Frederick FUNG, Mr Andrew WONG and Mr Bruce LIU voted against the motion.

Dr LEONG Che-hung, Mr HUI Yin-fat and Mr CHIM Pui-chung abstained.

THE CHAIRMAN announced that there were 42 Members in favour of the motion, six against and three abstaining. She therefore declared that the motion was carried.

CLERK (in Cantonese): Part 2 of Schedule 2.

CHAIRMAN (in Cantonese): Secretary for Education and Manpower.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam Chairman, I move that Part 2 of Schedule 2 of the Bill be amended as set out in the paper circularized to Members.

This is a textual and technical amendment, the purpose of which is to amend the transitional provision of the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance to make it clearer.

Madam Chairman, I beg to move.

Proposed amendment

Schedule 2 (see Annex)

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

(No Member indicated to speak)

CHAIRMAN (in Cantonese): I now put the question to you and that is: That the amendment moved by the Secretary for Education and Manpower be approved. Will those in favour please say "aye"?

(Members responded)

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

(Members responded)

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

CLERK (in Cantonese): Part 2 of Schedule 2 as amended.

CHAIRMAN (in Cantonese): Will those in favour please say "aye"?

(Members responded)

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

(Members responded)

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

CLERK (in Cantonese): Clause 2.

CHAIRMAN (in Cantonese): Will those in favour please say "aye"?

(Members responded)

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

(Members responded)

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

CHAIRMAN (in Cantonese): Council will now resume.

Council then resumed.

Third Reading of Bill

PRESIDENT (in Cantonese): Third Reading of Bill. Secretary for Education and Manpower.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese):
Madam President, the

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has passed through Committee with amendments. I move that this Bill be read the Third time and do pass.

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Employment and Labour Relations (Miscellaneous Amendments) Bill 1997 be read the Third time and do pass.

PRESIDENT (in Cantonese): Mr Andrew WONG.

MR ANDREW WONG (in Cantonese): Madam President, during the Committee stage, Honourable Members have voted for clause 3 and the related clauses 4, 13 and 14, all of which I object to. Clauses 3 and 4 are related because they are about employees being unfairly dismissed for joining trade unions and a clause of reinstatement has thus been added to the provisions. Clauses 13 and 14 are related to the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance. Therefore, I think that the Bill before us cannot be accepted. I am prepared to object to the Third Reading of this Bill. I hope that Honourable Members will consider that even under the domination of the Administration, the Provisional Legislative Council should not be unreasonable. We should view this issue conscientiously because basically, if we think that the Ordinances, which have been passed formerly, have any problem, a reasonable approach should be to amend them, but not to repeal them.

With these remarks, I object to the Third Reading of the Bill.

PRESIDENT (in Cantonese): Mr Frederick FUNG.

MR FREDERICK FUNG (in Cantonese): Madam President, a Bill is to be passed today to repeal the three Ordinances. I am very upset and feel that it is a

pity. I think that after passing the Bill means that, starting from today, the trade unions will go through a very harsh stage. It will be more difficult for them to negotiate with the industrial and commercial sectors or the capital side, or to fight for labour related rights. I think that the Provisional Legislative Council has violated the scope of its responsibility as decided by the Preparatory Committee. This is because laws which are not indispensable will soon be enacted today. I think we have double standards.

I remember that when we discussed the electoral law, I tried to introduce the "single-seat single-vote system". Members were very prudent in handling this issue, thinking that this was not the responsibility of the Provisional Legislative Council. We could not adopt this system because we had to abide by the restrictions. However, we have now done something which is not within the scope of our responsibilities. I think nobody can tell us what Hong Kong cannot do, as long as the Government enforces the law? There is absolutely no grounds that this should have happened but the Bill is to be passed anyway. I consider it not acceptable. Members of the Hong Kong Association for Democracy and People's livelihood will cast their votes against it.

PRESIDENT (in Cantonese): Does any other Member wish to speak? Mr CHAN Kam-lam.

MR CHAN KAM-LAM (in Cantonese): Madam President, in considering whether these three Ordinances should be repealed or retained, the Democratic Alliance for Betterment of Hong Kong seems to be more insistent on the most basic labour right, that is, if a worker is unreasonably dismissed because he is involved in fighting for fellow workers' interests, he should have the right of reinstatement. We have accepted the views of the Government about the other two ordinances concerning collective bargaining right, as this can be handled at a later stage. However, since we cannot have the right of reinstatement — the Government's suggestion is agreed to by votes just now — we shall cast votes against the Third Reading. Thank you, Madam President.

PRESIDENT (in Cantonese): Does any other Member wish to speak? The Secretary for Education and Manpower. Do you wish to speak?

(The Secretary for Education and Manpower indicated that he did not wish to reply)

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".

(Members responded)

Mr Frederick FUNG rose to claim a division.

PRESIDENT (in Cantonese): Mr Frederick FUNG has claimed a division. The division bell will ring for three minutes.

PRESIDENT (in Cantonese): Honourable Members, the question now put is: That the Employment and Labour Relations (Miscellaneous Amendments) Bill 1997 be read the Third Time and do pass. Will Members please proceed to vote.

PRESIDENT (in Cantonese): Have all Members cast their votes? The result will now be displayed.

Mr WONG Siu-yee, Mr James TIEN, Mr HO Sai-chu, Mr Edward HO, Dr Raymong HO, Mr NG Leung-sing, Mr Eric LI, Mr Allen LEE, Mrs Elsie TU, Mrs Selina CHOW, Mr Henry WU, Mr NGAI Shiu-kit, Mr Henry TANG, Mr Ronald ARCULLI, Dr TSO WONG Man-yin, Mrs Sophie LEUNG, Dr Philip WONG, Mr Kennedy WONG, Mr Howard YOUNG, Dr Charles YEUNG, Mr LAU Wong-fat, Mrs Miriam LAU, Mr Ambrose LAU, Mr CHOY Kan-pui, Mr

Paul CHENG, Dr TANG Siu-tong, Mr Timothy FOK, Mr KAN Fook-ye, Mr TAM Yiu-chung and Miss CHOY So-yuk voted for the motion.

Mr LEE Kai-ming, Mr CHEUNG Hon-chung, Dr LEONG Che-hung, Mr MOK Ying-fan, Mr CHAN Choi-hi, Mr CHAN Kam-lam, Mr CHENG Kai-nam, Mr Frederick FUNG, Mr Andrew WONG, Mr YEUNG Yiu-chung, Mr IP Kwok-him, Mr Bruce LIU, Mr LAU Kong-wah and Mr NGAN Kam-chuen voted against the motion.

Prof NG Ching-fai, Mr YUEN Mo, Mr MA Fung-kwok, Mr HUI Yin-fat, Mr CHAN Wing-chan and Mr CHENG Yiu-tong abstained.

THE PRESIDENT announced that there were 30 Members in favour of the motion, 14 against and six abstaining. She therefore declared that the motion was carried.

CLERK (in Cantonese): Employment and Labour Relations (Miscellaneous Amendments) Bill 1997.

MOTIONS

PRESIDENT (in Cantonese): Motions. Secretary for Constitutional Affairs.

LEGISLATIVE COUNCIL ORDINANCE

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, I move that the Legislative Council Ordinance (Amendment of Schedule 1) Order 1997 be approved. The amendment order was made by the Chief Executive in Council at a meeting on 7 October 1997 in accordance with section 83 of the Legislative Council Ordinance.

With regard to the Legislative Council Ordinance passed by the

Provisional Legislative Council at a meeting in September, two amendments proposed by Members would involve practical difficulties. Those two amendments are:

- (1) The amendment proposed by the Honourable CHAN Kam-lam to expand the social welfare functional constituency to include exempted societies within the meaning of the Societies Ordinance and non-profit making companies registered under the Companies Ordinance the aims of which are to promote and develop social service activities; and
- (2) the amendment proposed by the Honourable Miss CHOY So-yuk to expand the textiles and garment functional constituency to include persons registered under the scheme for the registration of textiles traders and who are carrying on business of import and export of specified types of textiles.

The amendment to the social welfare functional constituency proposed by Mr CHAN Kam-lam does not define what are "social service activities" and "non-profit making" companies. Thus all exempted societies which claim to promote social services and non-profit making companies may demand to become a member of the electorate of this functional constituency. These organizations might include alumni associations, student unions, social and recreational clubs, sports associations and so on.

Since the relevant main terms are unclear, it would be difficult for us to decide whether a certain society or company fulfils the eligibility criteria of the social welfare functional constituency. This would create great difficulties for the work of voter registration. We need to make a clear delineation of the electorate so that voter registration can be carried out smoothly.

First, the term "social service activities" which applies to the relevant organizations and companies need to clearly reflect the functions of the social welfare constituency. We suggest that we make reference to the seven areas which are the responsibilities of the Social Welfare Department and define

"social service activities" as family and child welfare services, services for young people, services for the elderly, services for offenders, rehabilitation services, community work services and social security.

With regard to the non-profit making companies referred to in the amendment, they have to clearly show that their founding aims include the promotion of social services and that their profits and other incomes can only be used to realize those aims as stated in their articles of association. These companies may not pay any dividend to their members.

Based on the articles of association of the Hong Kong Council of Social Service (HKCSS), we also require that all societies or companies wishing to become members of the social welfare functional constituency to prove that they actually carry on the relevant activities, just like members of the HKCSS. To do this, they should submit their published annual reports and audited or checked accounts. Further, the relevant organizations should employ salaried staff to provide the relevant services on a regular basis. In addition, those organizations should be in operation at least during the 12 months before applying for registration as electors.

With regard to the textiles and garment functional constituency, under the present ordinance, the electorate of this functional constituency includes persons registered under the scheme for textile trader registration who are carrying on business of import and export of specified types of textiles. When textiles traders apply for registration under that scheme, they have to declare one or more businesses under "nature of business", including import and export, manufacturing, transport and so on. If they have declared "import and export" as their business nature, they can be admitted as electors of the textiles and garment functional constituency. Those who have not made this declaration might also be eligible if they can provide other relevant documents to prove that they carry on import and export business.

In order to prevent abuse of that scheme to obtain the right to vote in the textiles and garment functional constituency, we require that textile traders must have registered under that scheme at least 12 months prior to the date of applying for registration as electors, before they are eligible to become electors of that functional constituency.

I urge Members to approve the above-mentioned amendment so that the Legislative Council Ordinance which was passed can be enforced.

Thank you, Madam President.

The Secretary for Constitutional Affairs moved the following motion:

"That the Legislative Council Ordinance (Amendment of Schedule 1) Order 1997, made by the Chief Executive in Council on 7 October 1997, be approved."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the Legislative Council Ordinance (Amendment of Schedule 1) Order 1997, made by the Chief Executive in Council on 7 October 1997, be approved. Does any Member wish to speak? Miss CHOY So-yuk.

MISS CHOY SO-YUK (in Cantonese): Madam President, a month ago, I proposed to the Government, on behalf of the Hong Kong Progressive Alliance (HKPA) to expand the scope of electors in the Textiles and Garment constituency. This was to allow professional members of the Hong Kong Institution of Textile and Apparel and firms with textiles registration number to have the right to vote. There was a heated debate and Honourable Members, having made an objective and in-depth study of the issue, passed my amendment.

I am glad that the Government has readily taken my advice by accepting my amendment which was passed by the Council.

My amendment is to uphold fairness and justice and to accord extensive representation to the division of electors in the Textiles and Garment constituency. Not only has the Government's Amendment Order in the Annex affirmed the contributions made by the professional management and academic personnel in the Textiles and Garment constituency, but it has also put an end to the bias that textiles associations are the basis of electors. It has fully considered the right to vote of thousands of materials suppliers who have been engaged in the textiles industry but have not joined any association. The Government's amendment has precisely affirmed the special economic functions

and position of the textiles and garment sector, enabling the three major groups of people — the materials suppliers, the manufacturers and the professionals in the textiles and garment sector — to join hands in promoting the development of textiles and garment industry in Hong Kong.

Madam President, the HKPA welcomes the Government's amendment order in the annex on division of electors in the Textiles and Garment constituency.

These are my remarks.

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

MR HUI YIN-FAT (in Cantonese): Madam President, on behalf of the Social Welfare constituency, I object to the motion submitted by the Secretary for Constitutional Affairs in accordance with the Legislative Council Ordinance.

The Honourable CHAN Kam-lam's amendment motion to expand the base of voters for the Social Welfare functional constituency was passed at a meeting of this Council on 27 September. As a consequence, a large number of non-social welfare service organizations or companies are included in the Social Welfare functional constituency, making the definition of voter in this sector very confusing, much to the dismay and disappointment of the entire Social Welfare constituency.

The Social Welfare constituency considers that the Administration should have a consistent policy standing on the "social welfare" service. We have tried to submit a "counter-amendment", only to be turned down by the Administration. The motion of the Secretary for Constitutional Affairs may be to explain further the eligibility of voters in the Social Welfare constituency, but it is based on Mr CHAN Kam-lam's amendment. It still violates the principle of "social welfare" service, and we are determined not to accept the Government's suggestions.

In moving the amendment motion, the Administration cited the seven areas of welfare services (that is, family and children welfare, social securities, elderly and medical social welfare, rehabilitation, prisoners' service, social development

and youth service) as the basis of "achieving the objectives of the Hong Kong Council of Social Service". However, no further explanation is given to the service nature of the seven areas stated above, leaving it open to the interpretation of the Electoral Affairs Commission. Eventually, any community or non-profit making company can explain their objectives and service nature in a way they consider most appropriate. It may possibly create a lot of confusion.

Besides, it is stipulated that new organizations or companies must "provide services on a regular basis". The wording "regular basis" in this provision is very confusing. For example, to provide services on a daily or yearly basis can be understood as on a "regular basis". It allows those organizations which do not constantly provide services to society to become voters of the Social Welfare constituency through such provisions. Therefore, it is inevitable that judicial reviews will be caused in future.

In view of the above, I think that the Administration is trying to rationalize its absurd arguments by "calling a stag a horse". It reveals that the Government is submissive to political pressure at the expense of the other people's interests. It is sacrastic that the Secretary for Constitutional Affairs and the Secretary for Health and Welfare hold contradicting view on and have double political standards for "social welfare" service. Therefore, the motion itself cannot really solve the problem concerning eligibility of voters in the Social Welfare functional constituency.

With these remarks, Madam President, I object to the motion.

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

MR CHAN KAM-LAM (in Cantonese): Madam President, Mr Michael SUEN has just moved a motion which is mainly based on the amendment agreed to at the end of last month in this Council. The amendment to the Legislative Council Bill was introduced by me and the Honourable Miss CHOY So-yuk to expand the electorates of two functional constituencies. The Democratic Alliance for Betterment of Hong Kong (DAB) welcomes the fact that the Hong Kong Government respects the amendment passed by the Provisional Legislative Council and makes technical amendments based on our amendments. The scope of the electorates has thus been more clearly defined and it is more easy to execute. Therefore, the DAB supports this motion.

However, the Government's motion is still not perfect in its definition of "social welfare", which stipulates that non-registered societies and non profit-making companies meeting the objectives of the Hong Kong Council of Social Service (HKCSS) must provide services in one or more of the seven service categories under the Social Welfare Department. They include family and children welfare, youth service, elderly service, prisoners' counselling, rehabilitation, community development and social security. Those organizations which provide education, medical care, housing and other services are excluded from the definition of social service. The DAB thinks that among the existing two hundred or more society members in the HKCSS, some of them have provided housing and medical services, such as the Hong Kong Housing Society, the Hong Kong People's Council on Public Housing Policy and the Federation of Patients' Rights and so on. The provisions in the amendment is strict with non HKCSS societies, and double standards exist because the amendment does not specify HKCSS members.

According to our recent information, those societies engaged in social welfare work are not simply the general Kai Fong associations, sports associations or clansmen associations. They are similar to the 140 societies under the Community Chest. The majority of them are non-HKCSS societies. Therefore, we think that the comments made by the HKCSS or the social worker sector have revealed that they do not understand their own groups or are being too narrow-minded.

Madam President, the DAB has considered the historical factors of the Social Welfare functional constituency. Since 1985, the HKCSS has taken up a leading position. Therefore, we accept the Government's amendment on not restricting the HKCSS societies.

However, the social worker sector has asked to cancel votes by some groups in the Social Welfare functional constituency, to be replaced by "one-man one-vote" for social workers to elect the Legislative Council Members. The DAB fully understands this suggestion. In the long run, we think that professional social workers should be the representatives, but we may review this in future. Having said that, we support the Government's motion.

Madam President, I so submit.

PRESIDENT (in Cantonese): Mr Frederick FUNG.

MR FREDERICK FUNG (in Cantonese): Madam President, Members of the Hong Kong Association for Democracy and People's Livelihood (HKADPL) will cast their votes against this motion made by the Government. Firstly, we shall discuss the issue of principles. We think that the best arrangement is direct election through the "one-man one-vote" system, because it can best reflect the public's will through quantifying electors' wishes to make decisions.

The election of functional constituencies is an election within small circles. The smallest election in the functional constituency has only forty or more people. If an election takes the form of group election, there may be only one hundred to several hundred people. As to election of professionals in functional constituencies, the system of one-man-one-vote has all along been used. Now let us refer to the decision made by the Preparatory Committee. It has provided for the method for the formation of the first Legislative Council, and I quote the decision of the Preparatory Committee: "For election of functional constituencies formed by individuals with professional qualifications, each individual member may cast one vote."

In fact, we can see that social work itself is a profession. The social workers can develop, through registration, into a profession functional constituency, each member of which should have one vote to cast in his own right. Now that the social work can become a profession, I can see no reason why the social welfare functional constituency should still keep the group votes. Theoretically speaking, development should be directed to cancel the hundred or more group votes from the HKCSS, instead of adding more groups to the social welfare functional constituency.

In fact, since Mr CHAN Kam-lam's amendment was passed last time, the professional status of social welfare workers has been infringed upon. It would not be against the Basic Law even if the "one-man one-vote" system for the registered social workers is adopted, as suggested by us. It would meet the requirements about the form of functional group elections as stated in the Annex to the Basic Law. Therefore, we find that we cannot agree to the original clause,

nor can we agree to the extention of definition as provided by this clause. Though my amendment is not accepted by the President, I wish to say that the Government is playing "cap tricks" in the two different debates, as the two tricks contradict each other, as exposed by their contents.

It has just been said that these Labour Ordinances should be suspended and repealed because they are bad and inaccurate. In fact, when Mr CHAN Kam-lam introduced his amendment to the Bill, the Government objected to it. We were lobbied by the Government to vote against Mr CHAN Kam-lam's amendment. Why does the Government not suspend it after it has been passed? Why does the Government not introduce another motion to amend or even repeal this amendment? Is it because the Government has not enough votes to do so, or is it because it has yielded to the dominance of number to embellish a clause which the Government itself has objected to earlier?

Madam President, I think that a wrong ordinance is still wrong, even if it has been embellished. As the Government has objected to Mr CHAN Kam-lam's amendment, it should continue to object to it, or it should have it suspended and repealed.

Now comes my third point. I remember that the Honourable TSANG Yok-sing, chairman of DAB, has written an article for *Ming Pao*. In the article, he says that it is one of their ideals for each social worker in the social welfare sector to have one vote to cast. I remember on the very day when we were still discussing Mr CHAN Kam-lam's amendment, I consulted the opinions of the Honourable Eric LI, chairman of HKCSS. He said that if everybody was prepared to give up the group votes, he could even vote for cancelling the HKCSS as one of the constituents of the Social Welfare functional constituency. I also discussed with Mr CHAN Kam-lam on that day, but Mr CHAN Kam-lam was not willing to do so. If the DAB thinks that it is an ideal for each social worker in the Social Welfare functional constituency to have one vote, I find it hard to understand why they did not agree to the consensus of opinions we have reached after discussing with the chairman of the HKCSS. It is believed by me, the HKCSS and the social workers that it is also their ideal to have more groups added to their functional constituency. And it would seem that this ideal is even more important than the ideal of having "one-man one-vote" for the social workers. Under these circumstances, it is not surprising that people suspect what their ideal is. Is the ideal of adding more groups to the Social Welfare

functional constituency as electors more important than the ideal of having "one-man one-vote" as mentioned by Mr TSANG Yok-sing in the article in *Ming Pao*? If such is the case, it would be difficult for you to explain if you are accused of vote-rigging. Moreover, it would be hard for you to justify yourself if you are accused of trying to win more seats.

Madam President, I still think that the ordinance is not acceptable. I also think that the Government indeed has the power and authority to deal with an ordinance which it does not wish to accept. Only 10 minutes ago, it adopted the tactic of "suspending and repealing" undesirable ordinances, but why does it not use the same tactic this time? Obviously, it is because it has yielded to the dominant of power. The ADPL will cast votes against the motion.

PRESIDENT (in Cantonese): Mr Howard YOUNG.

MR HOWARD YOUNG (in Cantonese): Madam President, during the last debate of the Provisional Legislative Council on the Legislative Council Bill, the Liberal Party objected to the expansion of the Social Welfare functional constituency to such an extent that it diverges from the professional role of the social workers. At the same time, we also objected to certain expansion in the Textiles constituency, I am not going to repeat here. However, the two amendments were eventually passed, so the Liberal Party had to abstain from voting on the whole Bill in the Third Reading. Now, the Government wants to suspend or repeal some of the ordinances, and to amend or define some of them more clearly as a matter of principle, the Liberal Party has to be consistent with its standing, and we will abstain from voting on this motion.

PRESIDENT (in Cantonese): Mr CHAN Kam-lam, do you wish to seek an elucidation? Each Member can only speak on the motion once.

MR CHAN KAM-LAM (in Cantonese): Madam President, the Honourable Frederick FUNG has just mentioned my name, so I must seek an elucidation. He said that before my amendment was passed, he had asked me if some of the group votes could be cancelled and if I would support his suggestion of "one-social worker one-vote." I wish to seek an elucidation because I have a

very clear standing that all amendments should be submitted to the Bills Committee, and that there should be no private agreement beforehand. Moreover, the election method of the functional constituency should be discussed among Members, but not just between the two of us.

PRESIDENT (in Cantonese): I believe Mr Frederick FUNG also wishes to seek an elucidation.

MR FREDERICK FUNG (in Cantonese): I disapprove of the idea of making private agreement, but there have been many debates on this topic. Even Mr TSANG, the chairman's article has appeared in the press. It is by no means private agreement.

MR ANDREW WONG (in Cantonese): Madam President, a point of order.

PRESIDENT (in Cantonese): Is it a point of order?

MR ANDREW WONG (in Cantonese): Madam President, it has become a debate, not an elucidation.

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

MR IP KWOK-HIM (in Cantonese): Madam President, the Democratic Alliance for Betterment of Hong Kong (DAB) supports the motion moved by the Government, as was clearly expressed by the Honourable CHAN Kam-lam a moment ago. However, after hearing the Honourable Frederick FUNG's speech, I wish to give a response, especially to what he said about the DAB having also agreed to the objective of "one-man one-vote" for the social workers. Regarding this matter, the DAB has expressed clearly during the last debate, and our colleagues have clearly pointed out that we hope to achieve this objective in the second term.

Regarding the election ordinance, we have observed that the Council is subject to a restriction in that the Preparatory Committee has mentioned something about its composition. Thus, the ideal mentioned just now is in fact an ideal of procedure. We hope that if we can add some social organizations to the social work or social welfare sector at this stage, such organizations in our society may play a role in the first Legislative Council election. Therefore, we think that this is not contradictory to our views for "one-man one-vote" for the social workers.

Mr Frederick FUNG has also queried why the Government does not repeal the related clauses under the circumstances. I find it very surprising because we may see a repetition of the way in handling the issue. In other words, whenever a motion passed is followed by an objection, we have to discuss it once again. This will lead to, endless discussions of the same motion. I believe that Members can understand this with their common sense. There is a great deal of difference between the Legislative Council of the former Government and the present Provisional Legislative Council. Therefore, we hope that Members will understand the amendment just introduced by the Government. We think that it is a supplement. Besides, the DAB has all along advocated that the Government should, through legislation on other means, determine the definition of societies in accordance with principles conforming to the ordinances passed. This has always been the direction put forward by the DAB.

Thank you, Madam President.

PRESIDENT (in Cantonese): Mr Andrew WONG.

MR ANDREW WONG (in Cantonese): Madam President, regarding item 15 of Annex 1, that is to include items 15(3) and 15(4) in the Social Welfare constituency, both items have gone through long debates when the Legislative Council Bill was introduced for discussion, no matter at Second Reading or at Committee stage. When I look back, I think that I might have made myself a fool, but what I said was praised by Mr Michael SUEN, who said that I understood the crux of the problem. The problem may be that some grass-roots organizations, so-called social service groups, or broadly-defined social service organizations fail to be included in the functional constitution just because the Preparatory Committee has made such a decision, and so they cannot take part in

the election of an Election Committee composed of 800 people. Therefore, an improper strategy is used to add sub-items (3) and (4) to Annex 1 concerning the Social Welfare constituency, which holds one of the 30 functional constituency seats in the Legislative Council. This has enabled other groups including grass-root or basic social service groups, that is, social service groups in a broad sense, to be included in the sector.

Be that as it may, though the purpose may be so, the effect is possibly that the Social Welfare constituency, which, to me, used to provide professional social service or social work to the citizens, will a number of groups forming the social welfare sector, has in fact changed to a sector composed of social workers. If sub-items (3) and (4) are passed, the sector will become an anomaly. Therefore, I think the whole issue is in fact very simple. If we have reached a consensus during the debate that it ought to be done in the long run, could it be done at the time? It can possibly not be done then. It is not like the exchange of bitter words between the Honourable Frederick FUNG and the Honourable CHAN Kam-lam, and the President, because no prior notice has been given, may decide to "disallow" a further amendment. However, as far as I understand, the rules of order does allow introduction of an amendment in the form of a bill to amend an earlier amendment which has been passed at the same Council Meeting. At the same time, the bill must go through a very complicated procedure from the Second Reading to Committee stage, and then to Third Reading. Therefore, the whole situation is not like what the Honourable IP Kwok-him has said: it should not be discussed again and again.

In this case, I think the Government is very clear, as the "order" submitted by the Government must be passed in the Council Meeting before it may take effect. It will be interpreted as for the purposes of getting a clear definition of items 15(3) and 15(4). Therefore when Mr Frederick FUNG mentioned deletion of item 15(1) which is about members of Hong Kong Council of Social Service, it would be totally inappropriate to do so. It would also not be appropriate to delete item 15(3), because the present objective is not to delete item 15(3), but to define it clearly. Deletion of item 15(4) is not appropriate too because the amendment does not aim at deletion of item 15(4). I do not want to comment on the President's decision. In regard to this problem, the President has to make a very difficult decision. The remark made by the Government has a binding effect on the President. As a result, she has to decide that Mr Frederick FUNG's amendment does not conform to the rules of order. Such a ruling is expected. However, I still think that since we have already reached a consensus that it is good thing to do, then why do we not think of a way to

change it? I think, through the introduction of a motion, we can have items 15(1), 15(3), 15(4) and others removed from the Annex. If items 15(1), 15(3) and 15(4) mentioned could all be deleted, Members would be satisfied. I have drafted a bill, but I am not prepared to introduce it myself, but I will pass it to three social welfare organizations, namely, the Hong Kong Council of Social Service (HKCSS), the Hong Kong Social Workers Association Limited (HKSWA) and the Hong Kong Social Workers' General Union (HKSWGUGU). I have done this at their request. If they wish to ask other Members to introduce it, it will be all right to me. If they do not wish to have it introduced at all, I shall not do so, either. If one of the three organizations wishes to have it introduced but no Member would do so for them, then I am willing to do so. This bill has already been passed to the HKCSS, HKSWA and HKSWGUGU.

I wish to add that item 15 of Annex 1 of the Legislative Council Ordinance which has been passed is in fact not "chicken's ribs" of little value but "chicken's bottom" which stinks and which we are ready to discard. I will certainly object to this motion today as it does not have any great meaning. The definitions are vague. How is the so-called "social services" defined? To cite elderly service as an example, a Cantonese opera group regularly holds a Cantonese opera performance for the elders. It is free of charge and the elders may even receive gifts. Is this elderly service? There must be a lot of arguments in future. Therefore, the Honourable HUI Yin-fat has just mentioned the problem, pointing out this will cause endless debates and judicial reviews in future. The election of May 1998 is approaching. Elector registration will certainly be carried out not just for the Social Welfare constituency. If it is for the Social Welfare constituency to become parts of the Electoral Affairs Commission, it may create doubts, and it may delay the whole elector registration process. Therefore, I would urge Honourable Members, to say no to the amendments, whether they are "chicken's ribs" or "chicken's bottom". If a Member's Bill is to be made, I hope either the Honourable HUI Yin-fat or the Honourable Eric LI should introduce it. I am now asking Members to support it.

Madam President, these are my remarks. I object to this motion.

PRESIDENT (in Cantonese): Secretary for Constitutional Affairs, do you wish to reply?

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, I would just like to respond to some questions briefly.

Actually, the issues discussed just now have been discussed many times during debates. I do not want to repeat here what I have said.

I would like to briefly respond to the Honourable Frederick FUNG. I think he has forgotten that the original eligibility criteria of the social welfare functional constituency did not include the professional qualifications of social workers. We first added this to the constituency when we introduced the bill in September. Therefore, we have already expanded the constituency and paved the way for it to become a professional constituency, just as he said. He should not turn around the facts and say that the professional qualifications of social workers had long been a criterion. Actually, that was the first time they became a criterion.

Secondly, he talked about the problem of repealing and suspending laws. His concepts were very much mixed up. This time, Members have come to a decision only after more than ten hours of in-depth discussion in the Provisional Legislative Council. Therefore, the decision was made after Members had gone through parliamentary procedures and had an adequate discussion. The reason why we want to repeal and suspend laws is that, as we all know, there was not enough time to discuss many laws in June. Hence, we should not mix up these two issues.

Madam President, I so submit for the record. Thank you.

PRESIDENT (in Cantonese): Mr Frederick FUNG, do you wish to seek an elucidation?

MR FREDERICK FUNG (in Cantonese): I wish to ask Mr SUEN. Does he think that if some ordinances were discussed in detail in June this year, then they should not be repealed? As it is the case with some ordinances.

PRESIDENT (in Cantonese): Mr Frederick FUNG, there is no need for the Secretary to reply. If you had asked this question before his speech, he might give you a reply. In the circumstances, you can only clarify your speech.

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".

(Members responded)

Mr Frederick FUNG rose to claim a division.

PRESIDENT (in Cantonese): Mr Frederick FUNG has claimed a division. The division bell will ring for three minutes.

PRESIDENT (in Cantonese): Honourable Members, the question now put is: That the Legislative Council Ordinance (Amendment of Schedule 1) Order 1997, made by the Chief Executive in Council on 7 October 1997, be approved. Will Members please proceed to vote.

PRESIDENT (in Cantonese): If there are no queries, the result will now be displayed.

Mr WONG Siu-yee, Dr Raymond HO, Mr NG Leung-sing, Mrs Elsie TU, Mr Henry WU, Mr NGAI Shiu-kit, Mr Henry TANG, Mr YUEN Mo, Mr MA Fung-kwok, Mr CHEUNG Hon-chung, Dr TSO WONG Man-yin, Mr CHAN Wing-chan, Mr CHAN Kam-lam, Mr TSANG Yok-sing, Mr CHENG Kai-nam, Dr Philip WONG, Mr Kennedy WONG, Dr Charles YEUNG, Mr YEUNG

Yiu-chung, Mr IP Kwok-him, Mr CHIM Pui-chung, Mr LAU Kong-wah, Mr LAU Wong-fat, Mr Ambrose LAU, Mr CHOY Kan-pui, Mr Paul CHENG, Mr CHENG Yiu-tong, Dr TANG Siu-tong, Mr Timothy FOK, Mr KAN Fook-yee, Mr NGAN Kam-chuen, Mr TAM Yiu-chung and Miss CHOY So-yuk voted for the motion.

Mr Eric LI, Mr LEE Kai-ming, Dr LEONG Che-hung, Mr MOK Ying-fan, Mr HUI Yin-fat, Mr CHAN Choi-hi, Mr Frederick FUNG, Mr Andrew WONG and Mr Bruce LIU voted against the motion.

Mr James TIEN, Mr Edward HO, Prof NG Ching-fai, Mr Allen LEE, Mr Ronald ARCULLI, Mrs Sophie LEUNG and Mrs Miriam LAU abstained.

THE PRESIDENT announced that there were 33 Members in favour of the motion, nine against and seven abstaining. She therefore declared that the motion was carried.

PRESIDENT (in Cantonese): The first motion under the Legislative Provisions (Suspension of Operation) Ordinance 1997. The Secretary for Education and Manpower.

LEGISLATIVE PROVISIONS (SUSPENSION OF OPERATION) ORDINANCE 1997

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Madam President, I wish to withdraw this motion under Rule 35(2) of the Rules of Procedure, as the related matter has been decided by this Council under the Employment and Labour Relations (Miscellaneous Amendments) Bill 1997.

The Secretary for Education and Manpower withdrew the following motion:

- "(a) pursuant to subsection (3) of section 3 of the Legislative Provisions (Suspension of Operation) Ordinance 1997 (which section suspends the operation of the Trade Unions (Amendment) (No. 2) Ordinance

1997 (102 of 1997)), that the period during which subsection (1) of that section has effect shall be extended to 30 November 1997 and accordingly that subsection (2) of that section shall be read as if the date 30 November 1997 was substituted for the date 31 October 1997 specified in that subsection;

(b) pursuant to subsection (4) of section 4 of the Legislative Provisions (Suspension of Operation) Ordinance 1997 (which section suspends the operation of the Employee's Rights to Representation, Consultation and Collective Bargaining Ordinance (101 of 1997)), that the period:

(i) of suspension referred to in subsection (1) of that section; and

(ii) during which subsection (2) of that section has effect, shall be extended to 30 November 1997 and accordingly that subsection (3) of that section shall be read as if the date 30 November 1997 was substituted for the date 31 October 1997 specified in that subsection;

(c) pursuant to subsection (4) of section 5 of the Legislative Provisions (Suspension of Operation) Ordinance 1997 (which section suspends the operation of the Employment (Amendment) (No. 4) Ordinance 1997 (98 of 1997)), that the period during which subsections (1) and (2) of that section have effect shall be extended to 30 November 1997 and accordingly that subsection (3) of that section shall be read as if the date 30 November 1997 was substituted for the date 31 October 1997 specified in that subsection."

PRESIDENT (in Cantonese): Motion under the Family Status Discrimination Ordinance. Secretary for Home Affairs.

FAMILY STATUS DISCRIMINATION ORDINANCE

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, I move the resolution standing in my name on the Agenda. The resolution is to the effect that the Family Status Discrimination (Proceedings by Equal

Opportunities Commission) Regulation made under section 67 of the Family Status Discrimination Ordinance be approved.

The Family Status Discrimination (Proceedings by Equal Opportunities Commission) Regulation, if passed, will enable the Equal Opportunities Commission to bring court proceedings in its own name when it appears to the Commission that the claim is well founded, and where the case raises a question of principle and it is in the interests of justice to do so.

The Regulation will also enable the Commission to apply for any remedies available to a claimant under the Family Status Discrimination Ordinance. These will include a declaration, an injunction or both.

The Regulation is basically modelled on the Sex Discrimination (Proceedings by the Equal Opportunities Commission) Regulation which came into effect in December 1996.

Madam President, I beg to move.

The Secretary for Home Affairs moved the following motion:

"That the Family Status Discrimination (Proceedings by Equal Opportunities Commission) Regulation, made by the Secretary for Home Affairs on 6 October 1997, be approved."

PRESIDENT (in Cantonese): I now put the question to you and that is: That the Family Status Discrimination (Proceedings by Equal Opportunities Commission) Regulation, made by the Secretary for Home Affairs, be approved. Council will now proceed to a debate. Does any Member wish to speak? Mr HUI Yin-fat.

MR HUI YIN-FAT (in Cantonese): I support on behalf of the Social Welfare constituency the Family Status Discrimination (Proceedings by Equal Opportunities Commission) Regulation, made by the Secretary for Home Affairs.

The Social Welfare constituency always supports the enactment of the Family Status Discrimination (Proceedings by Equal Opportunities Commission)

Regulation. It aims to protect those who have to take up responsibilities in single-parent families, and in taking care of children, the old and weak, or the disabled family members, from not being discriminated against taking up family burden when they are faced with personal development, job application, treatment at work, participation in various social affairs and others.

The Regulation that this Council is going to be passed by votes is sourced from the Sex Discrimination (Proceedings by Equal Opportunities Commission) Regulation. Recently, contents with sex discrimination appeared in a recruitment advertisement, and the Equal Opportunities Commission has initiated to take up a charge under the above regulation. This can reveal its effects on combating the sex discrimination cases under the regulations concerned and can positively educate the general public to eliminate their discrimination and bias.

As the Family Status Discrimination (Proceedings by Equal Opportunities Commission) Regulation is enacted, the authority must also educate the citizens to realize the importance of their respect for individual roles in families, through other means of civic education such as to imbue positive family concepts to the young generation in primary and secondary schools, and to make use of other social activities. I think that legislation to stop various types of discrimination cases is that a temporary solution rather than getting at the root of the problem. Making the general public aware of and be positive about family concepts and values is the most effective way to eliminate family status discrimination.

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

PRESIDENT (in Cantonese): Secretary for Home Affairs, do you wish to reply?

(The Secretary for Home Affairs indicated that he did not wish to reply)

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.

PRESIDENT (in Cantonese): Another motion under the Legislative Provisions (Suspension of Operation) Ordinance 1997. Secretary for Home Affairs.

LEGISLATIVE PROVISIONS (SUSPENSION OF OPERATION) ORDINANCE 1997

SECRETARY FOR HOME AFFAIRS (in Cantonese): Madam President, I move the second resolution standing in my name on the Agenda. The resolution is made pursuant to section 2(3) of the Legislative Provisions (Suspension of Operation) Ordinance 1997 and seeks to extend the period during which the operation of the Hong Kong Bill of Rights (Amendment) Ordinance 1997 ("the Amendment Ordinance") has been suspended.

The resolution, if passed, will extend the period of suspension up to 31 January 1998. As Members will recall, the stated purpose of the Amendment Ordinance was to add to the former section 3 of the Hong Kong Bill of Rights Ordinance ("the Ordinance") a declaration that it is the intention of the legislature that the provisions of the Ordinance apply to all legislation, whether that legislation affects legal relations between the Government/public authorities and private persons, or whether it affects only relations between private persons.

When seeking to suspend the Amendment Ordinance in July, we expressed our concern to this Council that the Amendment Ordinance has introduced uncertainty and confusion into the law, including:

- the uncertainty whether the new provisions added by the Amendment Ordinance would survive the decision of the Standing Committee of the National People's Congress of 23 February 1997, whereby, among other laws, section 3 of the Ordinance concerning its effect on pre-existing legislation was not adopted as part of the laws of the Hong Kong Special Administrative Region; and

- doubts whether the Amendment Ordinance would go beyond what it set out to do and would create new obligations on private citizens, contrary to the original intention of the Ordinance to bind only the Government and public authorities.

We have been discussing the implications of the Amendment Ordinance with representatives of the Law Society and the Hong Kong Bar Association. The legal views are technical and complex. We are studying the views, and consider that we shall need more time to examine them carefully against the concerns we have on the uncertainty of the Amendment Ordinance. We believe that the extension, if approved, is in the interest of due legislative process and the public interest.

Madam President, I beg to move.

The Secretary for Home Affairs moved the following motion:

"That pursuant to section 2(3) of the Legislative Provisions (Suspension of Operation) Ordinance 1997, the period during which subsection (1) of that section (which subsection suspends the operation of the Hong Kong Bill of Rights (Amendment) Ordinance 1997 (107 of 1997)) has effect shall be extended to 31 January 1998 and accordingly subsection (2) of that section shall be read as if the date 31 January 1998 was substituted for the date 31 October 1997 specified in that subsection."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That pursuant to section 2(3) of the Legislative Provisions (Suspension of Operation) Ordinance 1997, the period during which subsection (1) of that section (which subsection suspends the operation of the Hong Kong Bill of Rights (Amendment) Ordinance 1997 (107 of 1997)) has effect shall be extended to 31 January 1998 and accordingly subsection (2) of that section shall be read as if the date 31 January 1998 was substituted for the date 31 October 1997 specified in that subsection. Does any Member wish to speak?

(No Member indicated to speak)

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.

MEMBER'S MOTION

PRESIDENT (in Cantonese): Member's Motion. Motion of thanks.

MOTION OF THANKS

Continuation of Debate on Motion which was moved on 22 October 1997

PRESIDENT (in Cantonese): The debate will now resume, and public officers will speak. Financial Secretary.

FINANCIAL SECRETARY (in Cantonese): Madam President, I thank Members for their general support for this year's policy address and the views they have given. Apart from the important measures that it contains, there are two points about this year's policy address on the whole that are worth mentioning.

First, this address has a historic meaning since it is delivered by a Hong Kong person.

Second, this address farsightedly and actively discusses some problems that need to be faced and lists out the long term solutions. The policy address sets out a number of tasks that require the joint effort of the Hong Kong people in

order to maintain Hong Kong as an energetic and caring city, where everyone can lead a good life and the unfortunate can be helped. Many Members have put forward plenty of views on the parts on economic development and housing programmes. I would like to take this opportunity to reply.

First of all, I would like to talk about an issue which has aroused the greatest concern recently, that is, the fluctuations in the financial market. Recently, the financial market in Hong Kong has undergone tremendous fluctuations. We will assess the impact of these fluctuations on Hong Kong in detail. However, today, I would like to talk about some points.

First, Hong Kong must have an open economic system. Since we are part of the international financial system, we must recognize one fact, and that is our economic and market conditions are bound to affect other international markets. Similarly, we will be affected by the regional and international markets. Thus, apart from a good economic foundation, we need a sound financial system and especially a stable currency. A floating currency system and the fluctuation and instability it brings will only be harmful to the economic system of Hong Kong. Between 1974 and 1983, Hong Kong adopted a floating exchange rate system. In retrospect, the economic growth as well as the ability to control inflation and stabilize the market during these nine left something to be desired. I am sure the older Members will still remember the social turbulences caused by the depreciation of the currency. Therefore, we need to maintain the linked exchange rate not only out of political considerations, but above all due to practical economic needs.

Second, some people worry that the economic setbacks of several regions of the Association of South-East Asian Nations (ASEAN) would affect Hong Kong's exports to these regions. They also worry that the depreciation of the currencies of these regions would increase the competitiveness of their exports in the overseas market, thereby affecting the sales of Hong Kong's exports. First, the value of our exports to the ASEAN countries is not high, accounting for only 4% of the total export value of Hong Kong. As for the competitiveness of the exports of other markets, our product combinations are different from those of these regions. Moreover, the depreciation of currencies does not have a necessary link with export growth. For instance, any cost advantage of the goods of these regions might be set off by the higher prices of imports as a result of depreciation. What is more, Hong Kong's economy chiefly relies on the

services sector where we still have an edge.

Third, to maintain our competitiveness on the international and East Asian market, we ultimately have to rely on the various sectors to control our costs and enhance our quality and productivity. The recent adjustments in the stock and property market actually have a positive side since they effectively allay international anxieties that the increase of assets price would harm Hong Kong's economy. With the market mechanism of natural adjustment, we believe that the costs of doing business in Hong Kong will be under control and its competitiveness will increase.

Fourth, after a strong economic performance lasting for more than one year, it is inevitable that some local industries which have been doing extremely well might undergo adjustments. These adjustments have been more sudden and drastic than many people had expected. Whether in Hong Kong or overseas, governments, business sectors and individual investors have learned an important lesson. But although the Government has been violently shaken, our system could still resist successfully. This is due to the flexibility and adaptability of our economic system, our sound structure and our well-managed financial system.

Fifth, as the system of currency board has been adopted in Hong Kong, the exchange rate of the Hong Kong dollar will not be easily affected by speculative activities. Besides, the Hong Kong Monetary Authority has various tools to thwart any speculative activity involving the Hong Kong dollar. We understand that our measures to stabilize the Hong Kong dollar will affect some sectors of the Hong Kong economy. The recent sharp adjustment in the stock market is not something we wanted to see. However, I do not think that we should sacrifice Hong Kong's long term economic interest for the sake of easing short term pain. The work we are most concerned about at present is to maintain the stability of the financial system. However, I do not want people to think that this is the only matter that the Hong Kong Government is concerned about. This is not true. Actually, ensuring the healthy development of Hong Kong's overall economy is an important issue, since we can only maintain the stability of the financial system if we have a sound economic base.

As to what measures we should take to ensure the continuing prosperity of Hong Kong, each side will have a different opinion. The various programmes proposed in the policy address are based on two facts. First, during the past 20

years, Hong Kong's economy has transformed from one that relies on the manufacturing industry and labour for its growth to one that maintains its growth through enhancing the quality and increasing the value of its industrial and commercial sector and its financial service sector. Second, with the development of information technology and the improvement in business management, the various sectors are making higher demands on the quality of staff. These two circumstances have led Hong Kong society to put education in the first priority. This means not only education for children, but also constant training opportunities for employees in order for them to improve their technical standards and retraining in order to develop their potential.

We are extremely grateful to Members for showing great support for our proposals in education and training. Apart from offering more opportunities through education, we need to give Hong Kong people a sense of belonging in the changing environment. We think that letting Hong Kong people purchase their own homes will achieve this goal. With regard to the various points raised by Members on the housing policies contained in the policy address, the Secretary for Housing will respond to them in detail. However, I would like to talk about one point.

Some Members have asked the Administration to provide tax incentives to first-time home buyers. While consulting Members about revenue suggestions for the Budget recently, I also heard similar views. I am very grateful that Members support the Government's plans to encourage people to buy their own homes. I will consider Members' views in detail in preparing the Budget for next year.

The Government understands that it is most important to provide opportunities for Hong Kong people to fully realize their potential. Thus the policy address has proposed many measures to promote the diversified development of Hong Kong and to maintain Hong Kong's competitiveness. I thank Members for showing their general support for these measures. These measures show that we are turning towards a management mode of interfering with the economy. Personally, I believe that businessmen should make their own investment decisions and we have no intention of changing this principle. We will continue to support organizations that contribute to technological development and the increase of productivity. We will also make the best use of the research potential of the various universities in Hong Kong to support commercial and industrial development. I was pleased to hear that Members

support the Government's measure to inject additional funds into the Applied Research Fund and the Services Support Fund as well as agree to the setting up of a committee to advise the Chief Executive on matters of technical innovation. I know that these proposals are welcomed by the industrial sector. We will complete the review as soon as possible and implement these plans.

Many Members think that we need to help small and medium enterprises. I agree. Small and medium enterprises are the core of Hong Kong's business. We are working on the details of a pilot Credit Guarantee Scheme to help small and medium enterprises seek loans to finance pre-shipment activities and to open up opportunities of developing business. Last month, we published a booklet introducing the various services and facilities available to small and medium enterprises to help them obtain these supporting services. We will work closely with the Small and Medium Enterprises Committee to find new ways to help the development of these enterprises. Several Members said that the Hong Kong Government should give adequate assistance to the traditional manufacturing industry. But I am sure we all agree that the importance of the manufacturing industry cannot be measured by looking at the employment statistics alone. The traditional manufacturing industry does not contribute to the growth of our gross domestic product, generate income and provide job opportunities. The production processes of Hong Kong enterprises have not only been relocated to Southern China, they are gradually being relocated to the Asian Pacific region and other parts of the world. Hong Kong has become a control centre for production processes. On the premise of supporting the manufacturing industry, the Hong Kong Special Administrative Region (SAR) Government deems it most important to continue to enhance the technical and professional skills at various levels of the manufacturing industry. Therefore, we are working on these aspects. For instance, we have set up a working group to assess the requirements of the textiles and clothing industry in terms of training and human resources, while the Quick Response Centre we have set up with the textiles and clothing industry helps to enhance the productivity of this industry.

The SAR Government strives to improve the good business environment in Hong Kong. One important task is to enhance our efficiency and that of the business sector in providing services. I would like to mention that in May this year, a Business And Services Promotion Unit was officially set up under me, whose director is directly accountable to me. Its work is to implement plans that facilitate business operation and promote the service industry. The overall aims of the Unit are to maintain Hong Kong as the best place for business in the

world and its position as an outstanding service centre in the region. In terms of facilitating business operation, the Unit is studying several plans to cut red tape, reduce costs of compliance and turn over some public services to the private sector, as well as require the industrial and commercial sector to provide new services and improve existing services. In terms of promoting tertiary services, the Unit carried out 10 important promotion plans and implemented 12 key programmes in the year 1997-98. In addition, the Unit strives to ensure that the 125 measures listed in the final report of the Task Force on Services Promotion will continue to show progress. The Director of the Unit plans to explain the present situation to the relevant Panel in a few weeks. I will leave it to the Director of the Unit to report to Members on the relevant details. What I want to stress is I give high priority to this task and I am also personally involved.

Hong Kong has always been concerned about the problem of intellectual property rights and is determined to protect intellectual property rights, including the copyright of Hong Kong films. I am very grateful to Members for endorsing this. To speed up the introduction of legislations on intellectual property rights is extremely important to encourage creative works. Hong Kong's legislations on patents, trademarks, registered designs and copyright are almost the most comprehensive in the region. However, we will not be self-complacent as a result. In terms of copyright, we are planning to make licencing regulations to regulate the import of machines for manufacturing CD-ROMs as well as impose a registration scheme on local factories producing CD-ROMs. This will help us maintain strict controls on the local industry for CD-ROM production and allay overseas anxieties that Hong Kong might become a centre of pirated CD-ROMs. Besides, we are studying more stringent measures to combat pirating activities. Since the Hong Kong customs was given greater powers by the Copyright Ordinance in July this year, it has carried out several large-scale actions with outstanding results to combat pirating, making raids against retail black spots and suppliers of goods. We will continue to increase the allocation of resources in order to keep up this work and step up the crackdown on activities infringing intellectual property rights. The number of staff responsible for this work has been increased to 236, which is double that of the number in 1994-1995.

Lastly, I would like to talk about the recent events in the financial market and the various measures for improving economic efficiency set out in the policy address in general. It is true that the recent events have affected Hong Kong's economic activities. However, after the turbulences, I believe that everyone should reflect on and support the basic factors of Hong Kong's development.

Although Hong Kong's visible trade deficit for the first nine months this year is greater than past trade deficits for the same period, in assessing the future economic performance, I believe the large amount of capital equipment and processed raw materials absorbed by Hong Kong and the income from overseas investment will continue to set off the visible trade deficit.

While the Southeast Asian economic system has no doubt been affected, remedial measures have been adopted by the relevant countries. Their markets will rebuild their strength and contribute to the development of the region.

Besides, Hong Kong will remain a gateway to the market in the Mainland. We expect that in the process of the Mainland's economic reforms and the opening up of its markets, the demand for Hong Kong's services will steadily increase. Hong Kong's inflation rate has continued to decline and unemployment has remained at a low level. In terms of supplying new jobs and opening up new markets, Hong Kong's economy will continue to show its strength and flexibility. By strengthening Hong Kong's education system, we could go on improving the future quality of the various industries and make the services in Hong Kong more diversified and advanced. We will strive to eliminate the obstacles to competition, reduce costs of compliance with Government regulations as well as improve Hong Kong's infrastructure and speed up progress in this respect. The market brings us prosperity and stability, but occasionally it also brings temporary prosperity and trials. Hong Kong is a free market under the control of a sound legal system, where everyone can make innovations freely and create wealth through the operation of the market. This system will continue to enhance Hong Kong's position as an international free trade centre and financial centre.

THE PRESIDENT'S DEPUTY, MR IP KWOK-HIM took the Chair.

DEPUTY PRESIDENT (in Cantonese): Secretary for Housing.

SECRETARY FOR HOUSING (in Cantonese): Mr Deputy, I am gratefully to Honourable Members for their comments on the Government's housing policies

and programmes announced by the Chief Executive recently. I will deal with four main points raised, that is to say: achieving the target of producing 85 000 flats a year; encouraging wider home ownership; facilitating private sector housing; and providing public rental housing to people in genuine need.

Achieving the Target of Producing 85 000 Flats a Year

First, the Chief Executive has reaffirmed in his policy address the Government's commitment to build not less than 85 000 flats a year in the public and private sectors, starting from the year 1999-2000. I thank Members for speaking in support of this objective. To some Members who have expressed doubt, my response is that in the past three weeks we have demonstrated that concrete steps have been taken to achieve this goal. In the *Book of Rites*, Confucius has said that "可言也，不可行，君子弗言也。"（《緇衣篇》）（A gentleman will not say something if he can only say so but not do so.）（"*Black Clothes Chapter*"）. We have full determination and confidence to meet the set target.

My colleagues, the Secretary for Planning, Environment and Lands, has published a Land Disposal Programme for the next five years, covering about 690 hectares of new land for both public and private housing. In addition, new flats will come from redevelopment by the Housing Authority and the Housing Society. Land exchanges and lease modifications by private developers and rezoning of non-arable agricultural and industrial land will be other important sources of flat supply. The necessary infrastructure will be provided to support the housing development. To complement these initiatives, the Steering Committee on Land Supply for Housing, chaired by the Financial Secretary, has streamlined government procedures to reduce radically the planning, development, land and building approval time for both public and private housing.

At the district level, a control mechanism has been set up, and responsibility for meeting the critical path for each housing site has been assigned to specific officers of directorate rank. They will be accountable for taking forward each project through the different stages from site identification to flat completion. They will have to follow the set timetable, to solve all problems which may arise, and to refer any unresolved problems centrally to the

Secretary for Housing for quick resolution, or to the Secretary for Planning, Environment and Lands where planning and land policy changes are involved, as appropriate. Any remaining problems, which should be few, will be escalated to the Financial Secretary for resolution at his Steering Committee on Land Supply for Housing.

We have also improved the overall monitoring mechanism. We have drawn up, and published on 9 October, an inventory (control lists) of some 920 housing sites involving the production of over 780 000 flats in Hong Kong over the next eight years, broken down by type of housing and by geographical district. The Housing Bureau will monitor this inventory, site by site, and will update it regularly. This inventory is concrete evidence that the Government, with the co-operation of the private sector and the community, is in a position to deliver the annual housing target. We intend also to gradually extend the time frame of this inventory to cover a 13 year period. With this information, the Housing Bureau can detect any possible shortfall in flat production in a particular year, and can devise remedial measures to address the shortfall.

All these positive measures show that the Government is attaching top priority to housing, and should give the people of Hong Kong the confidence that the Government, with co-operation from all involved in the housing production process, can meet the annual housing target.

Encouraging Wider Home Ownership

Second, the Chief Executive has elaborated on the various measures we intend to take to achieve a 70% home ownership rate by 2007. I am grateful for Members' overwhelming support. Particular interest has focussed on our proposal to give at least 250 000 families living in public rental housing the opportunity to buy their flats. I wish to stress that the scheme being worked out by the Housing Authority will be fair and practicable. Flat prices will be reasonable and affordable. Other attendant details will be devised so as to make the scheme generally attractive to tenants whose family circumstances permit purchase. We expect to make an announcement before the end of this year, and the first batch of about 25 000 flats will be put on sale in early 1998.

Facilitating Private Sector Housing

Third, we recognize the important role played by the private sector. By

developing new land, redeveloping old buildings and applying for land exchanges and lease modifications, private developers should be able to produce up to 36 000 flats a year from the year 2000 onwards. On the Government's part, we have already streamlined and accelerated various approval procedures which will help private developers to fulfil the task expected of them. My Housing Bureau and the Planning, Environment and Lands Bureau stand ready to assist any private development which reasonably can contribute towards the housing target.

As regards the private residential property market, Members have generally supported the Government's strategy of providing a steady and sufficient supply of land for housing development to solve the problem at source. But a few Members have pointed to the community's concern over property prices. They have expressed disappointment that we have not gone far enough, and continue to advocate taking drastic measures. I can inform Members that the Government will continue to monitor the property market closely, and guard against any resurgence of excessive speculation.

Providing Public Rental Housing to People in Genuine Need

Fourth, I thank those Members who have spoken in favour of our policy to provide public rental housing only to people in genuine need. We will take proactive measures to reduce the waiting time for public rental housing gradually: from the present average of six and a half years to under five years by 2001, to four years by 2003, and to three years on average by 2005. Our measures will include:

- increasing the supply of public rental flats for allocation from an average of 14 000 flats a year in the past to 20 000 flats a year; and
- giving successful public housing waiting list applicants the option of buying rather than renting flats.

I am glad that Members have also commented favourably on our new pledges to provide accommodation to people with special housing need, that is, people living in old type temporary housing areas and cottage areas, bedspace apartment dwellers and the elderly. We will proceed to draw up programmes to implement these new pledges.

Conclusion

Mr Deputy, at the beginning of this year, we published for public consultation a review of the Long Term Housing Strategy. Many recommendations have now been announced by the Chief Executive, with widespread support from Members of this Council and from the community. We will formalize all these initiatives in a single, comprehensive "blueprint" for housing, in the form of a White Paper, to be published at the end of this year. We will then move forward to the task of implementation. In doing so, we look to Honourable Members and the people of Hong Kong for continued support. It is only with concerted effort that our housing goals well into the 21st century can be met.

Thank you, Mr Deputy.

DEPUTY PRESIDENT (in Cantonese): Secretary for Transport.

SECRETARY FOR TRANSPORT (in Cantonese): Mr Deputy, I will respond to the main views expressed by Members on the area of transport.

Several Members, including the Honourable Mrs Miriam LAU, the Honourable CHEUNG Hon-chung and the Honourable CHOY Kan-pui, have stressed that the Government should strengthen and speed up the development of Hong Kong's transport infrastructure. This is understandable, since our housing policy objectives can only be achieved with sound transport facilities. I also noted that Members have specially urged the Government to implement the three high-priority railway projects and commence various road infrastructure projects soon in order to provide the new development areas with sound transport facilities in time.

I would like to assure Members that we are stepping up the work of planning the three high-priority railway projects and getting them started. The entire route of Phase One of the West Rail was gazetted in early October and construction will start in 1998 and be completed by 2003. The main parts of the Tseung Kwan O Extension was gazetted in September and we plan to have the remaining parts gazetted before the end of this year. The construction of this

railway will begin in 1998 and it is expected to start operating by the end of 2002. As for the railway between Ma On Shan and Tai Wai, we are deciding on the best methods to implement this project. As I have pledged in the Policy Programmes of the Transport Bureau, our objective is to make a decision on how to implement this project by the end of this year. The construction of this railway will take approximately four years. According to current estimations, the above three railway projects will cost approximately \$100 billion.

In the coming few months, we will conduct a review and study of the priorities and construction timetable of other railway projects proposed in the Railway Development Strategy in 1994. This study will take into account the new housing objectives and the increased forecast population figures. We will also explore whether there is a need to develop new plans to meet future needs, including some rail links with the Mainland.

In terms of road projects, there is no need for me to give the details of the projects under construction. These projects are included in the Public Works Programme and we already submitted the detailed timetables of individual projects when we applied to Members for funds. At present, we are carrying out more than 10 main road projects. In the next three years, the capital expenditure of these projects will be up to \$13 billion. In the first half of 1998, Ting Kau Bridge and the improvements to Lung Cheung Road and Ching Cheung Road will be completed. Together with Route 3 (Country Park Section) which will be completed, Ting Kau Bridge can regulate traffic between Tuen Mun and the urban areas, while the improved Lung Cheung Road and Ching Cheung Road will bring long awaited improvement to east-west traffic on the Kowloon Peninsula. After the completion of the Duplicate Tsing Yi South Bridge at the end of 1988, which costs \$1 billion, the traffic to and from Tsing Yi will see a substantial improvement. The completion of the Hung Hom Bypass and Princess Margaret Road Link in early 1999 will help ease the serious traffic jams at the Hung Hom exit of the Harbour Tunnel.

Other road construction projects will also help to ease congestion in various major districts. The improvements to Sha Tau Kok Road between Lung Yeuk Tau and Ping Che will be completed by the end of next year, while the improvements to the section of Castle Peak Road between Siu Lam and So Kwun Tan and the flyover at the intersection of Hiram's Highway and Clearwater Bay

will be completed at the end of 1999. The section of Tolo Highway between Tai Po and Sha Tin will be widened to allow dual four-lane traffic to improve the traffic conditions of Northeast New Territories. This project costing \$0.9 billion will commence in 1998 and be completed by the end of 2001.

Besides, we are undertaking investigation or design work for several road projects, which will form the core of the road extension projects of the next ten years. They include improvements to Kam Tin Road, Fo Tan Road and Choi Hung Road and the widening of the Island Eastern Corridor.

In the near future, we will apply for funding for the feasibility study on Route 10 linking North Lantau and Northwest New Territories. We hope our application will receive the support of Members so that the investigation and preliminary design work of this major road can commence in March next year. This Route will link the airport and the development areas of North Lantau with the main development areas in Northwest New Territories and will later link up with cross-border roads.

We are carrying out a feasibility study on Route 9 linking Northwest Tsing Yi and Lai Chi Kok. We hope to complete this in a year and a half so as to begin the design work for this major road.

We are actively considering how to proceed with the proposed Central Kowloon route which will be an effective link between West Kowloon and Southeast Kowloon.

According to the present prices, the above road projects in the stage of planning and design are estimated to cost around \$40 billion.

In the Policy Programmes, we have said that we will examine whether there is a need to build several new major roads in the long run, such as an Eastern Highway and the completion of the northern section of the Western Highway linking Hong Kong Island and North Lantau, as well as a highway linking these two major roads. The Third Comprehensive Transport Study (CTS-3) now being conducted will further study these major road networks. This study will assess our transport needs for the next 20 years.

Mr Deputy, I very much agree with Members that we have to build roads giving access to the new development areas as soon as possible. However, most road projects are large-scale infrastructure projects in which we will have to

make a large investment. They also require long years of planning and construction. We are considering whether we could simplify some planning and design procedures in order to shorten the planning time before the implementation of the projects. Since we have made ambitious plans for building transport infrastructure facilities for the next century, we will have to speed up in order to complete these plans soon. Of course, certain road projects, such as the detour between Central and Wan Chai and Route 7 between Kennedy Town and Aberdeen, go hand in hand with the reclamation plans. We hope that these plans will be approved by Members when they are submitted for this Council's consideration.

Some Members also mentioned the need to enhance links with our neighbouring cities. This factor will be taken into account in all the major road projects and we will ensure that the CTS-3 will study this question, so that we can take full advantage of closer links with the Mainland and Hong Kong's central position in South China.

DEPUTY PRESIDENT (in Cantonese): Secretary for Planning, Environment and Lands.

SECRETARY FOR PLANNING, ENVIRONMENT AND LANDS (in Cantonese): Mr Deputy, my colleague the Secretary for Housing has just spoken on matters related to housing, and so I shall focus mainly on issues related to the environment. I would first of all like to thank Members for their concern and support for environmental protection. I look forward to working more closely with the Council on these issues which touch on every facet of our community.

Members have commented that there is no comprehensive or long-term policy on the environment in the Chief Executive's speech. I am afraid this is not quite correct. The Administration's comprehensive environmental policy is contained in the Policy Programme on the Environment which form part of the policy address exercise. The Chief Executive's speech has highlighted some of the more important areas, as well as the major direction of our future actions.

Moreover, the Administration's long-term environmental policy is embodied in a 10-year plan in the 1989 White Paper. We are still in the process of implementing that. Years of previous neglect had contributed to a worsening

of our environmental conditions, and it will take us years, if not more, of action to rectify previous wrongs. We would also need to give time for our environmental actions to take effect and hence it is not practical to have a new environmental policy every year. Notwithstanding this, we have not been standing still. While we have been implementing the 1989 White Paper faithfully, we have also been updating and reviewing it once every two years. The Fourth Review is due to be completed later this year. We will also be examining the major thrust of our environmental action in the future.

The Chief Executive has already highlighted four of our most important action areas for the future, that is, air pollution, water pollution, waste reduction, and sustainable development. We have provided further details of these actions in our Policy Programme document and in our briefing to Members.

On air pollution, the 1989 White Paper has set out a four-phase strategy to tackle emissions from vehicles. The first three phases comprising the introduction of unleaded petrol, application of the most stringent vehicle emission standards and enforcement against smoky vehicles have been implemented and are having a beneficial impact.

We are now planning to reduce our reliance on diesel vehicles by replacing them with vehicles powered by liquefied petroleum gas (LPG). The trial on taxis to start in November will ascertain their technical reliability under the local conditions, fuel consumption, repair and maintenance requirements including the training of sufficient competent service mechanics, and the development of a permanent LPG refilling network. This will help us formulate a motor fuel strategy to improve air quality in the long-term. We look forward to the support of the taxi trade, LPG and vehicle suppliers, the public and this Council to make the trial successful.

Turning to water pollution, Members will recall that as part of our overall strategy, all Hong Kong waters have been declared as water control zones by December 1996 and all livestock farms are subject to control under the Livestock Waste Control Scheme from 1 July this year, thereby reducing livestock pollution by about 90%. When the High Priority Programme of the Strategic Sewage Disposal Scheme (SSDS) is completed in 1999, 70% of the 1.5 million cubic metres of untreated sewage which flows into the Harbour will be intercepted and

treated, thus bringing significant improvements to the water quality of the harbour.

We are also actively planning for the remaining stages of the SSDS. With the co-operation and support of experts from the Mainland, the Environmental Impact Assessment for Stage II is near completion. We would be able to work out the preferred option for Stage II by early 1998 for public consultation. For Stages III/IV, a pre-project feasibility study will commence in early 1998 to determine the best alignment for the Hong Kong Island system. A full solution to the pollution in the harbour will be achieved in the early years of the next century when the SSDS is fully commissioned.

On waste, the main focus of our future efforts will be on reduction. The Waste Reduction Plan, to be introduced next year, proposes to implement three major programmes, namely the Waste Avoidance, Minimization and Materials Recovery Programme, the Institutional Programme, and the Bulk Waste Reduction Programme. The Plan's key objectives are to reduce the amount of waste requiring disposal; to prolong the life of our landfills; to reduce the growing costs involved in transporting, treating and disposing of waste and to minimize the use of finite natural resources. The Plan is an important milestone in our efforts to improve the environment.

We need also to stand back and take a broad view of what steps the community must endorse in order to ensure that environmental considerations should become an integral part of our policy formulation and implementation process. Sustaining the integrity of our environment as well as our need for development will be the major challenge ahead of us all. To this end, we plan to publish a new environment White Paper — on the theme of Agenda 21 — by the year 2000. This will be a blueprint for sustainable development and will draw upon the findings of the SUSDEV 21 Study that started recently. While we would need to develop a sustainable framework to suit our own needs and priorities, we are mindful that we are also part of a wider region comprising the Pearl River Delta and parts of South China. We will take into account the interaction of and future development between Hong Kong and the Mainland in devising our own local Agenda 21.

Members have also commented on the need for us to work on better actions, co-operation and co-ordination with our counterparts in the Mainland on the environmental front. We agree fully to this view. Indeed, Hong Kong's becoming a Special Administrative Region has opened up new horizons for us to

achieve it. Pollution has no boundaries, and we are all the more mindful about the need for better cross boundary co-operation. The Hong Kong-Guangdong Environmental Protection Liaison Group has been doing some useful work over the past years and laying down a good foundation for intensified activities in future. We need to have a better understanding of each other's systems and capacities before proceeding further on joint actions. We hope to discuss more details on joint actions in the next meeting to be held in a few months' time. The high level framework between the Hong Kong Special Administrative Region and the Guangdong Province proposed by the Chief Executive will provide further impetus to our joint efforts on environmental protection in the Region.

There is also another important aspect in improving our living environment. On this I refer to the need to ensure that the buildings in which we live are structurally safe and that old, sometimes dilapidated, buildings are redeveloped to avoid slums from being created in our city. This Council will have a motion debate on Building Safety Inspection in two weeks' time and the Administration will respond more fully on that occasion.

On urban renewal, Members have suggested that the process should be expedited. The Administration shares this view and has been undertaking actions in that direction.

We are conducting an Urban Renewal Strategy Study to help us formulate a strategy to guide the restructuring of our city in a comprehensive, coherent and sustainable manner. The Study is aimed at identifying buildings and sites in our urban areas which are in need of redevelopment, and examining restructuring needs and opportunities for improving the urban fabric. The Study also collates and analyzes information on the condition, pattern of ownership, and potential for redevelopment of individual buildings and sites. We have just completed the first stage of the Study and have identified over 660 urban renewal projects covering more than 70 hectares of land. These projects are being prioritized and their redevelopment financial viability assessed. We will then draw up a priority action area plan and a detailed programme for implementation. The whole Study will be completed by the middle of 1998.

Our actions on setting up an Urban Renewal Authority (URA) are progressing well. We are now examining the practical, legal and resource implications of the proposal and aim to set up the URA in 1999 after the

enactment of legislation. The Urban Renewal Strategy Study which I referred to above will provide a comprehensive framework to guide the URA's efforts when it is set up.

In the meantime, urban renewal efforts cannot stand still. The Government has recently given approval to the Land Development Corporation to study 25 possible projects for renewal and is working to introduce legislation into this Council to facilitate building owners to redevelop their properties. When all the above efforts are implemented, we shall be able to see even more rejuvenated and modern urban areas in our city from the beginning of the next century.

DEPUTY PRESIDENT (in Cantonese): Secretary for Economic Services.

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Mr Deputy, during a debate on the Chief Executive's policy address, several Members expressed their concern to the recent decline in the number of visitors in the travel industry, and provided valuable opinions on the development of the industry. I wish to make a reply here to the Members' opinions and describe our work on tourism committed by the Government and the Hong Kong Tourist Association (HKTA).

Tourism takes an essential part in the Hong Kong economy. In 1996, the number of visitors to Hong Kong reached a record high of 11.7 million man-times, keeping Hong Kong as the most popular holiday resort in Asia. After the climax in 1996, in the middle of this year, there was a slow-down in the tourism industry, marking a decrease of 35.2% of the number of visitors to Hong Kong in July. Japan and China, the two major markets for the Hong Kong tourism industry, have seen a decline of over 50% in the number of visitors to Hong Kong, making the total number of tourists dropped by 4.5% in the first half of the year. There are many factors for the slow-down in the tourism industry, including the recent currency depreciation of many Asian countries, which has resulted in the rise in the Hong Kong currencies and commodity prices relative to these countries, and has reduced Hong Kong tourism industry's competitiveness. During the handover period, China enforced a temporary exit restriction policy to visitors to Hong Kong, so the number of visitors from China to Hong Kong decreased in June and July. Moreover, part of the visitors have

misunderstandings towards the situation in Hong Kong after the handover. With all these factors, the attraction of Hong Kong as a tourist centre has indeed been affected.

The HKTA forecasted last year that there would be a slow-down in the Hong Kong tourism industry in the later half of 1997. The HKTA has therefore increased its promotion before and after the handover. For example, it arranged people from the mass media and the tourism industry all over the world to visit Hong Kong, so that they could have a better understanding of the actual conditions in the Special Administrative Region.

The Honourable WONG Siu-yee has suggested in his debate that we can produce promos to serve as a guide to Hong Kong. In this regard, the HKTA has made a series of promotion videos for broadcast in the HKTA offices in various places or in overseas Television companies. Besides, the HKTA has also produced a series of promotion videos which feature famous international celebrities promoting Hong Kong. Promotion in this aspect will be enhanced in future. The HKTA will continue to explore the potential of Hong Kong in tourism, to reposition and re-package the industry, to increase overseas promotion and to promote Hong Kong more effectively.

In order to keep Hong Kong as an attractive tourist centre, and to develop Hong Kong as a city of events in Asia, the HKTA will continue to arrange a variety of international events in Hong Kong. In the next half year, the events will include Takarazuka Revue Troupe of Japan, Bolshoi Ballet of Russia and General Meeting for International Association of Engineers and so on. Recently, the HKTA has started to promote winter tour discount packages on programmes for Christmas and the Lunar New Year as well as on big winter sales. It aims to stimulate tourist markets such as Japan, Taiwan, Korea and the South East Asian countries paying short-trip visits.

The Honourable Mrs Selina CHOW has mentioned that foreign visitors also appreciate historical antiquities. Hong Kong has numerous antiquities and relics, even though it is a small place. This is the year of antiquities in Hong Kong. In order to co-ordinate with activities for the year of antiquities, the Antiquities and Relics Office and the HKTA have carried out a lot of promotion to allow citizens and tourists to have more understanding of historical antiquities in Hong Kong. For example, the Zhongshan historical path, with the late Dr SUN Yat-sen's house and school on the way. Besides, Phase I of the Central

and Western District antiquities path is in use, with many famous historical buildings and relics on the way. Apart from the relics, new buildings in Hong Kong also have features which will appeal to tourists.

The Honourable Howard YOUNG has mentioned that environmental protection tour and beauty of nature in Hong Kong can be appeals to tourists. In this regard, I agree that the beauty of nature in Hong Kong is not only attractive, but also possesses the potential to be a tourist resort. In order to promote Hong Kong's natural environment as a new tourist resort, the HKTA has printed a "self-guide for travel" and designed tours such as the "Tour to North East of the New Territories", the "Hong Kong Relics Tour" and the "Hong Kong Sight-seeing Tour" to promote different areas in the New Territories including Sai Kung where it has natural scenery. The HKTA will keep making efforts in this aspect.

Environmental protection tour is a recent and new development in tourism worldwide. The HKTA aims at a breakthrough in this area. It is now studying the "environmental protection strategy for continual development of Hong Kong tourism" and plans to issue an "Environmental protection travel guide". Within the 19 major environmental protection regions listed in the world travel associations, world tourists or travel bureaus, Hong Kong is the first region under study. The HKTA has subsidized environmental protection communities such as Friends of the Earth on development projects such as Mai Po Wet ground exhibition centre to attract international tourists who love nature. We shall continue our work in this aspect in future.

Apart from its scenic spots, Hong Kong also has a significant advantage, that is, the numerous scenic spots and historical sites in China, and several thousand years of Chinese culture, which are extremely attractive to tourists all through the world. Hong Kong is making more efforts to cooperate with China. When Hong Kong becomes a bridge to China in tourism, it will benefit both sides for such a development. Transportation between China and Hong Kong will continue to improve, for example, the through train service among Hong Kong, Beijing and Shanghai will allow tourists to have more choices. The HKTA set up an office in Beijing in March this year, aiming at promoting China and Hong Kong to foreign tourists jointly with the National Tourist Bureau. Moreover, the HKTA, Macau Tourist Administration and Guangdong Tourist Bureau will establish a Pearl River Delta travel organization to hold large

tourism exhibitions, and launch Pearl River Delta package itineraries. Looking forward to the future, Hong Kong will co-operate with China to promote tourism, and to increase Hong Kong's appeal to foreign tourists.

The Government is consistent in its tourism development policy in that it ensures sufficient infrastructure and facilities in Hong Kong to support tourism development. In 1996, the Government injected \$50 million in the Tourism Development Fund to assist the HKTA in studying the feasibility of developing new and large scenic spots, among them, the Hong Kong New Era Exposition, a film city similar to the Asian film city, a watersports centre of international standard, and a festival market with traditional characteristics. The Fund will also be used to improve and increase more tourist facilities, such as the computerized information centres, and road signs for tourists' convenience. We are planning to loan \$100 million to the HKTA to set up an international event fund to aid Hong Kong to hold more international events. The objective is to attract more than 50 international events to be held in Hong Kong within five years to establish Hong Kong's status as "A City of International Events in Asia".

Moreover, we also devote ourselves to ensuring sufficient manpower and infrastructures in the tourism industry as support. For manpower support, the Government will conduct a survey on human resources and training within a short period to meet the needs of the tourism industry. For infrastructure, a study report on demand and supply for hotel industry will be announced within a short time to predict the prospect and future needs of the hotel industry. The Government has adopted some policies such as relaxing the percentage of areas allocated to hotel construction in order to encourage construction of hotels. The new airport is expected to be in use in April next year, when it will fully clear up the major obstructions to tourism development, that is the capacity saturation of the airport. The new airport charges will be reasonable to maintain the competitiveness of the Hong Kong new airport.

A special ad hoc group on tourism industry formed by the Government and the industry, including the Honourable Howard YOUNG, has started to work on the ways to solve the difficulties faced by the tourism industry. The problem does not take place within a short time, just as it takes more than one day for a river to freeze to a depth of three feet. Apart from the various policies we have just mentioned, it is most important to review the price and operation of the industry. It must face the reality of depreciation of the Japanese and South East

Asian currencies relative to Hong Kong dollars, and adopt a suitable policy to maintain the competitiveness of tourism in Hong Kong. Hong Kong has come across all kinds of problems but at the end it can handle safely. The tourism sector does not need to be discouraged when it is faced with the difficult situation today. I hope that the industry which includes hotels, airlines, travel agencies, catering and retail industries can join hands to broaden sources of income and reduce expenditure, to set the price at a reasonable level, to improve service quality, to treat tourists with politeness so that they will feel at home, and to keep goods worth its value, or even over its value. In this respect, many hotels have cut their charges and I know that the airline companies and shops will offer many discounts within a short time. I believe that our efforts will not be wasted. In the joint efforts of the industry, the HKTA and the Government, the future of the tourist industry is still promising.

Strengthen Hong Kong's position as an international shipping centre

Mrs Miriam LAU and Mr YUEN Mo have both mentioned in the debate that Hong Kong must maintain its position as an international shipping centre and the No. 1 container terminal port. Ports are the most essential natural resources of Hong Kong, and the shipping industry has all the way taken up important roles in the economic development of Hong Kong in the past hundred years or so. The ships owned or managed by Hong Kong shipping companies amount to 55 million tons. The Government has all along kept a close relationship with the Hong Kong Shipowners Association and the shipping industry to study how to increase the competitiveness of Hong Kong shipping industry. Our most important policy is to attract more ships to register in Hong Kong and use Hong Kong as the base. As a result, it will bring more businesses to Hong Kong in ship management, investment, insurance and legal aspects.

After the Hong Kong Shipping Register was set up in 1990, it has been internationally recognized as the shipping register which enables shipowners to provide excellent services. At present, the register has a record of over 490 ships, the total number of tons registered has reached 5.8 million tons. In order to improve Hong Kong's status as a shipping registration centre, the Marine Department has adopted a series of policies to review and simplify shipping registration charges, to print shipping user guides, to promote Hong Kong's shipping registration services through internet, to provide bilingual registration documents and to encourage more owners in China and Hong Kong to register

their ships.

In addition, we have collected some suggestions, hoping for relaxation of tax burden to Hong Kong ships overseas so that it can help them increase their international competitiveness. Relevant government departments are studying these suggestions in detail. In addition, we are studying with the service industry consultation group in the Trade Development Council and the Hong Kong Shipowners Association to jointly hold some activities overseas to promote the advantages of Hong Kong as a shipping management centre and to encourage more international shipping companies to set up offices in Hong Kong.

One of the difficulties the Hong Kong shipping industry is facing is the lack of local seamen. In order to enhance the international competitiveness of the Hong Kong shipping team, we are studying with the Hong Kong Shipowners Association and the Vocational Training Council on how to provide training to local and Chinese seamen through the Hong Kong Seamen Training Centre, so that they can provide services for ships registered in Hong Kong. The Vocational Training Council is making reviews on the objectives and the courses provided by the Hong Kong Seamen Training Centre in order to satisfy the needs of Hong Kong as a modernized port.

Strengthen the competitiveness of Hong Kong container terminal

Closely related to the shipping sector in Hong Kong is the container terminals. The Southern China region has marked a continuous growth in economic development and it provides an abundance supply of commodities. As a result, Hong Kong maintains its status as the busiest container port for a consecutive of five years. According to the speed of growth in shipping for the last few months, Hong Kong probably can maintain the status of the busiest container terminal this year.

The development of Hong Kong ports in the long run has to face the problems of container terminals charging too high and land communications being too expensive. In order to tackle these two problems, our policy is to provide sufficient container terminal facilities to handle long term demand, to increase competition and to reduce charges. In addition, we have to develop the geographical advantages of Hong Kong, to encourage the use of the Pearl River water course, to develop river trade shipping, to further improve the customs procedures with China, to reduce the land communication cost and to improve

the status of Hong Kong as the most important container terminal in the Southern China region.

As to the development of new terminals, we have made good progress in negotiating with the developer of Container Terminal 9 about the land grant clauses. It is expected that it will be completed by the end of the year. The terminal projects will commence next year. The first parking club will be in service in two years' time. After the completion of the whole terminal, it can provide an extra 2.6 million standard containers volume which is sufficient to cope with the growth in goods delivery in the next few years in Hong Kong.

The container terminal facilities require a long term plan and heavy investment to maintain competitiveness of the Hong Kong port. We must plan for the demands of container terminal in the next 10 to 20 years and reserve land for it. In the mean time, the Hong Kong Port Development Board is carrying out a new forecast on long term growth of containers in Hong Kong. The report will be published next year, and the data of the study will assist us in planning in detail the time for development for Container Terminals 10 and 11. When we are carrying out the long-term container capacity forecast and decide on the time for development of the new terminal, we shall consult people from the industry and closely liaise with the Chinese ports authority to understand the long-term needs of the Southern China so as to co-ordinate with China's long term economic development.

I wish that Mr YUEN Mo, after hearing what I have said about the work of the Government in the development of shipping and the ports, will agree that we have not overlooked the problems about shipping. On the contrary, the Government is deeply concerned with the development of the shipping industry. Thank you, Mr Deputy.

DEPUTY PRESIDENT (in Cantonese): Secretary for Health and Welfare.

SECRETARY FOR HEALTH AND WELFARE (in Cantonese): Mr Deputy,

Financial Aid to the Elderly

I am very grateful that many Members have eagerly spoken on the issue of

elderly welfare. First, I would like to stress that there are probably three sources of income for retired persons: personal savings, allowance given by family members and contributory retirement security plans. As we know, most retired old people are supported by their children and family, or they live on their savings. Only a minority of old people have to rely on Comprehensive Social Security Assistance (CSSA) payments for a living due to financial problems.

In terms of the increase of CSSA payments to the elderly, public opinion supports our proposal to pay particular attention to the needs of elderly CSSA recipients and provide them with additional financial aid to help them meet expenses other than their most basic needs. With regard to the amount of increase, according to surveys of the Social Welfare Department on elderly CSSA recipients, many elderly CSSA recipients participate in different social activities. The surveys also found that the items, amount and number of times of spending of old people differ from case to case. We understand that in order to maintain their physical and mental health after retirement, old people have to keep up an active social life which requires additional expenses. But while increasing the CSSA payment, we have to consider the long-term cost of the overall CSSA plan to the Budget of the Hong Kong Special Administrative Region (SAR) Government. In the year 1997-98, we estimate that the expenditure on CSSA will reach \$9.5 billion, an increase by more than five times compared to five years ago. After taking into account various factors and the long-term commitment of the Government, we consider it appropriate to pay an additional sum of \$380 to the elderly each month.

After the amount has been increased, the basic payment to a single elderly person will be \$2,440. For instance, an elderly person living in public housing will receive a monthly payment of \$3,000 inclusive of rent allowance. If a single elderly person lives in a private rented room, he will get a monthly payment of around \$3,400, which amount will be adjusted in April 1998 according to inflation.

Regarding the question of several Members as to whether the additional allowance can be paid out earlier, I would like to reiterate our position here today. In drawing up the Budget each year, the Government has to take into account Hong Kong's economic growth and the Government's overall expenditure, which must be matched with one another. Abiding by the principle of a prudent and moderate fiscal policy, in drafting the Budget early this year, the Government already allocated all available sums for expenditure this year to specified uses.

Besides, judging from the present increase of CSSA cases and the increase of the total expenditure, the expenditure on CSSA this year will far exceed our budget appropriation. An early pay-out of the additional allowances would exceed this year's Budget appropriation and contravene the consistent fiscal policy of the Hong Kong Government.

Role of the Family and Support Services

The needs of the elderly are not limited to financial assistance. The attention and care of the family and society are most important. In order to achieve the goals of providing the elderly with "a sense of security, a sense of belonging and a feeling of health and worthiness", the Government and voluntary organizations need to jointly provide a series of services to the elderly and their families. However, the family must continue to play an active role in caring for the elderly. We believe that no matter what kinds of professional services are provided by the Government or voluntary organizations, they cannot replace the family's care for and attention to the elderly. However, we fully understand that when the elderly's health conditions change, the family must have proper assistance in order to take good care of their elderly. Therefore, our new commitments for the coming year, such as setting up Carer's Support and Resource Centres, health teams for the elderly and additional home help teams as well as improving the services of day care centres for the elderly, are intended to help the elderly spend their retirement days with their family.

Residential Care Services

For the elderly who cannot continue to live at home due to health or family problems, residential care services are essential. Many Members are concerned about the problem of supply and demand of residential care places and urge the Government to seek solutions. Actually, we are also aware of the problem of supply and demand of residential care places and we have adopted various measures to solve this problem. Apart from continuing to build more residential care homes, we will also encourage non-profit making or private organizations to participate in providing these services. In order to achieve this goal, we have begun a review of the present Bought Place Scheme and we are planning to put in considerable resources to encourage residential care homes to provide high-quality service. We believe that a balanced and healthy development of the residential care services in Hong Kong is needed to ensure that elderly people of different financial circumstances get the services they need.

The increase of the number of residential care places cannot be accomplished in one day. There are a number of obstacles, such as the need to hire adequate personnel and look for a suitable site. However, we are confident that we can provide more than 7 000 additional subvented places between 1998 and 2002 to help satisfy the demand of the elderly for residential care places. Besides, non-profit making residential homes can also provide more than 1 000 places in the same period.

Services for Young People

This year's policy address points out that the Government will put considerable resources into education in order to nurture the younger generation of our society. Of course, in the course of growing up, young people might encounter many difficulties and one must not neglect the support they need. In the area of social welfare, we will continue to provide services to young people with problems, including one-time offenders, so that they will become responsible citizens and make contributions to society.

We will enhance our outreaching social work by creating one more outreaching social work team. We will also increase the number of school social workers to strengthen the team of school social workers. For young people who have committed minor offences, we will extend the Community Service Orders Scheme to rehabilitate them. In the coming year, we will extend the Community Service Orders Scheme from the Magistracies to District Courts, Court of Appeal and Court of First Instance.

We will operate three Community Support Service Scheme projects to provide services to marginal youths who have committed offences. Through counselling and small group activities, we will help them re-enter school or find employment so that they can re-integrate into the community.

Meeting the Needs of People with a Disability

The Chief Executive has made it clear in his policy address that we have to care for people with a disability. I also take this opportunity to reiterate that we will continue to honour the commitments made in the 1995 White Paper on Rehabilitation. We will continue to provide suitable rehabilitation services, support and assistance to people with a disability so that they can realize their

full potential and integrate into the community. As such, they can participate in social affairs and activities and enjoy equal opportunities as other members of the public.

In the next few months, we will allocate more than 2 000 day and residential places by stages to people with a disability. In the coming three years, we will provide approximately 3 000 additional places for various kinds of services, including day and residential places for ex-mental patients and mentally handicapped persons, as well as pre-school places for children with a disability. To meet the long-term demands, we will shortly conduct a comprehensive review on the supply and demand of various rehabilitation services and draw up the rehabilitation service plan for the next five years.

Apart from providing direct services, we will spend an annual sum of \$4 million in the next two years on public education programmes to promote a healthy attitude in the community, the acceptance of people with a disability and the willingness to employ them by the community.

Health Care Review

In terms of health care, several Members have spoken for a review of Hong Kong's health care system and suggested matters that need to be examined and studied in the review. These matters include whether higher medical charges should be imposed on those who can afford them, how to co-ordinate the services of public and private medical institutions and the feasibility of collective medical insurance. We will study these and other matters relating to the health care system. As the public health care expenditure continues to escalate, we have to anticipate future needs and look for sources of funds and methods of economizing, so that we can continue to provide high-quality public health care services to the community.

Early next month, we will employ a specialist consultant to help us collect the information required and help us study the various matters in order to draw up long-term policies and proposals. We will set up a committee including members of the public to supervise and guide the work of the specialist

consultant. Moreover, we will report to the Panel on Health Services of the Provisional Legislative Council on the progress of work and exchange views with members on matters under investigation.

Improving Health Care Services

In their speeches, Members also called on the Government to implement measures in the short term to improve the existing health care services, including the quality of hospital services, women health services and the prevention of infectious diseases.

The Hospital Authority (HA) has set up a special task force to carry out a comprehensive review on how to reduce medical risks. The task force will examine ways to increase the accountability of health care personnel, especially the clinical supervision of subordinate staff by their supervisors. It will study methods to enhance the training of professional health care personnel and how to deploy staff in order to relieve work areas under pressure. After completing the review, the HA will publish details of the improvement measures and closely monitor their effectiveness upon implementation. With the increase of hospital beds and the expansion of services, the HA will increase the number of frontline health care personnel and provide health care personnel with opportunities of further studies in order to raise the standard of service of the various hospitals.

At the same time, the HA is now adopting active measures to improve the complaint mechanism of the hospitals and enhance the transparency and representativeness of the Public Complaints Committee.

With regard to women health services, the Government has developed maternal and child health services many years ago to provide women with ante-natal and post-natal check-ups as well as various kinds of relevant consultation. In recent years, the Government has vigorously promoted health education. In particular, it encourages women to pay attention to personal health and undergo regular check-ups to ensure early detection and cure of illnesses. Starting from 1994, three women's health centres were set up one after another as a pilot scheme to provide medical check-ups, health education and counselling to women. Besides, many voluntary organizations such as the Family Planning Association of Hong Kong and private clinics also provide similar services. In reviewing this pilot scheme, we will consider the feasibility

of integrating the services into the maternal and child health centres to offer the users greater convenience and to make the services more popular.

We agree that it is important to prevent and control infectious diseases. With the crowded living environment in Hong Kong and the frequency of in-coming and out-going traffic, there is a great chance for the spread of infectious diseases. The Department of Health has a mechanism to deal with this. It stays in touch with control centres in overseas countries and closely monitors the outbreak and spread of infectious diseases in order to adopt timely preventive and emergency measures. At the same time, we plan to enhance the training of staff and our basic facilities. We will install more advanced equipment and adopt faster test methods, as well as build a modernized public health laboratory in order to improve our services and enhance our ability to prevent and control infectious diseases.

Development of Chinese Medicine

In his policy address, the Chief Executive mentioned that we will introduce a bill in the 1998-99 legislative year to establish a statutory framework to ensure the professional standards of Chinese medicine practitioners and the safe use of Chinese medicine in order to protect the health and interests of the public. Members are concerned about the criteria of the regulations and when they will be introduced. They also talked about the feasibility of providing Chinese medicine service within the public medical care system.

At present, there are over 6 000 practising Chinese medicine practitioners as well as thousands of Chinese medicinal herbs and patent medicine in Hong Kong. In establishing a feasible regulatory system, one must take into account the market conditions and members of the Chinese medicine profession and industry. One must provide them with suitable transitional arrangements. We plan to publish a consultation document next month to invite views from the industry and from members of the public on the proposed statutory administrative framework and the regulatory system for Chinese medicine. After considering the views of different sides, we will draft the legislation and submit it to the Legislative Council for scrutiny in the year 1998-99. After the bill is passed, registration of Chinese medicine practitioners can begin, while other regulations will be implemented by stages.

A sound regulatory system will have a positive effect on the long term

development of Chinese medicine. After registration, Chinese medicine practitioners will enjoy a recognized legal professional status, indicating that they have reached a certain professional level and ethical standard. This will greatly boost the public's confidence in Chinese medicine methods, rather than just allowing them to issue medical certificates.

Chinese medicine has always been popular in the community and has made tremendous contributions to Hong Kong's medical services. Our foremost task now is to set up a regulatory framework for Chinese medicine. As for proposals to provide Chinese medicine service in public health institutions, they require further studies after the implementation of the regulatory system.

Thank you, Mr Deputy.

DEPUTY PRESIDENT (in Cantonese): Secretary for Education and Manpower.

SECRETARY FOR EDUCATION AND MANPOWER (in Cantonese): Mr Deputy, I am grateful for the interest and the valuable views expressed by Members in the education and employment programmes in the course of the debate on the 1997 policy address last week. I would like to focus my response on education, manpower planning, training, demand and supply.

Let me first deal with education.

Education

I am glad to hear that Members in general support the part on education in the policy address. The many new commitments and initiatives announced by the Chief Executive cover a vast area but the penetrating theme is to promote quality education. Our students need quality schools and quality teachers. And our teachers need quality support to deliver quality outcomes.

Quality School Education

Basic education plays a very important part in the education system. Many Members spoke about this. I fully agree that the quality of education, particularly at the basic level, should be improved. The Government has

accepted the Education Commission (EC) Report No. 7 on quality school education, published in early October this year. We will implement the recommendations of the Report immediately, and we will actively promote a quality culture in the school system. In particular, we will promote school-based management to meet the needs of students; we will equip our teachers and principals with the necessary skills and knowledge to cope with the changes in the school system; we will ensure the delivery of education outcomes will meet the expectations of the community in an accountable and cost-effective way; and we will provide incentives to recognize and encourage initiatives and the pursuit of excellence.

In this connection, we are drawing up the application and operation details of the \$5 billion Quality Education Development Fund (QEDF) to promote quality and innovation in education at all levels, based on the recommendation of the EC. We will seek the Finance Committee's approval by the end of this year for the setting up of the Fund. I hope that the QEDF will start operation early next year.

The main objective of the QEDF is to encourage schools to devise innovative projects and to improve the teaching standards. The ultimate aim is to promote the all-round development of students, and to fully develop the potential of students in all major domains of education. The QEDF will fund projects such as those piloting new teaching and learning methods, school-based curriculum, extra-curricular activities, educational researches in key areas of education and provision of school-based training. We will work closely with the education community to devise the award scheme for outstanding schools and teachers. We will also encourage schools, groups and individuals to apply for the QEDF for more innovative educational researches and consultancies. All approved projects will be subject to close monitoring and periodic external evaluation. The Government will introduce projects proven to be successful to similar schools. We and the school community can also draw valuable experience from unsuccessful cases. I sincerely hope that schools, education bodies and teaching professionals will actively make use of the Fund to head towards the goal of quality education.

Some Members thought that the proposals made in the policy address only focus on academic achievement. As a matter of fact, quality education not only values academic achievement, but seeks to promote the all-round development of children, encourage all their talents and nurture in them the correct values of life.

The QEDF I mentioned just now constitutes one of the major measures towards encouraging all-round development of students. The policy address also makes reference to the review of the admission criteria by tertiary institutions, to give recognition to excellence in extra-curricular areas, such as community service, arts and sports. In the school curriculum, we will ask schools to include more teaching about Chinese history and culture. Hong Kong is part of China. Our students have to understand and integrate the heritage of Chinese culture with foreign cultures, so that when they grow up, they can jointly build a community which combines the strengths of the east and the west, and sustains the characteristics of Hong Kong.

Whole-day Primary Schooling

Some Members consider it contradictory for us to actively implement whole-day primary schooling on the one hand, and to modify the policy on reduction of class size on the other. They consider that modification of the reduction of class size policy will hamper efforts to improve education quality. In particular, there are concerns over the withholding of the reduction of class size in secondary schools for the time being. Admittedly, the proposed arrangement is not the most ideal solution. However, if we do not proceed as proposed, we would have to build 23 additional primary schools. This would seriously affect the timetable for the implementation of whole-day primary schooling. As it is unanimously recognized within the education sector that whole-day primary schooling will bring about many educational benefits, we consider it worthwhile to take this difficult decision. Some Members are concerned that the teacher to student ratio will be affected accordingly. In the next four years, we will be increasing around 2 000 additional teachers to implement various new measures. Hence we estimate that the teacher to student ratio in primary schools will be broadly maintained at the present level whilst the ratio in secondary schools will be substantially improved. At the same time, we will continue to increase the number of teachers as required. We will resume the policy on reduction of class size once whole-day primary schooling is fully implemented.

Information Technology in Education

Following the Chief Executive's delivery of the policy address, Members and many educators have expressed keen interest in the promotion and use of information technology (IT) in education. The vast majority of those who have

expressed views agree to the direction and objectives set out in the policy address. They also welcome the Government proceeding to formulate a five-year strategy for IT in school education. Our strategy will cover enhanced collaboration between the education and the IT sectors, so as to ensure IT in education keeps pace with technological development. On the other hand, we will consider setting up a mechanism to co-ordinate and promote IT in school education. I hope to complete the drafting of the consultative document by the end of this year, and to finalize the strategy early next year.

As regards the new measures on IT in education to be introduced next year, some Members and educators are concerned that schools and teachers are not yet ready for the imminent implementation. We understand their concern, and there are already plans to address it. For example, the Education Department (ED) will be maintaining close liaison with schools. We will also be providing sufficient teacher training, and making corresponding arrangements in terms of school design and other support measures. However, whilst the Government will do its best to provide IT hardware, software, teacher training and other support, what is more important is for the education sector to take up the challenges of an IT age in a positive spirit. We also hope that the private sector and parents will work hand in hand with us to promote IT in education. Only so can IT in education becomes a success.

Native-Speaking English Teacher (NET) Scheme

I am glad to hear that members of the public are generally supportive of the various measures in the policy address that aim to raise the language standard of our students. However, the introduction of a new Native-Speaking English Teacher (NET) Scheme has been the subject of some controversy. We have to admit that there is a shortage of subject-trained English language teachers in Hong Kong. The placement of the professionally trained teachers, whose mother tongue is English and who possess the qualifications and experience in Teaching English as a Second Language, should foster a English-speaking environment in schools, thereby improving the English language proficiency of our students. To ensure success in the implementation of the Scheme, we have to attract qualified personnel from various English-speaking countries. As we all know, rents and daily expenses in Hong Kong are higher than those of other countries. As these native-speaking English teachers will only stay in Hong Kong on a temporary basis, it is reasonable and necessary to provide them with an additional allowance. We also welcome local residents to apply under the

Scheme but they must possess the same qualifications and experience as their overseas counterparts, and have to take tests to prove their competence in English language at the native-speaker level.

We hope local teachers will accept these teachers and work with them in a joint effort to raise the language standard of our students. In fact, our education policy is centred on local teachers. The policy address has announced various measures to promote the professional status of teachers, and to reward teachers for outstanding performances. We have a long-term policy to raise the overall language standard of our teachers. We will provide them with more intensive training courses including overseas programmes in English-speaking countries. By the year 2005, all serving language teachers will be required to meet the language benchmarks. To this end, we will be spending \$500 million to provide retraining courses for all in-service language teachers.

Training of School Principals

School principals are leaders in our school education system and in the promotion of educational reforms. We are now considering a comprehensive training programme for school principals in the coming years to ensure that they will master knowledge in school administration and financial management, keep abreast of new trends in teaching methods and curriculum development, and handle changes brought about by the development of quality education.

Allocation of School Places

A few Members have mentioned that parents should be given a wider choice in respect of allocation of school places. One of the subjects tackled by the Board of Education's Review of Nine-year Compulsory Education is precisely the existing allocation system. We will carefully consider the Board's views once the review report is published.

Pre-Primary Education

We attach great importance to the quality of pre-primary education. We are committed to enhancing the training of kindergarten principals and teachers as well as raising their qualifications. We will also increase the subsidies to kindergartens to encourage them to employ more qualified teachers. We will further review the Kindergarten Subsidy Scheme in the coming year. We do not

have any plan at this stage to fully subsidize pre-primary education.

Tertiary Education

The Government has been investing heavily in tertiary education and will continue to do so. Tertiary education accounts for about one third of the education budget. The past decade saw an unprecedented expansion. We have entered into a consolidation period and should now focus on quality and efficiency. We must seek to enhance the cost-effectiveness of the tertiary education sector. As institutions no longer need to make front-end investments as in the early years of expansion, we will deploy half of the savings to invest in new developments, notably in emerging centres of excellence. We have invited tertiary institutions to identify their existing strengths and strive for excellence so that our institutions can achieve and maintain recognition as world-class institutions in the international academic community.

I would like to cite two examples to illustrate the Government's continued commitment to increasing our expenditure on tertiary education. First, in the next five years, we will build 11 000 student hostel places at a cost of over \$1.6 billion. Secondly, we will introduce a new non-means tested loan scheme (NLS) for local tertiary students in the 1998-99 academic year. We will disburse over \$1.2 billion in that year, benefiting some 50 000 students.

Some Members feel that the interest rate of the new loan scheme is on the high side. In line with the no-gain-no-loss and cost-recovery principles, the NLS interest rate is based on the Civil Service Housing Loan Scheme plus 1.5% to cover the Government's risk in providing students with unsecured loans. The NLS complements the means-tested low interest rate loan scheme.

The public rightly expects that the tertiary institutions to provide quality returns from this huge investment. We therefore urge the institutions to admit only those who meet the minimum language requirements. Applicants who have failed in the language subjects in the Advanced Level Examination should not be regarded as meeting the minimum requirements unless they excel in other areas. We will also ask tertiary institutions to consider exit language tests to ensure that their students possess reasonable language proficiency upon graduation.

Comprehensive Review of the Education System

The Government is committed to implementing the various measures to

improve the quality of education. We also need to consider how our education system should develop into the next century. In this connection, we will ask the EC to begin a thorough review of the structure of pre-primary, primary, secondary and tertiary education, addressing the age at which students should enter each stage of education; the duration of the various stages; the curriculum and the interface between stages. The Commission will examine the best practices in other places and will draw on expert advice in its deliberations of the issue. We will consult the public before making a final decision.

These measures and projects cover a vast area and require tremendous resources and detailed planning. We have not under-estimated the difficulties in implementing these new initiatives when they were still on the drawing board. We have initiated a review on the education-related executive and advisory structure aimed to make it function more effectively. This will ensure that various measures are being implemented smoothly and their progress properly monitored.

The Education and Manpower Bureau (EMB) and the ED stand ready to face the challenges ahead. I will commission a management consultancy to review the internal organization of the ED to ensure that it can undertake various tasks effectively. My Bureau will closely monitor the progress on the ground.

I have to reiterate that the Government cannot and should not bear sole responsibility in education. I urge the education sector, especially the front-line educators, parents, the business and industrial sectors as well as the whole community to participate and work towards the goal of quality education.

Manpower Planning, Training, Demand and Supply

I shall now turn to our manpower policy. To cope with the demands arising from various infrastructural projects, housing programmes and in response to the changing market demands, we have been concentrating on some of the more immediate aspects of our manpower planning programme. Nevertheless, we have not forgotten the need to plan for the manpower supply of the future. In the report "Manpower 2001 Revisited" published in 1994, we provided statistical projections of manpower supply and requirements by educational level in 1996 and 2001, using 1991 as the base year. We are now updating this report with input from the 1996 Population By-Census. The updated report, which should be published in early 1998, will provide statistical projections of manpower supply and requirements by educational level and the

projected manpower requirements by major occupations for 2001 and 2006, using 1996 as the base year. This will enable us to assess whether the mix of manpower supply at the turn of the century will be broadly in line with the future needs of the economy.

Vocational Training

Members will recall that in June 1997, we announced the way forward in respect of the recommendations in the consultancy report on the strategic and organizational review of the Vocational Training Council (VTC). There is general agreement that the VTC must have a robust and flexible mechanism in place so that it may better respond to the changing needs of the economy by providing appropriate vocational training programmes. The VTC is now devising a Five Year Strategic Plan which includes:

- ways to strengthen the image of the VTC as a single academic institution that offers vocational education and training in an integrated way;
- introduction of a total quality policy;
- establishment of a Staff Development Office; a Teaching and Learning Centre; a Curriculum Development Office as well as a Continuing Professional Education Centre; and
- review of the system of apprenticeship.

We assist the VTC to upgrade and provide more training facilities as well as to organize more training programmes. The VTC strives to respond more promptly to market demands. For example, it has provided an additional 720 training places at the technician level for the construction industry in the current academic year to cater for the manpower requirement of the housing programmes in the coming decade. Its swift response to anticipated demands is indeed encouraging.

To facilitate the smooth and effective implementation of the strategic plan, the VTC has already initiated a comprehensive review of its current system of training boards and general committees. It has also initiated a resource review,

which will facilitate the identification of those courses which are in least demand by students and employers, as well as those which are in great demand, and thus enable the redeployment of resources to those areas of greater need.

I am confident that the successful implementation of the Five Year Strategic Plan of the VTC will enable us to meet our goal of providing a cost-effective, market-responsive and high-quality system of vocational education and training.

Employees Retraining

Quite a number of Members expressed concern about the work of the Employees Retraining Board (ERB). They hope that local workers will be able to rejoin the labour market after retraining.

We completed a comprehensive review of the Employees Retraining Scheme (ERS) in the middle of this year, with a view to meeting the needs of the employers and the requirements of the retrainees. Based on the recommendations from this review, we have redefined the objective of the ERB to give it a more focussed role in manpower training. The target groups of the ERS will primarily be the unemployed aged 30 or above with no more than lower secondary education as well as those who need basic skill training. The Scheme will also extend to cover new arrivals. More importantly, the purpose of the retraining courses should aim less at the number of persons retrained but more at ensuring that the courses are placement-oriented, that is, retrainees will be able to secure jobs and sustain their employment. To carry out this new mission, the ERB has embarked on a series of new measures in the past months:

- liaising with representatives of employers of the selected service sectors and training bodies with a view to revamping the contents of the retraining courses;
- improving the "On the Job Training Programme" to enhance its effectiveness in increasing the retrainees' employment opportunities and their retention rate;
- revising the performance evaluation system of training bodies in line with the modified objectives of job placement and retention rate of

graduate retrainees.

We will work closely with the ERB to ensure that these measures are carried out smoothly and that they can achieve the intended objectives.

Manpower Demand and Supply

Many Members have raised the question of importation of labour in the debate. The Chief Executive and I have on many occasions reiterated that the Government's policy on importation of labour is based on the cardinal principle of ensuring priority of employment for local workers. As such, we will only allow employers who are genuinely unable to recruit the required type and number of local workers in specific sectors or specific jobs to import workers. While some Members cast doubts on what constitutes "genuine need", others urge the Government to expedite labour importation to relieve the manpower shortage.

We fully appreciate Members' concerns. We are conducting a comprehensive review of the Supplementary Labour Scheme in a pragmatic and rational manner. In the meantime, we are also objectively assessing the manpower requirements of the building and construction industry in the coming five years. In order to resolve the manpower problems faced by the construction industry as well as the textile and clothing industries, we have set up two quadrilateral working groups, both comprising representatives from the relevant training authorities, employers, employees and the Government. These working groups are making every effort to complete their deliberations. We will, based on the principle of ensuring priority of employment for local workers, reach conclusions on the question of labour importation by the end of this year. We will adopt a rational and matter-of-fact approach on the issue of labour importation and take a decision based on the overall social and economic interests of Hong Kong.

Entry of Mainland Professionals

As I pointed out on 9 October during my briefing for the Manpower Panel on the 1997 policy address, it is an integral part of our manpower policy to permit the entry of high-quality and talented mainland professionals to work in Hong Kong to ensure that Hong Kong is adequately equipped with the requisite professionals and managers to cope with the needs arising from our economic development. We are conducting a comprehensive review based on the

experience of the Pilot Scheme for the entry of mainland professionals with a view to drawing up effective and appropriate arrangements. We expect the review to be completed this year.

With the completion of the reviews I have just mentioned, we will be in a position to map out the future direction of our overall manpower strategy in macro terms. We will also be able to draw up clear, concrete and feasible measures which will lead Hong Kong well into the 21st century.

Conclusion

The Chief Executive has laid down in his policy address a blueprint for the development of the Hong Kong Special Administrative Region. Education and manpower constitute two important components. As the Secretary for Education and Manpower, I will consider carefully Members' opinions as well as those of the interested parties. Our aim is to formulate education and manpower policies which will be in the overall interests of the community, meet our current demands and lay a solid foundation for the future development of Hong Kong. Thank you, Mr Deputy.

DEPUTY PRESIDENT (in Cantonese): Secretary for Home Affairs.

SECRETARY FOR HOME AFFAIRS (in Cantonese): Mr Deputy, first I must thank Members for their comments on those parts of the policy address that relate to my policy area.

As you know, my policy responsibilities cover a wide range of issues, from international human rights to community development. The questions Members have asked this year have made it clear that they are most concerned about human rights, women's issues and youth. During the next few minutes, therefore, I will concentrate on those. I hope to be able to demonstrate that — while much of what we do in these areas may seem somewhat disparate — they do, in fact, form a coherent programme of inter-linking objectives.

Human Rights

Human rights rest on the bedrock of the rule of law. Rule of law,

essentially means that all — without exception — are subject to the law. No-one-again, without exception, is above the law. That those rules will be applied impartially is, in turn, assured by a learned and independent Judiciary. Without rule of law and without an independent judiciary, there can be no firm basis for the protection of human rights. And there can be no guarantee of a level playing field. The level playing field is, of course, the basis on which we translate into action the principles and ideals of the international human rights treaties.

Some Members have wondered why so important a topic as human rights was not included in the policy address. In fact it was. The Policy Programme of the Home Affairs Bureau is part and parcel of the policy address. This year's edition clearly outlined our objectives in this area and reaffirmed our determination to protect the rights of the individual and to address the various forms of discrimination. Our work programme in the area of human rights, while substantial, is well-established and is now part of the mainstream of government routine. Our workload in this area is undiminished. Human rights are well established in the community and are part and parcel of Hong Kong's everyday life.

We are as committed as ever to the protection of human rights. That commitment is embodied in the Basic Law, Article 39 of which provides that the provisions of the International Covenant on Civil and Political Rights and the International Covenant on Economic Social and Cultural Rights as applied to Hong Kong shall remain in force. Other provisions in Chapter III of the Basic Law reinforce that assurance by guaranteeing other fundamental rights. My Policy Programme reaffirms that commitment. It undertakes that:

- we shall continue to take measures to fulfil our obligations under the United Nations human rights treaties which are applicable to Hong Kong. We have already submitted our draft contribution to China's report under the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW);
- the Committee on the Promotion of Civic Education will spend \$6 million on public education on the rights of the individual;
- we shall continue — through legislation, public education and other administrative measures — to foster a culture of equal

opportunities for all. Indeed, we have secured additional resources of some \$7 million to maintain and enhance public awareness of human rights, and, very importantly

- we shall continue to maintain an environment in the Hong Kong Special Administrative Region (SAR) in which a free and active press can operate under the minimum of regulation. The Bill of Rights, the rule of law, our independent Judiciary and a free and thriving press will continue to provide solid and effective safeguards for human rights and press freedom in Hong Kong.

Women's Issues

We are wholly committed to the principle of equal opportunities for all: This is, of course, an extension of the level playing field principle that I mentioned earlier. That, in turn, flows naturally — perhaps inevitably — from the fact that we are a society, a Government, subject to the rule of law. The level playing field, which means equal opportunities for all, is the practical application of the principles enshrined in the Basic Law, the Bill of Rights and, of course, the international human rights treaties.

A Chinese proverb says that "Women hold up half the sky". That is, women are half of all humanity. It is natural that their rights and concerns should be a major priority for a Government committed to human rights protection and to equal opportunities. That is why the Sex Discrimination Ordinance (SDO) was Hong Kong's very first anti-discrimination statute. That ordinance became law in 1995 and resulted in the creation of the Equal Opportunities Commission: a dedicated statutory body with a mandate to ensure that the principles enshrined in the SDO are translated into specific measures that foster and protect the rights of both sexes on an equal basis.

We further demonstrated that commitment in October last year when the provisions of the CEDAW were extended to Hong Kong. As I indicated earlier, we have already submitted our contribution to China's report on its performance under this Convention.

Since CEDAW addresses the interests of half of the human beings in the world, it is relevant to almost every policy bureau in Government. Each bureau co-ordinates the implementation of the Convention in its respective policy area.

And the work of the bureaux is, in turn, co-ordinated at the top level of the Administration, namely the Chief Secretary for Administration's Policy Groups. This means that:

As this system is working well, it is impractical and unnecessary to set up another mechanism to carry out the relevant work.

This is why we consider it not necessary to formulate a "super policy" or "Women's Charter". We also do not think that using another document to duplicate the provisions of the CEDAW will have any benefit. We are aware of some of the specific concerns — in relation to such areas as education, employment, social welfare, health, child-care, single parenthood and spouse-abuse. The policy bureaux concerned are taking — and will continue to take — appropriate action and provide appropriate services.

Youth

It was with considerable pleasure that I heard Members say that we need to take greater account of the views of younger people and to open more channels for communication with them. And I wholeheartedly agree with those who have said that we need to give them a clearer idea of their rights and duties as citizens.

As foreshadowed in the Chief Executive's policy address, the Commission for Youth will conduct a study into ways of encouraging our young people to take an active role in the development of the SAR and in voluntary work in the community. In the course of the study, the Commission will consult parents, teachers, employers: indeed, all with a direct or indirect interest in this matter. Most importantly, they will consult young people themselves: by listening and learning, they can expect to develop fresh insights as to the best way forward. We look forward to receiving the Commission's recommendations in full confidence that they will enhance the development of our youth as the citizens of today and of tomorrow.

Thank you, Mr Deputy.

DEPUTY PRESIDENT (in Cantonese): Secretary for Constitutional Affairs.

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Mr Deputy, I have to thank Honourable Members for their invaluable views on the parts of the policy address related to constitutional affairs. In formulating relevant policies, we will take these views into careful consideration.

Now I would like to take this opportunity to respond to a question which everyone is very much concerned about, and that is the question of constitutional development in Hong Kong. During the past few months, we all heard the views of members of the public on the constitutional development in Hong Kong. We know that many people in the community hope that the Government will actively consider a set of methods to consult the public on the pace of development towards universal suffrage. We agree there is a need to consider this matter. However, before making detailed considerations, we have to continue to develop representative government in Hong Kong on the basis of the blueprint set out in the Basic Law.

The Basic Law provides for the specific election methods for the Chief Executive and the Legislative Council before 2007. The Basic Law also clearly sets out the ultimate aim of constitutional development. With regard to the selection of the Chief Executive, Article 45 of the Basic Law clearly sets out that "The ultimate aim is the selection of the Chief Executive by universal suffrage upon nomination by a broadly representative nominating committee in accordance with democratic procedures". As for the method for forming the Legislative Council, Article 68 of the Basic Law also stipulates that it will be specified "in the light of the actual situation in the Hong Kong Special Administrative Region (SAR) and in accordance with the principle of gradual and orderly progress. The ultimate aim is the election of all the members of the Legislative Council by universal suffrage."

The Basic Law provides us with a mechanism to make suggestions and decisions for changing the selection method of the Chief Executive and the method for forming the Legislative Council after 2007 according to its relevant provisions. In the coming days, we will strengthen people's civic consciousness and help them obtain a better understanding of the electoral system through civic education and promoting the Basic Law. We will also encourage members of the public to actively take part in elections of the various representative institutions and related activities through different channels, so that they can

participate in the debate on constitutional development in a more mature manner in the future. I know some Members hope that this debate can begin in good time so that a consensus can be reached on the further development of Hong Kong's political system before 2007. We agree to this view.

Actually, the ultimate aim of Hong Kong's constitutional development is very clear. As I said, the ultimate aim is to achieve universal suffrage. In order to facilitate a steady progress towards this aim, we have to give the public ample time and opportunity to accumulate experience in elections and to deepen their understanding of the political system. All these preparations must be made in a gradual and orderly manner according to detailed plan and cannot be achieved overnight. Prior to this, we should not hastily or rashly make any decisions.

In fact, the Government has taken the first step in making these preparations. We have undertaken to review the structure of the present district organizations and this review is already under way. Due to the need to tie in with the elections of the first district organizations of the SAR in 1999, the schedule for the review would be very tight. Therefore, we have to set down the general direction of this review as soon as possible, that is, we have to decide whether to combine the two-tier structure into one or streamline the system while retaining the two-tier structure.

We hope to obtain the views of various sectors of the community on the two general directions of vertical and horizontal streamlining before the end of the year. In the next two months, the Constitutional Affairs Bureau will meet with the Provisional Urban Council, the Provisional Regional Council, the eighteen Provisional District Boards, various political parties and relevant organizations to find out their views on the general direction of the future development of district organizations. We also hope that members of the public will give their views actively on this issue. We will publish a consultation document to consult public opinion between April and May next year. We plan to have the review and the findings completed between September and October next year.

As we all know, the election of the first Legislative Council of the SAR will take place next May and the election of the first district organizations of the SAR will take place in 1999. Immediately afterwards, the Government has to devote every effort to prepare for the election of the Legislative Council in its

second term. Therefore, the schedule for the elections of the coming three years will be very tight. The Government will make use of these three years to try to increase the public's participation in the future elections of the various councils.

Our major task now is to have all eligible residents register as electors. Therefore, the Government will begin a large-scale elector registration exercise on 6 December, including a one week's door-to-door registration plan. We will announce the relevant details later. Starting from today, we will repeatedly call on various sectors and members of the public to actively support this exercise.

We hope that through active participation in the various elections during the next three years, the public will have a deeper understanding of elections so that they can participate in the debate on the future constitutional development of the SAR in a more mature and prudent manner. This will lay a solid foundation for universal participation in the constitutional development in future.

Thank you, Mr Deputy.

THE PRESIDENT resumed the Chair.

PRESIDENT (in Cantonese): Chief Secretary for Administration.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, this year's policy address has great historical meaning to Hong Kong. It is the first policy address by Mr TUNG Chee Hwa, the first Chief Executive, since the establishment of the Hong Kong Special Administrative Region (SAR). Mr TUNG is also the first Chief Executive who comes from among the Hong Kong citizens. He takes with him the whole decision-making team composed of Hong Kong people and sets down directions for development towards the next century. The first policy address in the SAR is consistent with the spirit of "ruling Hong Kong by Hong Kong people", and it ensures elements of success for the SAR such as to maintain the principles of free economy, law and order, judiciary independence, freedom of speech and press and so on. It worths the pride of all SAR citizens. The reason why "Hong Kong people ruling Hong Kong" can be enforced is that, on the one hand, the Central People's Government has given us full support, and on the other hand, as Hong Kong is part of China,

our basic interests are linked with the country's basic interests. The success of "Hong Kong people ruling Hong Kong" will contribute to the long-term development of the country.

Another historical meaning for the policy address towards Hong Kong is its inspiration for the future. This policy address features a great foresight. The various ideas and plans contained therein are not only for maintaining the stability and prosperity of the SAR, but also for the SAR to welcome the 21st century with an excellent image. The SAR will stride forward in all aspects to allow its citizens to enjoy stability and prosperity in the new era and to lead a better livelihood.

From public opinions and from Honourable Members' speeches, we know that the directions and objectives of the major policies in the policy address are generally accepted by the citizens. One of the reasons why the Government and the citizens have generally achieved consensus is that the SAR Government is determined to carry out an administrative concept which is "positive, responsible, receptive to public opinion, frank and sincere".

There are four main aspects in this year's policy address, namely, economy, housing, education and care for the elderly, which are set down to cope with the social needs and expectations of the people. In order to be responsible to the public, the plans of each aspect do not focus on temporary strategies, but long term development and improvement. We believe that these plans will definitely achieve the goals set down by the Chief Executive, that is, to increase the economic strength of Hong Kong, and to improve the living standard of the people. I can assure Honourable Members that the civil servants will enforce all the plans and policies in the policy address with the greatest determination and efforts.

In order to ensure the team of civil servants to make the best use of their strengths, we shall try our best to keep the team honest, fair and efficient. That the civil servants may maintain an excellent image is based on four factors: firstly, we have a perfect civil servant mechanism which can stand the test; secondly, we have kept the civil servants politically neutral. They perform duties in the overall interests of Hong Kong; Thirdly, we have a strong administration. We know how to "choose the right person for the right job". We promote and apply modern human resources management policies and we increase the civil servants' capability to cope with the changing social needs and

to continue providing high standard services; Fourthly, the civil servants treasure their success achieved through joint efforts, respect the management system, comply with the regulations and face challenges positively.

The civil service team is determined to improve themselves so that they can provide the best service and carry out the commitments listed in the policy address. These include re-engineering the internal structure the the Government. It is mentioned in the policy address that we shall assign one Secretary to manage information technology and related broadcast and telecommunications affairs. I may tell Honourable Members that we are studying positively to appoint a Secretary to centralize information technology policy and other related policies, but we shall not suggest setting up a new bureau. We believe that by adjusting the scope of responsibilities of the existing Secretaries, we can achieve our objectives with cost-effectiveness.

The Secretary for Housing has just made a speech relating to the issue of housing development. I only wish to add that we are now reviewing the organization structure policy departments in the Government to ensure effective management of land supply and planning for housing construction.

The above study and review need some time, and the policies involved cover a very wide area. At the same time, we must ensure the smooth running of each department. As soon as we have firmed up our suggestions, we shall explain them to Members immediately.

Apart from internal re-engineering, the policy address also mentions the setting up of six new committees to improve the work in various aspects. They include:

- (1) to set up a large-scale infrastructure co-ordinating committee between Hong Kong and China;
- (2) to set up an organization to promote the overall regional co-operation between Hong Kong and the Guangdong Province;
- (3) to set up a supervisory committee relating to education and promotion of the Basic Law;
- (4) to set up a committee to study the strategic development of Hong Kong;

- (5) to set up a movie consultation committee; and
- (6) to set up a committee to study how to promote Hong Kong as a product invention centre.

We shall ensure that these committees will be set up smoothly and at the earliest convenience.

I wish to make a special comment here about the Basic Law Committee of which I am the Chairman. The Basic Law is the constitutional law of the SAR. It states clearly that Hong Kong will enjoy high autonomy; it states that Hong Kong will enforce social, economic and political systems different from those of China; it protects the lifestyle and rights of the Hong Kong people, and states the obligations of Hong Kong citizens. In view of the importance of the Basic Law, the SAR Government considers it necessary to promote the Basic Law. In fact, the Government has been promoting the knowledge of the Basic Law all these years through civic education, school education and civil servants training. Many communities are enthusiastic about joining the promotion of the Basic Law. In order to further publicize and promote the Basic Law, I shall lead a supervisory committee formed by official and unofficial members to make special plans on education and promotion of the Basic Law. We hope that this new supervisory committee may strengthen the ties between Government departments and people from all walks of life to make efforts in promoting the Basic Law. It can also promote the exchange of ideas between the Government and the people to make promotion of the Basic Law more effective.

Talking about the Basic Law, we cannot leave out our link with the Central People's Government and other provinces. The SAR Government, which enjoys high autonomy, is a local administrative region directly under the Central People's Government. It is necessary for the SAR Government to build up links with each department of the Central People's Government to handle diplomatic and foreign affairs relating to Hong Kong. In addition, the SAR Government also needs to develop its current links with each department of the Central Government in other provinces to deal with practical problems concerning both parties.

One of the most important tasks of the SAR Government is to build up links with the Foreign Affairs Ministry's Office of Special Envoys in Hong Kong

to handle the SAR's foreign affairs in accordance with the provisions of the Basic Law. The SAR has been established for three months and we have extensive and close contacts with several departments in the Office of Special Envoys. By working with the Office, we have made perfect the spirit of "one country, two systems" in our co-operation model and working method. Practically speaking, our link with the Office at work, in accordance with the provisions of the Basic Law, mainly relates to joining international organizations, attending international meeting, negotiating with foreign Governments or international organizations, signing bilateral or multilateral agreements and setting up foreign embassies in Hong Kong.

The SAR Government has also co-operated with the various departments of the Central People's Government and provincial governments (especially the Guangdong province) in many activities, such as the practical co-operation between the SAR police and the Public Security Department of China to combat crimes; co-ordination of infrastructures of China and the SAR; and exchange visits between China and the SAR.

To conclude, as the Chief Executive has set down the directions in the policy address, we shall strengthen our relations with the Central Government and the mainland people. The SAR Government has realized that the long term development of Hong Kong relies on close co-ordination with China. We shall positively communicate and co-operate with China in all aspects and at all levels. The work will include studying and co-ordinating infrastructure projects concerning the two places and related problems about Hong Kong and China, such as immigration, environmental protection and transportation. When carrying our own plans in Hong Kong, we shall fully consider what chances the economy and social development in China will bring to Hong Kong.

Madam President, the SAR Government will continue to maintain an open, non-biased and sincere approach. These are what the general public demand of us, and also the guiding principles for our policies. Before the policy address was finalized, the Chief Executive and other decision-making officers had listened to and considered the opinions from all sectors in the society, including Executive Council Members, Honourable Members, different communities and individual citizens.

After the policy address was made, the Chief Executive and the

decision-making officers have publicly explained the contents of the policy address, attended interviews and listened to advices from all aspects through different channels such as the Provisional Legislative Council Meeting, press conferences and Questions and Answers on television and radio stations. These have illustrated to Members one thing: we must continue to enforce our policies with a sincere attitude. When these plans are carried out, the SAR Government will positively consider constructive comments from the Members and citizens.

Hong Kong is a diversified community which accepts different ideas. Whether in the Government administrative structure, in the Provisional Legislative Council or in our society, it is absolutely normal and healthy to have different opinions. Therefore, though the policy address may be to a very large extent treated as a reflection of the collective wisdom among the SAR Government, the Honourable Members and citizens, it is absolutely not surprising for some people and communities to think that the policy address is insufficient in some aspects.

However, I believe that as long as we are working for the long term and overall interests of Hong Kong, we can have different opinions and by pooling the wisdom of the masses, we can put into practice the long-term plans and policies of the Chief Executive.

Thank you, Madam President.

PRESIDENT (in Cantonese): Dr LEONG Che-hung, do you wish to reply?

DR LEONG CHE-HUNG: Madam President, perhaps I should start by apologizing for my physical state. I went to Manila for an AIDS conference and I contracted flu!

May I thank you, Madam President, for allowing me to speak for the second time on behalf of the House to respond to this very important debate. Again, I am acutely aware that what I have to say may not reflect the feelings of all Members all the time, but I am confident that some of what I have to say

would be the sentiment of at least some of the Members some time.

Madam President, in my speech introducing this motion I said — and this has been reverberated by many who spoke — that the policy address is a very important address indeed as, in it, every citizen in Hong Kong finds his or her future because in it will depend on how the international world would judge the future of Hong Kong.

No less important, Madam President, is the reaction of Members of this Council to the address. The world and Hong Kong will scrutinize how this new breed of legislators after the return of sovereignty will react to government-planned policy when they can now be masters of their own house.

On that remark, Madam President, any illusion or disillusion by the public, by the world, that this body — the Provisional Legislative Council — is a controlled body, a rubber-stamp, should be irrevocably dispelled. Criticisms, comments, disgruntles have been freely flowing from Members with no reservations. There was even an amendment to the motion which was ultimately defeated, probably not because of the substance but because of the form and the intent.

One very obvious issue is that the emphasis from individual Members and political organizations alike is very much concentrated on livelihood issues rather than political ones. Emphasis has mainly been on labour problems, housing problems, education problems and welfare issues. I assume this is what it really should be. Hong Kong has gone through years of political bickering. I can speak with confidence that the mass public wants a breath of fresh air, a chance to delve into livelihood issues for them to plan for the future for themselves and for their children in their real home.

Nor should the Government respond to, take or be seen to take Members' requests with a *laissez-faire* attitude. In my opening speech, I called on the Government to respond to Members' suggestions with sincerity. I have no doubt that these suggestions do reflect the feelings and the views of the Hong Kong public at large.

Yes, in many aspects the response of the Administration has touched, and I stress the word “touched”, on some perhaps the less core points that Members have raised. For this we really have to be grateful. Regrettably, in even these

areas, the responses are seen by many of us as just skimming the surface. Quite a few colleagues have expressed to me that it is just "行貨". But is this enough?

In a rare show of solidarity, Madam President, for example there was almost a unanimous reservation by Members of this House on the recommendation of the policy address to increase the Comprehensive Social Security Assistance for the elderly up by \$380 to take effect next April. Madam President, if the importance, the representativeness and the status of this Council is anything to go by, then yes, this debate has no legislative effect, but on the grounds that it is a popular and essential request or suggestion, I call upon the Government to take the reservations of this Council into serious consideration, and take immediate remedial measures.

Madam President, in my opening address, I pointed out that there is one area that the policy address appeared to have conveniently forgotten: the relationship between the executive/Administration and this legislature. Yes, this is an executive-led Government, yet no government could run smoothly without a good rapport between the executive/Administration and the legislature. Such a relationship has to be properly established through an established mechanism, something that we, the legislature and they, the executive/Administration have to work towards, not only for this short-term provisional body but for the legislature to follow. Similarly, the rapport between the executive/Administration and the public should also be improved and mechanism should be established to ensure that such could consistently take place.

Take the current economic crisis into consideration. The Government's role alone is a difficult one. On the one hand, the Government's ability in involvement may be limited, yet it still has to do its best in a positive way to protect investors and the the public and to maintain public's confidence in the economy. The situation is even more trying when speculations, rumours are all over the place when the Government has to maintain proper order and minimize panic.

But with respect, there is a limitation to the Government's know-how of the actual market. Furthermore, the seemingly sizeable reserve in the Government may not be big enough to effectively intervene and properly resist

external interference. A better rapport between the Government and the business sector, for example, to work out an understanding to oppose economic disturbance must be the best for Hong Kong in its long-term interests.

Yes, the Chief Executive has reportedly called an emergency meeting with top level stock and futures market executives as well as his relevant generals. Regrettably, this is seen as too reactive and too late. If there is a proper, planned mechanism for a better rapport between the executive/Administration and the Legislative Council, if there is a proper, planned mechanism for a better co-ordination between the Government and the relevant private sectors, could the current economic crisis be slightly eased?

Finally, Madam President, the Honourable TAM Yiu-chung, in his deliberation, has suggested that those of us who are over 50 years old should not attend too many meetings, for health reasons, I presume. I may not completely agree with him. Instead, I would like to modify, to say that we should all attend more effective meetings but less ineffective ones, and few would doubt that the most effective meeting is when there is even better rapport, even better co-operation between the executive/Administration and this Council and the public.

Madam President, I urge all Members to vote positively on today's motion to show our solidarity in moving our beloved Special Administrative Region forward.

Thank you very much.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion "That this Council thanks the Chief Executive for his address" moved by Dr LEONG Che-hung be approved. Will those in favour of the motion please say "aye"?

(Members responded)

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

(Members responded)

Mr CHAN Choi-hi rose to claim a division.

PRESIDENT (in Cantonese): Mr CHAN Choi-hi has claimed a division. The division bell will ring for three minutes.

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

PRESIDENT (in Cantonese): Are there any queries? The result will now be displayed.

Mr WONG Siu-yee, Mr James TIEN, Mr HO Sai-chu, Mr Edward HO, Dr Raymond HO, Mr NG Leung-sing, Prof NG Ching-fai, Mr Eric LI, Mr LEE Kai-ming, Mr Allen LEE, Mrs Elsie TU, Mrs Selina CHOW, Mr Henry WU, Mr Ronald ARCULLI, Mr YUEN Mo, Mr MA Fung-kwok, Mr CHEUNG Hon-chung, Dr TSO WONG Man-yin, Mr LEUNG Chun-ying, Dr LEONG Che-hung, Mrs Sophie LEUNG, Mr CHAN Wing-chan, Mr CHAN Kam-lam, Mr TSANG Yok-sing, Mr CHENG Kai-nam, Mr Andrew WONG, Dr Philip WONG, Mr Kennedy WONG, Mr Howard YOUNG, Mr YEUNG Yiu-chung, Mr IP Kwok-him, Mr LAU Kong-wah, Mrs Miriam LAU, Mr Ambrose LAU, Mr Paul CHENG, Mr CHENG Yiu-tong, Dr TANG Siu-tong, Mr Timothy FOK, Mr KAN Fook-yee, Mr NGAN Kam-chuen, Mr TAM Yiu-chung and Miss CHOY So-yuk voted for the motion.

Mr CHAN Choi-hi, Mr Frederick FUNG and Mr Bruce LIU voted against the motion.

Mr HUI Yin-fat abstained.

THE PRESIDENT announced that there were 42 Members in favour of the

motion, three against and one abstaining. She therefore declared that the motion was carried.

NEXT MEETING

PRESIDENT (in Cantonese): In accordance with the Rules of Procedure, I now adjourn the Council until 2:30 pm on Wednesday, 5 November 1997.

Adjourned accordingly at twenty-five minutes to Eight o'clock.

Annex

**EMPLOYMENT AND LABOUR RELATIONS (MISCELLANEOUS
AMENDMENTS) BILL 1997**

COMMITTEE STAGE

Amendments to be moved by Secretary for Education and Manpower

<u>Clause</u>	<u>Amendment Proposed</u>
10	<p>(a) In the proposed section 45(9), by deleting everything after "requires -" and substituting -</p> <p style="padding-left: 40px;">"(a) "relevant professional organization" (有關專業組織) in relation to a registered trade union, means an organization the objects of which are to promote the interests of persons engaged or employed in a trade, industry or occupation which is the same as, or similar to, the trade, industry or occupation with which the registered trade union is directly concerned;</p> <p style="padding-left: 40px;">(b) reference to an organization of workers, an organization of employers or a relevant professional organization includes reference to a federation of organizations of that particular type."</p> <p>(b) In the proposed section 45A -</p> <p style="padding-left: 40px;">(i) by renumbering it as section 45A(1);</p> <p style="padding-left: 40px;">(ii) by adding -</p>

ClauseAmendment Proposed

"(2) Section 45 does not apply in relation to a registered trade union's being a member of an organization which is established in a foreign country in the case where the trade union-

- (a) was, immediately before the commencement of the Trade Unions (Amendment) (No. 2) Ordinance 1997, a member of the organization in accordance with section 45 as then in force; and
- (b) has remained a member of the organization continuously ever since,

and section 45 as in force immediately before the commencement of the Trade Unions (Amendment) (No. 2) Ordinance 1997 shall continue to apply in relation to the trade union's being a member of the organization as if that Ordinance and the Employment and Labour Relations (Miscellaneous Amendments) Ordinance 1997 had not been enacted.

(3) Section 45 does not apply in relation to a registered trade union's being a member of an organization which is established in a foreign country in the case where the trade union -

- (a) was, immediately before the commencement of the Employment and Labour Relations (Miscellaneous Amendments) Ordinance 1997, a member of the organization in accordance with section 45 as then in

ClauseAmendment Proposed

force; and

- (b) has remained a member of the organization continuously ever since,

and section 45 as in force immediately before the commencement of the Employment and Labour Relations (Miscellaneous Amendments) Ordinance 1997 shall continue to apply in relation to the trade union's being a member of the organization as if that Ordinance had not been enacted.

(4) To avoid doubt, it is declared that for the purposes of the continued application of section 45 as in force immediately before the commencement of the Trade Unions (Amendment) (No. 2) Ordinance 1997 or the Employment and Labour Relations (Miscellaneous Amendments) Ordinance 1997, as provided in subsections (2) and (3) -

- (a) any reference in that section to the Governor shall be read as reference to the Chief Executive;
- (b) any reference in that section to a fine of \$500 shall be read as reference to a fine at level 1.

(5) Reference in subsections (3) and (4) to section 45 as in force immediately before the commencement of the Employment and Labour Relations (Miscellaneous Amendments) Ordinance 1997 is a reference to that section as so in force by virtue of section 3(1) of the Legislative Provisions (Suspension of Operation)

Ordinance 1997.

Clause

Amendment Proposed

(6) In this section -

"Employment and Labour Relations (Miscellaneous Amendments) Ordinance 1997" (《1997 年僱傭及勞資關係 (雜項條訂) 條例》) means the Employment and Labour Relations (Miscellaneous Amendments) Ordinance 1997 (of 1997);

"Legislative Provisions (Suspension of Operation) Ordinance 1997" (《1997 年法律條文 (暫時終止實施) 條例》) means the Legislative Provisions (Suspension of Operation) Ordinance 1997 (126 of 1997);

"Trade Unions (Amendment) (No. 2) Ordinance 1997" (《1997 年職工會 (修訂) (第 2 號) 條例》) means the Trade Unions (Amendment) (No. 2) Ordinance 1997 (102 of 1997).".

Schedule 2 In Part 2, by adding "in force immediately before that commencement" after "that Ordinance" where it secondly appears.