

OFFICIAL RECORD OF PROCEEDINGS

Wednesday, 28 June 2000

The Council met at half-past Nine o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE MRS RITA FAN, G.B.S., J.P.

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

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

THE HONOURABLE DAVID CHU YU-LIN

THE HONOURABLE HO SAI-CHU, S.B.S., J.P.

THE HONOURABLE CYD HO SAU-LAN

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

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE MICHAEL HO MUN-KA

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

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LEE CHEUK-YAN

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

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

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

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

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

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

THE HONOURABLE NG LEUNG-SING

PROF THE HONOURABLE NG CHING-FAI

THE HONOURABLE MARGARET NG

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

THE HONOURABLE RONALD ARCULLI, J.P.

THE HONOURABLE MA FUNG-KWOK

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE HUI CHEUNG-CHING

THE HONOURABLE CHRISTINE LOH

THE HONOURABLE CHAN KWOK-KEUNG

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE BERNARD CHAN

THE HONOURABLE CHAN WING-CHAN

THE HONOURABLE CHAN KAM-LAM

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

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

THE HONOURABLE LEUNG YIU-CHUNG

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

THE HONOURABLE SIN CHUNG-KAI

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

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE WONG YUNG-KAN

THE HONOURABLE JASPER TSANG YOK-SING, J.P.

THE HONOURABLE HOWARD YOUNG, J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE YEUNG YIU-CHUNG

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH

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

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

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

THE HONOURABLE EMILY LAU WAI-HING, J.P.

THE HONOURABLE CHOY SO-YUK

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE SZETO WAH

THE HONOURABLE TIMOTHY FOK TSUN-TING, S.B.S., J.P.

THE HONOURABLE LAW CHI-KWONG, J.P.

THE HONOURABLE TAM YIU-CHUNG, G.B.S., J.P.

THE HONOURABLE FUNG CHI-KIN

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

PUBLIC OFFICERS ATTENDING:

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

MISS DENISE YUE CHUNG-YEE, J.P.
THE FINANCIAL SECRETARY

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

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

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

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

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

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

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

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

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

MRS LILY YAM KWAN PUI-YING, J.P.
SECRETARY FOR THE ENVIRONMENT AND FOOD

DR YEOH ENG-KIONG, J.P.
SECRETARY FOR HEALTH AND WELFARE

MRS REGINA IP LAU SUK-YEE, J.P.
SECRETARY FOR SECURITY

MR LEE SHING-SEE, J.P.
SECRETARY FOR WORKS

MR PATRICK LAU LAI-CHIU, J.P.
SECRETARY FOR PLANNING AND LANDS

MS MARIA KWAN SIK-NING, J.P.
SECRETARY FOR ECONOMIC SERVICES

MS EVA CHENG, J.P.
SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING

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

CLERKS IN ATTENDANCE:

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

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

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

MEMBERS' MOTIONS

PRESIDENT (in Cantonese): Good morning, Honourable Members. Members' motions. Three motions with no legislative effect. I have accepted the recommendations of the House Committee as to the time limits on speeches for the motion debates. The movers of the motions will each have up to 15 minutes for their speeches including their replies, and another five minutes on the amendment. The mover of an amendment will have up to 10 minutes to speak. Other Members will each have up to seven minutes for their speeches. Should anyone go beyond these limits, I will be obliged to stop him.

First motion: Vote of no confidence in the Chairman of the Housing Authority and the Director of Housing.

VOTE OF NO CONFIDENCE IN THE CHAIRMAN OF THE HOUSING AUTHORITY AND THE DIRECTOR OF HOUSING

MR FRED LI (in Cantonese): Madam President, I move that the motion, as printed on the Agenda, be passed.

Last Saturday afternoon, Ms Rosanna WONG announced her resignation from the chairmanship of the Housing Authority (HA). The Democratic Party holds her courageous decision in esteem and at the same time, believes that despite the mistakes made during her seven years of chairmanship in the HA, she should still merit some credits. However, I believe that today's debate will not be rendered meaningless simply by Ms Rosanna WONG's resignation, because the reason for putting forth this motion of no confidence is hardly to pick at or attack deliberately either Ms Rosanna WONG or Mr Tony MILLER. The purpose is rather to make use of this opportune time when the scandals of housing production prop up one after another — totalling nine, as we counted them — so that our society may discuss the introduction of a new modern culture of political accountability, under which, be it in the public or private sector, the head of a department which on the whole has committed mistakes or dereliction of duties should be made accountable to the general public and be held responsible for all the blunders.

In the past two years, there have been a series of scandals connected with the construction of public housing and Home Ownership Scheme (HOS) flats, which I now briefly list below:

- January 1999 – short piles for the shopping mall and carpark in Phase IV, Area 30, Tung Chung;
- March 1999 – sub-standard piles for three public housing blocks in Phase I, Area 30, Tung Chung;
- September 1999 – short piles for three blocks in Tin Chung Court, Tin Shui Wai;
- October 1999 – short piles for five HOS blocks in Phase III Redevelopment, Yau Tong;
- November 1999 – uneven ground settlement in Phase II, Tin Fu Court, Tin Shui Wai;
- January this year – serious problem of short piles necessitated the demolition and reconstruction of two blocks in Yuen Chau Kok, Sha Tin, which had already been built up to some 30 storeys;
- April this year – corruption and jerry-built housing in Phase II Redevelopment, Shek Yam Estate;
- Last month – use of sub-standard construction materials in Phase III, Area 30, Tung Chung; and
- Last week and the most recent case – uneven ground settlement in Phase I, Tin Fu Court, Tin Shui Wai, as a result of which the escalators could not be fitted in. It is learned that of the owners of the 800 sold flats, 300 have already forfeited their deposit.

I cannot foretell whether apart from the nine cases mentioned just now, more would be coming, but one thing for sure is that the top level of both the HA and the Housing Department (HD) genuinely did not learn the lesson, otherwise the scandals of short piles as well as inferior workmanship and construction materials would not have taken place within the same area in Tung Chung in just

a matter of two years. Hence, at a time when there are criticisms that my motion of no confidence is "destructive rather than constructive", I wish to stress in particular that it is not me who have dealt a blow to public confidence in the HA. Rather, the confidence crisis has been the sole doing of the HA and the HD themselves.

Just last week the Democratic Party conducted an opinion poll. Of the 527 interviewees, 90% considered the problems of short piles and jerry-built housing "serious" and "very serious", with 68% giving the latter rating. At the same time, there were 64% interviewees who supported my motion of no confidence. Furthermore, the opinion poll findings announced by the Apple Daily last Saturday also indicated that 60% of the interviewees favoured the resignation of Ms Rosanna WONG and Mr Tony MILLER. The same day, *Ming Pao* also announced the findings of its opinion survey, which indicated that 60% of the interviewees considered that Ms Rosanna WONG should resign while 40% considered that Mr Tony MILLER should be subject to penalty.

The above three independent surveys have all pointed more or less to the same findings and that is, the majority of the public consider that as the head and member of the management, Ms Rosanna WONG and Mr Tony MILLER should be held responsible for the blunders they have made in the past. The findings also reflect the great difference between the views of the public at large and those of our senior officials. At the question and answer session of the Legislative Council last Friday, Mr TUNG did very hard to "keep WONG and protect MILLER". Unfortunately, such an action only served to indicate that he was turning a deaf ear to public views. More than that, I consider his speech more of a hindrance than a help, which was absolutely useless in restoring public confidence in the HA.

The Legislative Council is a body representing the views of the public and therefore, each and every one of the Members present has the responsibility to reflect public views. We also have the obligation to debate on matters of public interests. This is clearly stated in Article 73 of the Basic Law. At present more than 3 million people in Hong Kong are living in public housing and in her statement of resignation, Ms Rosanna WONG too could not help admitting that "innumerable interests are involved in the housing issue". Accordingly, bringing in this long-standing problem to the Legislative Council for discussion is in effect entirely in line with the wish of the public and in their interests.

As for the other focal point of the motion voting no confidence in the Director of Housing, Mr TUNG and a number of government officers have explained that the Director as a civil servant, the head of an executive department, an officer occupying his post not through political appointment and so on, should not be held for any political responsibility.

The truth is that in the series of scandals involving housing projects, the one who should be held directly responsible is none other than the Director of Housing, because the projects were entirely co-ordinated by the HD, the duty of which was to oversee the projects, exercise quality control of the buildings and so on. The scandals of short piles, corruption and jerry-built housing were results of poor supervision and mal-administration. Hence the first one who should be held responsible should be the Director of Housing, but since the HA is theoretically above the HD, which is vested with the major power of making decisions on public housing, the Chairman of the HA too could hardly exonerate herself.

Furthermore, the Director of Housing is at the same time the Vice-Chairman of the HA. I wish to quote an incident to support a point. In view of the Government's intention to save the property market and to stabilize property prices, a press conference was convened urgently by Ms Rosanna WONG and Mr Tony MILLER on 16th this month to announce the new policy of reducing the number of HOS flats to be put on sale. It turned out that such an important policy-decision had not been endorsed by the full HA beforehand at all. It was basically a policy announced by the Director of Housing and Chairman of HA on their own. Members may wonder whether the HA would have vetoed the policy. I strongly believe that since the policy had been announced, HA members definitely would have given their support like a rubber stamp. I have quoted this example merely to show that the Director of Housing too is basically playing the role of a decision-maker and that he is definitely not there solely to implement the public housing policies.

Madam President, the HD is one of the largest departments in the entire government system and below the Director there are a few more senior officials responsible for different policies. Hence, it is quite impossible for the Department to be thrown into a state of vacuum or be paralyzed simply because of the retention or departure (of course I am not talking about the issue of resignation now) of one single director. I really cannot understand such an argument. At the question and answer session, Mr TUNG stressed time and

again that if Ms Rosanna WONG and Mr Tony MILLER were to leave the service — and I quote: "an administrative and legal vacuum would be created at the top level of the Government." Mr TUNG's statement has indeed puzzled me for a number of days. I have seriously pondered over the question and tried very hard to find the answer but it has been in vain. I would therefore like to take the opportunity of this debate to ask Mrs Anson CHAN, the Chief Secretary for Administration, to explain to us briefly. What is an "administrative vacuum"? What is a "legal vacuum"? If they were to leave, there would be "a legal vacuum"? Search me.

Lastly, I wish to emphasize that in this debate, our focus should be on the system of accountability rather than on an individual's honour or disgrace. Naturally the Government wants to shift the focus for the issue of "no confidence" to the honour or disgrace of WONG and MILLER but this is a distortion of my intention. What I target at is the system of accountability. I hope we can make use of this opportunity to bring about a new culture of political accountability.

In the series of blunders made in the three years or so since the reunification, different handling means have been adopted by the Administration. For example, the avian flu incident was promptly turned into an excuse for the dissolution of the two Municipal Councils by Mr TUNG while for the chaos accompanying the opening of the new airport, surprisingly no one was held responsible. As for the series of incidents of short piles and jerry-built housing, only civil servants at the middle and lower levels and the contractors were held responsible. I really do not understand what the logic is.

I recall a tragedy in Taiwan two years ago in which a participant of a tug-of-war competition had his arm pulled apart. Mr LUO Wen-jia, the Director of the Taipei News Department, which organized the activity, resigned in expiation. In fact what had he got to do with the tug-of-war activity? Nonetheless, he still took the blame despite the fact that this was a sport activity which had nothing to do with politics at all. In the Euro Cup 2000 which has attracted extensive attention, the coach of the German team, Mr RIBBECK, tendered his resignation immediately after the team was kicked out of the competition consequent upon scoring one tie, losing two games and came up last in the group matches.

Of course, the HA head's resignation on account of the series of blunders surely will not offer any immediate solution or remedy to the mistakes that have already been made. However, neither do I believe that this will result in the so-called "vacuum". I believe that it is only in a society which observes the rule of man that the retention or departure of the head of an organization would be linked to its operation. I very much hope that Mr TUNG and the Government will have genuine consideration for our society. In open societies today, public confidence in the Government and public sector will only be fostered by increased accountability of civil servants towards the public and their willingness to assume responsibility.

With these remarks, Madam President, I beg to move.

Mr Fred LI moved the following motion: (Translation)

"That, in view of the recent successive scandals on public housing involving substandard piling and construction works, this Council has no confidence in the Chairman of the Housing Authority and the Director of Housing."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by the Honourable Fred LI, as set out on the Agenda, be passed.

PRESIDENT (in Cantonese): Mr LEUNG Yiu-chung will move an amendment to this motion as set out on the Agenda. In accordance with the Rules of Procedure, the motion and the amendment will now be debated together in a joint debate.

I now call upon Mr LEUNG Yiu-chung to speak and move his amendment.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, I move that the Honourable Fred LI's motion be amended, as set out on the Agenda.

Madam President, this is actually not the first debate within this session on the quality of public housing. On 3 November last year I raised the issue that the Housing Authority (HA) should be held responsible for the series of scandals

involving the construction of public housing. In the motion I then demanded the resignation of the full HA to facilitate a restructuring of the set up. Unfortunately the motion was vetoed because there were only 14 Members supporting it then. However, the development since then has proved that public demand is able to withstand the test of time and would not back off in face of the suppression of those in power. Those who should resign eventually have to resign while reforms that have to be carried out will eventually be carried out. It has been my hope that the Government of the Special Administrative Region (SAR) will somehow be enlightened by the incident, but regrettably, all that I can see lately is the consistent efforts on the part of the Chief Executive and other relevant persons to shield and harbour the wrongdoers. Such an attitude is indeed disappointing.

Some Members hold the view that the issue of public housing quality is so complicated that it should not be the responsibility of merely two people. In fact, no one has ever said that only two people should be held responsible. As I mentioned earlier, the motion I moved on 3 November last year demanded that the full HA should be held responsible for the incidents. I can hardly understand why those Members who consider today that the blame should not be borne by two people alone did not then support my motion. Since they maintain that more people should take the blame, why did they not support my previous motion advocating the dissolution of HA and its replacement by a completely new one? The amendment I had originally intend to move was actually more than laying the blame on just two people. My original amendment demanded that the Chief Executive too should be held responsible, because he was the person appointing those HA members, the Chief Executive should have the duty of monitoring their conduct and therefore he should be held responsible for the problems that had cropped up. Unfortunately, my amendment was rejected by the President and no debate could be carried out. So, my view is that responsibility for the incidents should not be borne by only two people. It should be borne by the HA as a whole. Some say that "MILLER and WONG" had such an intention to reform that they continued to expose the problems and therefore we should not press them too hard. However, Madam President, when Ms WONG tendered her resignation, she clearly and explicitly stated that she had been aware of the problems inherent in the entire construction framework of public housing. Regrettably, in her seven long years as the Chairman of HA, what did she achieve? On the contrary, problems have surfaced one after another. The actual situation reflects that the reforms carried out by the HA under the leadership of "MILLER and WONG", including privatization, outsourcing of projects, and even contracting out supervision of works, have prevented the HD from exercising direct control over building quality, thereby resulting in colossal problems.

Could the reforms be therefore regarded successful? If we consider that something is wrong, why should they not be required to shoulder the responsibility? Meanwhile, the system of awarding a contract to the lowest bidder has been time and again criticized by many Members and the public. To our dismay, the system is still in use today, despite some changes lately. However, even today, we can see from the statistics that most tenders are still awarded to the lowest bidders. Hence, could "MILLER and WONG" possibly exculpate themselves? Some have said that should they resign, there would be no one following up the cases, neither will there be anyone willing to take over the hot potato. I can only consider these views absurd.

For people who said such things, do they mean to say that officials should be encouraged to make a poor performance, the poorer the better? Do they mean that if no one is willing to clean up the mess, officials who have performed atrociously may remain in their positions with a clear conscience? I am worried that the Chief Executive might nourish such a thought. I hope he will not, otherwise when there is eventually massive social discontent, he may then suggest, "Since no one is willing to clean up the mess, why not let me stay for another term of office?" This is indeed undesirable. I consider that since it was the Chief Executive who appointed those who caused the scandals, he should take the blame. At the same time, we hope that there will be new HA members who will introduce thorough and extensive reforms. In fact the Government could handle the case with the same determination shown in the dissolution of the two Municipal Councils. I believe that if this is the case, the problem will definitely be solved and the Government's argument that the problem would remain unsolved without someone willing to take over the matter will no longer stand. Some people have also said that the duo's resignation would not solve the problem. It is certainly true that their resignation would not solve the problem, but their resignation would not reduce the positive significance of this move either. As far as the problem of public housing is concerned, as I have always stressed, only the resignation of the HA as a whole, the introduction of the system of accountability to the public and the restructuring of the framework responsible for formulating policies on public housing will bring about improvement to the present situation, and the duo's resignation is exactly the first step.

The other point is the system of accountability which has recently attracted public discussion. If anyone does resign in expiation, it will definitely reinforce the Government's accountability. Madam President, although the Basic Law

has provided that the executive authorities should be answerable to the legislature, it is regrettably only an empty talk. What we have witnessed are merely executive hegemony and executive domination, in fact, there is no responsible body existing at all. The intention behind my motion is no more than establishing such a system. It is also a very good topic for debate. Did many Members not support the setting up of a system of accountability on the part of government officials in the debate on the reform of the political system on 14 June? I can recall that Dr LEONG Che-hung said then that in moving the motion, our intention was to state in plain language that those officials at fault should be prepared for "having their heads chopped off". Hence, Madam President, the topic I have put forth today can be said to be a realization of the consensus arrived at that day, that is, any official found to have committed a mistake should resign and take the blame.

Madam President, a colleague told the media yesterday that since Ms Rosanna WONG had submitted her resignation, public discontent should have been removed and therefore the motion had somewhat lost its meaning. I think this colleague did not know too well what the focal point of the motion was. The focal point of the motion lies in the establishment of a system of political accountability. It is more than simply forcing a couple of people to resign. The fact is that setting up a system of accountability is an integral part in achieving democratization in Hong Kong. A study recently published by an American authoritative political journal, the *American Political Science Review*, points out that of the 18 democratic nations in West Europe, 10 have set up their accountability system of vote of confidence or otherwise by way of practices rather than through legislation. Furthermore, as shown by the operation of democratic countries, the vote of no confidence does more than serving to condemn officials who have failed in their duties. In many cases it is initiated by the government in a bid to secure the legislature's support for major policies. Accordingly, in casting our votes for the motion today, the positive significance is to take an important stride in the direction of confirming the executive authorities' accountability to the legislature, which will be conducive to enhancing the legislature's role of checking and balancing the executive authorities.

Madam President, there are views that as a civil servant, Mr Tony MILLER should not assume any political responsibility. My rationale is that a mistake committed in policy implementation and management is a mistake committed, and no one should be allowed to stay out of it simply on account of

his capacity. I recall a newspaper report early this year on the Mainland. The mayor of Xiamen resigned because his subordinates were involved in several major smuggling cases. This story tells us that even in the Chinese Government, which is run by the Communist Party and hardly takes heed of public opinions, there are officials who step down because of the dereliction of their duties. If the Party insisted on keeping these officials, it would have to pay a political price. On the other hand, SAR officials who claim themselves democratic and open-minded are not required to assume responsibility. Indeed, is it proper at all for the Chief Executive to continue to shield them? I think this would only place an even greater political responsibility on him. In the motion debate on 3 November last year, Dr Raymond HO pointed out that with the Director of Housing acting as the Vice-Chairman of HA at the same time, there was a role clash. As the Director of Housing plays not only the role of executing policies but also the role of making these policies, the argument that being a civil servant implementing policies, the Director of Housing should not assume any political responsibility can hardly be justified.

Some people, especially members of the Democratic Party, once said that indicating no confidence in those concerned was tantamount to demanding their resignation. As far as this is concerned, I wish to stress that my stand has always been to demand the resignation of the HA as a whole to give way for the restructuring of the entire decision-making system and greater public involvement. I consider that this is the only way to open up opportunities for reform. Our ultimate objective is to restore public confidence in public housing. The original motion only asks for an indication of no confidence. In the absence of any constitutional practice, even if the original motion is carried, the persons concerned will not be obliged to resign. Hence, an explicit demand for their resignation is necessary. Furthermore, if Mr Fred LI considers that our amendment does not differ much from the original motion, why does he not support us? As far as I remember, he was on our side in respect of the motion moved on 3 November last year, that is, he supported our demand for the resignation of all the HA members.

Madam President, this incident has shown that the policies of the SAR Government are lagging far behind our needs. Even long-time supporters of the Government are also aware of the importance of public opinions. I hope the SAR Government will draw a lesson from this bitter experience and try to know public opinions well before formulating its policies.

These are my remarks.

Mr LEUNG Yiu-chung moved the following amendment: (Translation)

"To add "and asks for their immediate resignation" after "this Council has no confidence in the Chairman of the Housing Authority and the Director of Housing".

PRESIDENT: I now propose the question to you and that is: That the amendment, moved by the Honourable LEUNG Yiu-chung to the Honourable Fred LI's motion, be passed. We shall now proceed to a debate.

MR NG LEUNG-SING (in Cantonese): Madam President, someone said to me that the motion being debated today was something of the past. To a certain extent, I too consider that the motion has lost its significance somewhat. Nevertheless, the motion involves the important issues of public interests and public policies, and is mainly one aimed at voting no confidence in matters concerning the quality of public housing. Although as at this moment I am still a member of the Housing Authority (HA), I believe that it is in compliance with the Rules of Procedure and proper for me to speak and vote on the motion in the capacity of a Legislative Council Member.

The problem of public housing construction is by no means a recent problem that has suddenly cropped up. Neither is it a simple problem. What have been involved are not only extremely complicated problems such as the entire system of the formulation and implementation of public housing policies, ambit of duties, interrelation, and so on, but also the long-standing culture and accumulated problems concerning the operation of this system and the construction sector involved. There is ample evidence that the HA has spared no efforts in introducing reforms in recent years, in taking the initiative to expose and investigate actively the problem of building quality that has attracted public concern lately, and in looking for a solution that could tackle the problem at its root. As the problems have deteriorated over the years and because of the ambitious target of public housing production, the bunching of housing production and the HA's ever-expanding functions, there are some situations which are inevitably beyond the control of the incumbent Chairman and members of the HA. Neither can these problems be immediately settled by the reforms they have recommended. Nevertheless, the Chairman and members of the HA have assumed a positive attitude towards the problem of public housing

quality as well as public concern and criticisms. Their objectives are also very clear-cut. The HA has proposed a series of technically complicated reforms aimed at improving the building quality. To continue to implement the various improvement measures and to secure their early success depend very much on the HA members' loyalty to their posts. And the only pragmatic move is to redress the long-standing irregularities progressively according to plans within a reasonable period of time.

As for the motion, I am very disappointed at it because we can hardly see in it any practical and useful recommendations on the ways to identify and resolve the fundamental causes of the problems, or any constructive suggestions. Regrettably, this is only a simple no confidence motion aimed at giving a political statement. What we are discussing is more a political trial than the actual problem of building quality. I personally do not find any positive solution in the motion. About the proposed vote of no confidence, all we can see from the wording of the motion is that the reason for subjecting the Chairman of the HA and the Director of Housing to the political judgment of no confidence is not any specific mistakes they have made in carrying out their statutory duties. It is simply because they are the leaders of the organization or the Department!

Some have argued that such is the culture of political accountability, but the HA is a public body while the HD is an executive arm of the Government. The appointed members of the HA, either the paid Chairman or the unpaid members, who used to include some of the Councillors present, are members of society devoted to serving the public. Although there has been extensive discussion on the establishment or otherwise of political appointment and political accountability within the government system, no conclusion has yet been arrived at. I consider that in trying out the concept of the so-called political accountability in this sort of public body under such circumstances, the advocates have not taken into account the political mindset of the Hong Kong community. Neither have they been considerate to the numerous public bodies in Hong Kong or their staff. They are too reckless. I wonder whether those who are enthusiastic in serving the public would be discouraged, and whether they would continue to provide actively their expertise and skills for the sake of the community in the form of voluntary service which might at any time be subject to political judgment and condemnation. What I worry most is that the so-called culture of political accountability which this motion of no confidence is trying to develop might end up as a groundless "scapegoat culture" or an "anger-venting culture". This would not be conducive to solving the problems.

Neither would it be of any practical use to the improvement of the policies on future building quality and their implementation.

Madam President, in the positive context, as I stressed at the annual full HA meeting for two consecutive years, the solution to the problem of building quality lies in a review of the functions and duties of the HA, which must not be allowed to turn into a "public enterprise" with a boundless scope of duties. It must control the endless expansion of its public housing-related functions and organization and define an appropriate ambit of duties. There should also be a re-distribution of business with other related bodies and departments. To be fair, the problem of building quality is not confined to the public sector. Similar problems can be found in the construction process of the private sector. In sum, I hope there will be an in-depth and constructive study into these kinds of problems which the public are concerned for. This will be more meaningful than a simple political statement in the form of a no confidence motion.

Lastly, I wish to reiterate that the simple motion moved today could hardly solve the extraordinarily complicated and long-standing problems of building quality in the public sector.

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

MR ERIC LI (in Cantonese): Madam President, the developments in the past two weeks since this motion was moved, from the "strictly approving or strictly disapproving" attitude of the community towards the issue at the outset to the series of unexpected turns of events such as Mr TUNG's agreement to the setting up of an independent committee and Ms Rosanna WONG's resignation, indicate that the relevant parties have shouldered the major responsibility with a positive attitude while the community's stand is getting more rational and fair.

The developments of the motion have been quite unexpected. The case in question has also revealed a number of serious problems, such as the Government's indistinct demarcation of duties in the areas of the formulation and implementation of its housing policies, the intricacies of the interests involved, the bad stubborn practices, and so on.

In fact, a number of non-partisan Members and I have made it very clear quite a while ago what our stance was, with justifications. We agreed that we

should, through a fair mechanism or process, find out and analyse publicly the full story of the case before arriving at a judgment. Apart from accountability, we demanded remedial measures, something more than simply making a "political statement". This was the rationale behind and the starting point for the amendment to the motion which I contemplated two weeks ago.

Although my amendment was not approved, it clearly reflected the proper attitude that a fair, reasonable, serious and orderly representative body should have, so as to ensure a fair treatment for those affected. The amendment also supplemented the original motion with some important features, including the establishment of an independent ad hoc committee at a senior level, which should be formed by specialists from outside the Government and the Housing Authority (HA), such as the construction, works and financial management sectors. The committee should be tasked with an in-depth review of the distribution of duties, works supervision, as well as the procedures and responsibilities in the area of financial management of the HA and the Housing Department. It should release findings of the review to the public, assume the conclusions of the report as its conclusion, and deal with the personnel matters in a fair and equitable manner.

As at today, I believe that the Government has made sincere response to the motion, showing a determination to carry out reforms to reduce the possibility of a recurrence. The recent developments have also embodied the main features of my amendment. Through the Council and public opinions, a new culture of political accountability can be said to have successfully come into being. The poor practice of non-collective accountability of the Government has been replaced, thus removing some of the public discontent. I believe that having reached this stage, there would not be much that the Government could do, because the outcome is expected. I therefore consider that to vote for Mr Fred LI's simple-worded motion today is merely a routine step. It is a move without much significance.

Many friends in the accounting sector have recently told me that they do not consider it reasonable for WONG and MILLER to take the blame all by themselves. The point is that this is the only alternative in face of the overwhelming anger of the masses. This is a perfect example of how an issue could be simplified.

Ms Rosanna WONG is the first public officer who resigns because of political non-confidence. It is believed that once a precedent is set, she would hardly be the last one to do so. If Hong Kong were to set up a system of political accountability, there must be a specific mechanism and a rather long period of adjustment. Apart from being psychologically prepared for the system on the part of the politicians and government officials, members of the public too must develop a rational approach in demanding accountability.

I hope that in future, every step forward, no matter how small, will no longer be triggered off by one single catalyst and that there will be no more rash political judgment based simply on public opinions without an investigation into the real causes and without a chance for defence. In trying to lay down new political rules by this means, thereby ending up in all these, it is curses coming home to roost on the part of the Government. At the same time, any politician with some foresight should be aware of the rising discontent in society. Resistance has been escalating. This is hardly the behaviour that a society which values fairness, justice, peace and sense should advocate. As Members of the Council, we should look further than the general public. Our horizon should be beyond a political party's gain or loss in popularity and the number of votes secured in elections as a result of its voting in this motion. Public officers should not merely care about their honour or disgrace. We should focus more on the implementation of progressive reforms and development of a new political culture for the representative bodies in a rational and self-restraining manner, thereby reducing the hardship and pain that might inflict on persons devoting themselves to public service.

As for the issue of reforming the Housing Bureau, I wish to discuss it from various aspects.

On structure. In recent years, a large number of construction projects have been carried out by the HA, as a result of which, its housing production has now more than doubled the total private sector production. However, structurally, together with the Housing Bureau and Housing Department, the HA is part of a three-horse cart, each with its own independent duties. It is very difficult to control the overall operation. At the same time the enormous construction business over-relies on the civilian system, under which professionals are led by laymen. It also over-relies on external consultants for supervision. As for the construction works, both the system and manpower could hardly meet the requirements. The tendering system which bases on "the

lowest bid" as well as the undue emphasis on the financial aspect have been the causes for poor workmanship.

In as early as 1997 I have warned that such construction plans were full of risks and that if we were to introduce any reform, the necessary powers must not be confined to one authority alone while the professional duties should first be returned to the professional departments, that is, the civilian work should be taken up by the civilians while the professional work, by the professionals.

On the formulation of policies. The formulation of policies should be fully co-ordinated by one single body. For example, the HA should appoint a paid, full-time chairman, who should on the one hand be able to politically reflect public needs and on the other be empowered to control directly the specific operation of the Housing Department. It is only then that there would be a clear demarcation of duties and a clear identification of the accountable party.

For Members' voting to be of any real significance, their resolution concerning the motion must be a clear-cut one. At a time when the political system of no confidence targeted against civil servants in specific fields has not yet been set up, Members and the media, after a number of open and private discussions, have been wondering what this Council will achieve, if the motion is carried, apart from letting the public vent their anger and succeeding in imposing pressure on the Government. Is this Council today going to decide internally Tony MILLER's future or going to demand the Government to dismiss him or make him resign? I believe that today's debate will be no more than an occasion for Members to give their own statement. What actually is the system we want? I believe that it is difficult to make it clear.

I am worried that subjecting officials who are not politically appointed but who take public service as a lifetime career to political procedures, and "adjudging" them merely on the basis of public sentiments for charges other than corruption, immorality, dishonesty without any independent hearing conducted by this Council and any chance for defence will have a far-reaching impact on the Civil Service.

Neither should we place the focal point of the case on the retention or departure of Tony MILLER and personalize the whole thing. We also should not indicate our political stand merely for the sake of the forthcoming election.

This is in lack of a positive meaning. I consider that the motion is "not perfect, not clear and outdated, and is merely a historical record which can be done without".

Before we have a clearly defined "no confidence" tradition, I will not blindly support this motion which simply provides an occasion for presenting one's own views and does not have much meaning, but I will remain open-minded towards the future development of the system of accountability.

I would therefore abstain from voting today. Thank you, Madam President.

MISS CHRISTINE LOH: Madam President, I rise to speak with a heavy heart because this motion affects two individuals that I consider to be good colleagues. I have tried to put out of my mind my personal like and respect for the Chairman of the Housing Authority and the Director of Housing. The Chairman has already resigned. I assume that the Director of Housing is likely to be transferred to another post soon since he is likewise tainted.

The Chief Executive gave a spirited defence of the Chairman and the Director in this Chamber last week. I would like to speak on the main points that he made as well as those made by the senior management of the Housing Authority who wrote to Members of this Council.

Firstly, just how serious are the problems? The Chief Executive may say that the actual problem is not enormous because out of 370 buildings inspected, only eight have problems. While six units could be remedied, two are to be torn down. This rate of failure could bankrupt a private organization. So this cannot be a defence in the public sector.

Secondly, the Chief Executive pointed out that it was the two individuals who were proactive in unveiling a series of building quality problems and started various reviews and investigations in building quality. Senior management at the Housing Department wrote to Members saying that since 1998, the two individuals had reminded them and the construction industry to be on alert for potential building quality problems. Willingness to expose problems is not a reason for exoneration.

The Housing Authority assumes the role of the Building Authority in ensuring that its development complied with the Buildings Ordinance. The Housing Department is the executive arm of the Housing Authority. While the Housing Authority awarded contracts to contractors, the Housing Department is supposed to carry out design reviews, site inspections and certification so as to detect and allow early correction of defective work by contractors. The Strickland and the Nunn investigation reports show clearly that the Housing Authority and the Housing Department were not very good at monitoring construction, and that it is a longstanding management problem within a corporate culture that had clearly degenerated over time.

Thirdly, the Chief Executive pointed out that many problems were inherited from the previous Administration. That is true. However, what is also true is that, that is not a reason for exoneration. The Government of the Special Administrative Region inherited two sets of problems. It took over overblown bodies, which had developed poor and lazy practices, as well as the previous Administration's flawed long-term housing strategy without critical review. The Chief Executive pledged to build not less than 85 000 flats a year and to achieve home ownership rate of 70% in 10 years.

I had questioned that policy. Where did the Chief Executive pluck the 70% from? As for 85 000 units, this number is supposed to reflect what the Housing Bureau thought would be the housing demand. What is shocking is that its assumption made no reference to real economic factors, such as income, prices and mortgage rates. Furthermore, no review was undertaken in 1998 when the economy nose-dived. The current Executive Council has a lot to answer for.

When the Chief Executive defended the two individuals by saying that they had to perform under tremendous pressure to building housing stock at break-neck speed, I find that ironic. The Chairman of the Housing Authority served on the previous Executive Council and is a Member of the current one. She supported a flawed policy that was to be her undoing. She has been on the Executive Council since 1992 and was appointed Chairman of the Housing Authority in 1993. She could neither critically assess the policy nor sort out longstanding construction monitoring problems in seven years. That is not to say that she did not have the very best of intention or she did not work extremely hard.

Housing policy was and is made by generalist Administrative Officers. What real expertise do they have? Their argument is that specialists in the various departments support the generalists. So, what are the specialties of the Housing Department? The technicians were trained to carry out decisions, not multi-disciplined policy making.

Worse, they have degenerated into paper pushers. I did not invent this, Madam President. The Strickland Report stated that the Housing Department's culture valued paper over substance. And I quote, "Staff focussed only on his area of responsibility and missed the wider picture. The staff directly responsible for construction quality spent most of their time behind a desk at headquarters. Promotion was likely to result from long service rather than good performance or initiative. And how do these bureaucrats solve problems?" According to the Report, the "usual reaction to a problem is to add a new instruction for checking to a procedure manual or to recruit additional staff" rather than assessing the cause of the problem. The Report has observed that remedial measures often add "complexity and blurred responsibility".

So, we have people not fit to make policy take key decisions, and lots of supporters carrying them out. Numbers like 70% and 85 000 units became more important than building quality housing and creating pleasant living environments. Both the Chairman of the Housing Authority and the Director of Housing are products and casualties of the system. The Director, in particular, while being one of the Administration's best trouble-shooters, nevertheless became a loser in that system.

I do not share the Chief Executive's concern that without these two individuals, Hong Kong do not have others to reform the system. There are plenty of talented and well-qualified people. After all, both jobs are well paid. If the Administration cannot think of people to fill those jobs, it reflects a culture, which is closed rather than outward looking. The Administration simply does not know how to use Hong Kong's talent.

Unfortunately, the Task Force headed by the Chief Secretary for Administration to revamp the Housing Authority, Housing Department, Housing Bureau and the Housing Society is another attempt to use an administrative approach. Construction monitoring may improve, but will Hong Kong have a better housing policy? I doubt it.

I recommend that the Administration:

1. Review the housing policy;
2. Adopt the recommendations in the two investigation reports;
3. Privatize the Housing Authority and the Housing Department in due course;
4. Make appointments based on expertise;
5. Reform the political system so that we have true political accountability of those in high office; and
6. Recognize and value the political challenge of today's motion.

After all, you cannot achieve polish without friction. Madam President, I support the motion but not the amendment. It is up to the Administration to decide what to do if the motion is carried.

MR LEE CHEUK-YAN (in Cantonese): Madam President, before getting to the main contents of today's motion, I wish to praise Mr LEUNG Yiu-chung. As early as 3 November last year he has already moved a similar motion. He demanded the resignation of WONG and MILLER before the public did. Regrettably the response then was a bit so-so. Today, the situation is completely different. There is widespread resentment. We should therefore commend him as the leader of public opinions.

Today, in respect of Mr Fred LI's motion, I would not dwell on the short pile scandal, because this topic had been extensively covered by the Panel on Housing of this Council, in which I too demanded the resignation of Ms Rosanna WONG and Mr Tony MILLER. Today, I would focus on the political significance of Ms WONG's resignation. I consider that the resignation is a very sensible decision because she was aware of the widespread fury. She could see for herself that nothing short of a resignation would quell public anger and restore public confidence in the future overall housing policies and the operation of the Housing Authority (HA). She resigned so as to have public anger quelled, public confidence restored and to enable the public to generate

some hopes, since not all the members of the HA have tendered resignation, so there might still be a chance for a fresh start. To the HA itself, this is what Ms WONG's resignation stands for. However, there is a deeper meaning in her resignation and that is, it ushers in a new era for Hong Kong. A genuine system of political accountability finally makes its entrance to Hong Kong. This new era tells us one thing and that is, public service nowadays may bring honour as well as disgrace.

In the past a public position would bring about only glory, because it was then a simple world. In the colonial days, it could be said that even if the public had certain expectations on holders of public posts, senior government officers in general did not have any demand on such holders of public positions. Public service then was only regarded as doing charitable work or serving the community. However, public service nowadays is no longer as simple as doing charitable work or serving the community. It carries with it political responsibilities. In the old days, holders of public positions might hide themselves behind the executive authorities and government officials, and came out only when it was time to show off. If they did make a mess of anything, they would be shielded by the executive authorities, which having no ill feeling at all, would soon arrange for them other honourable posts. This was what happened then, but things have changed now. Public service might bring honour as well as disgrace. Holders of public positions might enjoy prestige, but they might also be discredited. This is what we call fairness, and being accountable to the public. Political accountability is an integral part of the democratic system, but I am concerned that there is a reverse of the situation. Public posts holders are being pushed to the front, as Mr NG Leung-sing said just now. Public post holders have been pushed to the front. Under the circumstances, would such public officers be subject to enormous pressure and injustice? There is a reverse of the situation now, but I feel worried. Why? The fact is that public officers are now being pushed to the front while on the contrary, senior government officials are hiding themselves behind these public officers. Public officers used to hide themselves behind senior government officials, but now the situation has changed. This is not fair either. If anyone is to be made accountable, it must be done completely and thoroughly, with everyone being made accountable. It is only then that we may have a healthier society.

Nevertheless, I consider that the SAR Government should thank Ms Rosanna WONG this time. It should thank her not because of the work she has done in the HA in these years, but because her resignation has done it a favour. What is the favour she has done? It is none other than the subsidence of public fury, thereby easing down the pressure on the Government. As Mr NG Leung-sing said just now, society is rather restless and the culture of anger-venting is filling the air. Do people want to have any "culture of forbearance" or "culture of blockage"? Members of the public have been quite tolerant for a long time. They have put up with the scandals about public housing for years. Over the years, they also put up with the sub-standard accommodation they have bought, in which the building quality is poor with concrete scaling off. After all these years, are we supposed to allow the "culture of forbearance" to stay put? Actually, allowing members of the public to vent some of their anger would make the political environment a bit healthier, but Mr TUNG Chee-hwa was relatively blind to public views. Neither did he see the widespread outrage. In the question and answer session last Friday, he was still trying desperately to reverse the situation and divert our attention by saying things such as restructuring the organization, the framework, and so on. It was obvious that he had lost track of public feelings and as far as this was concerned, he was a great deal behind Ms Rosanna WONG. He should have realized what the public had been asking for. In fact, members of the public have been quite helpless and hopeless about the political environment in recent years. On the one hand they are full of grievances which they cannot possibly air and on the other they have been unable to make the Government revise its policies. The only alternative is therefore to tolerate. Ms WONG's resignation has finally proved that public views are powerful and that members of the public are powerful. The indignation accumulated eventually has brought about some changes, showing that there is still hope for the community, otherwise the situation would even be worse.

The public has at long last experienced a little victory, but frankly speaking, the question following this political victory probably would not be when Director of Housing Mr MILLER would be resigning, or when would it be the Secretary for Housing, Mr Dominic WONG's turn to do so, that is, the so-called "removing WONG and plucking MILLER" proposal which is now being actively discussed. What the public would ask is when it would be Mr TUNG Chee-hwa's turn to resign. Mr TUNG should be aware that it is not adequate even if Chinese President JIANG Zemin's praise and the support of the rich and powerful are secured. He should listen to the voice of the public with sincerity.

I earnestly hope that he will listen to public views. He should know that there are widespread indignation and discontent. If he still insisted that his incumbent government is right and refused to draw experience from this incident by listening to public views, he would sooner or later bring destruction upon himself.

Lastly, I wish to say a few words to Ms Rosanna WONG by quoting Mr NIXON's final speech in the Watergate incident. First of all, I would like to say "au revoir" to her. Secondly, I wish to cite a stanza which I consider to be very meaningful and that is, "only if you have been in the deepest valley can you ever know how magnificent it is to be on the highest mountain (不曾身處低谷，哪懂領略高山風光)."

Thank you, Madam President.

DR LEONG CHE-HUNG: Madam President, the motion, or the amendment, at a casual glance before us today is a simple one indeed — repeated faults have been discovered in an organization, resulting in the loss of confidence of that body. Rightly so, this is reflected to the loss of confidence at the very top. The question is: What does this motion imply?

At issue is a vote of no confidence of the Chairman of the Housing Authority (a non-executive director) and the Director of Housing (an executive director). The Housing Authority is constituted by statute that looks after more than 50% of the housing in the Hong Kong Special Administrative Region (SAR). In short, it borders on a constitutional issue of Hong Kong. On this constitutional basis, these two posts named in the no confidence motion should really be discussed separately.

Let me elaborate. The Chairman of the Housing Authority is a direct appointee of the Chief Executive of Hong Kong on a reappointable fixed term of office. To a certain extent, the post of Chairman could be perceived as a political appointment. Yet, this post is short of a Minister. Definitely, it is not a civil service post. What does a vote of no confidence to such a position imply?

In countries with a well developed ministerial system, these ministers are political appointees to decide on policies. Their appointment is such that that

person should be prepared to have his head placed on the chopping block should his or her policy turn sour. In short, the convention is that the minister must resign. Madam President, in response to what my Honourable colleague, Mr LEUNG Yiu-chung, just said, my statement is made on a political appointee who decides on policies and where the buck should stop, but not a civil servant who only executes the policy so formulated.

Yet, Madam President, Hong Kong has no such convention and the Chairman of the Housing Authority is not exactly a minister. Yes, that post could be considered as a political appointment.

The Chairman of the Housing Authority, with respect, has in her wisdom accepted the issue of political accountability and voluntarily resigned. I salute her not only for her bravery, but also on setting a precedent for all political appointees to follow.

I would also urge the Government to seriously consider a revolutionary constitutional reform and take on board proper political ministers.

A vote of no confidence for the Chairman, who has voluntarily accepted the political responsibility and accountability and resigned, is, therefore, water under the bridge. On this basis, the debate really has no meaning on that aspect. Thus, I will abstain from voting on this point.

A vote of no confidence for the Director of Housing is another entirely different matter. The Director, supposed to be apolitical, is a civil servant whose job is to execute the policies that the minister so proposed. It is up to the employer of the Civil Service to determine disciplinary measures should the public place no confidence in his appointment. In the case of Civil Service in Hong Kong, there is the time-honoured Civil Service Regulations which take care of this issue for which the legislature should not interfere.

Madam President, it is obvious to me that the amendment calling for the resignation of a civil servant by the legislature is not in order.

As to the original motion, I have stated my direction and views. Let me stress again. Whatever maybe the outcome of this debate, Members should realize that the implication of the two positions has to be different.

Madam President, be that as it may, accountability and political responsibility is the key issue for the well-being and prosperity of the SAR, especially in a progressive open society. The Government could do no worse than to seriously pursue the issue of a political ministerial system. Policy makers will have to bear the responsibility of a political appointment and civil servants their responsibility of executing the policy.

What more can we learn from the saga of the Housing Authority? Anyone who is willing to take up the appointment of the chairman or member of any board or council should know full well that he or she is in for accountability and responsibility, be it properly remunerated or otherwise. Failure to deliver could and will result in those persons falling from grace.

Madam President, the Housing Authority controversy perhaps also brings on one very important message. The "scandals" so far are all mis-management and lack of supervision of areas that are very much technical in nature for which, with respect, a non-professional and a "generalist" would have difficulties sometimes to comprehend. In short, the Housing Authority and some other statutory bodies are not pure advisory bodies but management boards that will also need to deal with technical issues. As such, some technical expertise at the very top may well be an advantage. Let us hope that the Government will so take heed.

Madam President, the motion today is not a pleasant one indeed. It is a debate on the loss of confidence of the public on our Administration. It is a debate where certain persons rightly or wrongly are put into disgrace.

Yet, as the debate proceeds, it brings home that there are perhaps constitutional problems within our administrative structure that leave much to be desired, and fallacies in the appointment of people to head statutory bodies.

Madam President, if all these could, at least, act as a catalyst for our Government to seriously consider the need for a total constitutional reform, this debate could at least claim one silver lining.

MR ALBERT HO (in Cantonese): Madam President, the series of grave mistakes, including short piles, ground settlement, jerry-built housing, and so on have resulted in a number of scandals and an enormous loss of public money,

which might amount to one billion or even several billion dollars. The entire society has been shocked. Two inquiries were commissioned by the Housing Authority (HA) to make some studies and investigations. The findings conclude that the causes were more than the dereliction and malpractice of individual contractors, or the wrong-doings of individual professionals or managers of the middle level within the HA. The issue should be examined at greater depth, because the management system of the Housing Department (HD) as a whole was involved. At different levels within the management, there were confusion and lack of effective supervision, and neither external nor internal monitoring was carried out with the effects it should have. What was more important was that these weaknesses of the management system had been embedded in the long-standing culture of management for years to the knowledge of the senior management. Hence, as far as this is concerned, the supervisors could hardly exonerate themselves. The supervisors equally could not exonerate themselves for the declining credibility and reputation of the entire department due to these problems.

I read about an analogy drawn by the Financial Secretary Mr Donald TSANG in a newspaper. He said Ms Rosanna WONG and Mr Tony MILLER were no more than the tenants of a house. They found that there were termites in the house and took the initiative to wipe them out. However, while this was being done, the public found that the problem could not be solved by killing the termites and so, they demanded that these two people be held responsible. The Financial Secretary considered this to be unfair. However, I consider that some areas in the analogy drawn are not too valid. Allow me to make some modifications. Supposed Ms Rosanna WONG and Mr Tony MILLER had already been aware of the problem of termites before moving in but after occupation for a number of years, during which more and more evidences pointed to the infestation of termites, they still did not take prompt action to handle the problem until the termites had done so much damage to the house that it was in danger of collapsing, would it not be too late then? It would not be too much at all if under such circumstances, the public laid the blame on them and demanded that they be held responsible, would it?

Throughout my long public service, I have come into contact with various community issues, but very rarely would so many people be strongly demanding two department heads to be held responsible and even for their resignation as in this case. Nevertheless, I must point out that their sentiment is not entirely the venting of anger. It is true that a lot of people have built up resentment. If

you pay a visit to Tin Shui Wai, you will find that a lot of people have been working hard and practising thrift just to save enough money for buying a Home Ownership Scheme flat; but just when they are about to move in and are changing school for their children, they are notified that something is wrong with the flat. After going through much difficulties in finding out from officials how they could change their flats, they are eventually allocated another flat just to find out, when they are again about to move in, that this second flat is suffering from ground settlement. If you have not come into contact with these people, you will not be able to feel their anxiety and desperation.

Nonetheless, I do not consider that their sentiment this time is an irrational way of venting their discontent because to be fair, people's impression of Ms Rosanna WONG and Mr Tony MILLER is not too bad. A lot of people even consider that as leaders, they are not too bad. However, given the seriousness of the faults and the gravity of the responsibility to be borne, would the problems be easily solved just by their saying "Sorry, we have not done enough. Our supervision has not been adequate"? Hence, the public's demand this time is based on good sense and that is, everyone is gradually aware of the fact that the many questions in society might probably be due to the absence of a culture and system of political accountability. I am sure that it is after serious deliberation and reflection that people put forth their views. A number of people have in fact told me that in foreign countries, many ministers would have resigned consequent upon the case. They would definitely have resigned over faults of such gravity and far-reaching impact.

If we maintained that as civil servants do not play a political role, they should not be held politically responsible, then we would be very much outdated. This was only the political shield of the old colonial days, a means to protect the leaders. I consider this view an obsolete one. Nowadays, when both civil servants and the leaders have to assume responsibility for political decisions, they naturally have to be held responsible for the consequences of these decisions.

Of course, what type of system of political accountability do that we want? This is something that has to be studied, but there are some attributes which are indispensable and one of them is that those who make the decisions must possess political ethics and courage. In this incident, I consider that Ms Rosanna WONG has taken the lead in showing forth such attributes. In view of the development, she has come out and tendered her resignation in a responsible

manner. Her resignation has not only pacified the public but also set the precedent of assuming responsibility with willingness. In this connection, we should convey our respect to her.

There are concerns that this might discourage people from taking up public positions. My response is that those who are reluctant to face community accountability and reluctant to shoulder political responsibility are behind times. They are fit neither for this age nor for any public positions.

Lastly, I consider that for a government lacking in representation of the general public, there is an even greater need to understand the importance of accountability, or else its ruling authority and credibility would be subject to critical tests.

Thank you, Madam President.

MR GARY CHENG (in Cantonese): Madam President, I would first of all like to state the stance of the Democratic Alliance for Betterment of Hong Kong (DAB). Members of the DAB support today's motion of no confidence, but not Mr LEUNG Yiu-chung's amendment for reasons which I will explain later. First of all, why does the DAB support the motion of no confidence? We have an extensive community network in the entire territory and close contact with the public. Witnessing the territory-wide outrage after the incident of short piles, we must be responsive to public feelings and reflect their views, so we support the motion of no confidence. We consider that both Ms Rosanna WONG and Mr Tony MILLER should be held responsible. Nevertheless, they should not be the only ones blamed for the entire housing problem. We, in particular myself as a former member of the Housing Authority (HA), appreciate that both Ms Rosanna WONG and Mr Tony MILLER have been working with great devotion. Neither do we believe that Ms WONG's resignation or today's motion, if carried, would suffice to mark the beginning of a new era in our constitutional development. We consider this to be another issue. As far as the incident is concerned, the public indeed has strong discontent. We have to reflect its resentment. If the department heads continue to operate without saying a word or doing anything, we wonder how are they going to account for any housing problems if they crop up again in a few days or next month? It is for this reason that we support the motion.

Would the problems be solved if the motion were to be carried or with Ms WONG's resignation? The public knows it clearly. This would solve some of the problems, such as the problem of being responsive to public demand and the problem of shouldering the responsibility, but absolutely not the problem of housing. The public knows it well. Hence, I consider that our foremost task is to restructure the housing organization and conduct a territory-wide review of the housing system and policies in Hong Kong. This is in fact not a new idea. Ms Rosanna WONG did take the initiative to discuss with HA members the way to restructure the HA and reform the entire framework. If we accused Ms Rosanna WONG and Mr Tony MILLER of not taking any action even though they realized how serious the problem was, they would probably feel much aggrieved, because they were being subject to a vote of no confidence before fully accomplishing their mission. I believe that the SAR Government would need more appropriate and capable persons to take up the task, that is, to revamp the housing organization and review the policies.

Mr TUNG mentioned an inquiry committee in the question and answer session. We consider that the incident should not simply be an "interlude". Ms Rosanna WONG's resignation should not be effected merely for the sake of responding to public demand. There should be some substantial co-ordination. In fact, at a meeting of the Panel on Housing of this Council a few months ago, we made a resolution which was almost the same as today's motion. We requested the Chief Executive to set up a statutory body to follow up on the reports on the two incidents and to conduct an overall review of the housing policies and construction industry. Nevertheless, I was a bit disappointed when the Construction Industry Review Committee set up subsequently by Mr TUNG was not willing to follow up on this issue. But then in the question and answer session held last week, it seemed that Mr TUNG also considered that the inquiry committee should conduct an overall review of the policies.

I wish to point out that there is really a lot for the Government to learn in managing crisis and responding to public demand. There are three principles in crisis management, namely, avoiding confrontation, reducing loss and refraining from being passive. Mr TUNG also agreed in the question and answer session that constitutionally he himself had to be held responsible. He considered that the HA too should be held responsible and re-confirmed that the inquiry committee had a very important assignment. Ms Rosanna WONG handed in her resignation a few days ago. Had the three principles been followed two or three weeks or even one month earlier, the situation might have been completely different. I hope the Government will learn its lesson.

Lastly, I wish to explain briefly why we do not support Mr LEUNG Yiu-chung's amendment. As I said at the outset, we support this motion of no confidence because we are really aware of the fact that the public has lost confidence in the existing system. If we did not say anything or do anything, we would fail in our duty of being responsive to public views. As I do not consider that this is the beginning of the so-called new constitutional system, I cannot bring myself to support Mr LEUNG Yiu-chung's motion which calls for their resignation. We have in place a system which is working and I do not intend to deal with a civil servant by supporting the passage of an amendment proposed by a Legislative Member which bypasses the entire system of the Civil Service as well as an existing setup. Madam President, these are my remarks.

MR ANDREW CHENG (in Cantonese): Madam President, when the motion of no confidence was moved, the statement of the Chief Executive and senior officials of "keeping WONG and protecting MILLER" was heard everywhere in the official arena. It is already a mistake for Ms Rosanna WONG and Mr Tony MILLER to have failed in their duties, but for the Chief Executive and senior officials to harbour them painstakingly is an even bigger mistake. My speech will focus on responding to the faulty statement made under the shadow of "keeping WONG and protecting MILLER" in an interview by the Financial Secretary Mr Donald TSANG, who is not present today. I would describe his statement as Financial Secretary's "Seven Mistakes".

The First Mistake. He said today's motion would undermine the apolitical system of the Civil Service. The Financial Secretary said that to cast the vote of no confidence in Mr Tony MILLER would be tantamount to attacking and destroying the apolitical Civil Service. For civil servants to remain politically neutral is a fact and also a must, but political neutrality must not be taken as a shield against mistakes. Civil servants have obligations as well as rights and they must redress mistakes committed. The Government regards the motion as an attack and destruction. This simply implies that it is harbouring civil servants who have done wrong. It is a defamation of our duty, for we as Members of the Legislative Council, are supposed to represent the public in overseeing the work of the Government of the Legislative Council.

The Financial Secretary's Second Mistake was that he accused the motion of violating the Basic Law. He even went so far as to cite Article 15 of the Basic Law in protecting the civil service appointment system. He said that the

meaning and consequence of today's motion was no more than forcing WONG and MILLER to step down and since the Legislative Council was not empowered to dismiss civil servants, the motion appeared to be ultra vires. He also opined that the motion is tantamount to subjecting civil servants' dismissal to public judgment. This only shows that the SAR Government is a close-minded government which does not have any room for accommodating popular sentiments and which turned a deaf ear to public views and requests. The consequence is the committing of a series of mistakes ranging from airport chaos and avian flu to substandard piling works, and yet it still refuses to repent and redress. What is more is that no one is to be held responsible.

The Financial Secretary's Third Mistake was his way of financial management. I wish to point out that according to conservative estimate, the mistakes made by the Government under the existing system, such as the airport chaos, the avian flu and the substandard piling works, have cost Hong Kong close to \$10 billion or even more. I wonder what the Financial Secretary feels about such an enormous loss. The Government on the one hand has been trying to balance its books by hooks and crooks, such as raising several hundred items of government fees and charges but on the other, it allows its officials to commit mistakes which are extremely costly to the coffers. Why is that so? This only reflects the contradiction between the Financial Secretary's way of financial management and the way of management for the Civil Service.

The Financial Secretary's Fourth Mistake lied in the retrogressive system of accountability. The Financial Secretary drew the analogy of a Home Ownership Scheme flat infested with termites, saying that in trying to get rid of the termites, WONG and MILLER had obtained for themselves the motion of no confidence, which was very unfair to them. I was really shocked by such words, for they serve to reflect the Financial Secretary's ignorance of the system of accountability. According to the Financial Secretary's theory, the minister of transport of a foreign country should not be held responsible for any plane disaster and resign because since he is not a pilot, or plane maintenance worker, or navigation controller, what has he got to do with the air accident? Such a statement is simply a retrogression of the democratic system of accountability. The system of accountability means holding those tasked with policy formulation and administration responsible for the overall operation of their department. Accordingly, both WONG and MILLER cannot shirk their responsibility for the successive housing problems.

The Fifth Mistake was that the Financial Secretary seemed to be comparing Tony MILLER to TIEN Wenjing, an official of Emperor Yongzheng of the Ching Dynasty, by saying that in spite of the time and efforts spent on housing reforms by WONG and MILLER, the crux of the problem remained unsolved. The Financial Secretary even compared Tony MILLER to TIEN Wenjing in terms of their unselfishness and high efficiency. I hope that the Financial Secretary was not comparing Mr TUNG Chee-hwa's administration to that of Emperor Yongzheng, which was well known for its political tricks and brutal penalties. Nevertheless, when we think of the police's recent recourse to pepper spray, there might be some subtle meaning in the Financial Secretary's analogy.

The Sixth Mistake was his theory of "feigned compliance". The Financial Secretary was worried that another outcome of today's debate would be to encourage civil servants to adopt the practices of "overtly agreeing but covertly opposing" and "serving only half day". The best way is to do nothing, lest the more one does, the more mistakes one will make. The Financial Secretary even considered that today's debate would destroy the system of the Civil Service. I think he was making an over-statement. I believe that to the civil servants who support the Housing Department league, the culprit responsible for the destruction of the civil service system is none other than the Government's own civil service reforms. While today's motion might dampen the morale of Housing Department staff since only the middle and lower levels are held responsible for the short-pile blunder while WONG and MILLER who have failed to execute their duty of supervision may get away with it, the motion of no confidence does bring home a strong message, and that is, WONG and MILLER should be held responsible for not fulfilling their roles of overseers. Furthermore, for a long time the Civil Service has given us the impression that their attitude towards work is quite inert, since they get the same pay whether they do any work or not. Today's motion of no confidence in fact might help change their usual mentality of "the more one does, the more mistakes one makes; and no work, no mistakes", and turn them into bona fide servants serving the public.

The Seventh Mistake was that the Financial Secretary seemed to have adopted the tactic of diversion. He said that today's debate and the criticisms on WONG and MILLER were just counter-attacks launched by opponents to the reforms initiated by them. He also commented that this Council should not force WONG and MILLER to step down without first ascertaining the truth.

This statement was absolutely groundless and showed his utter ignorance of public views. The Financial Secretary added that if the motion were to be carried, we must name the specific mistakes they had made. Here, I would like to put it clearly: Rosanna WONG has failed to formulate a set of satisfactory public housing policies while Mr Tony MILLER has failed to lay down a system for the supervision of the quality of public housing.

Lastly, Madam President, I wish to conclude my speech with examples illustrating the very poor quality of public housing in general. An aluminium window of a Home Ownership Scheme (HOS) flat hardly occupied for three years fell off onto the street; owing to mistakes in design, the toilet water pipe of an HOS flat protruded into the sitting room and burst, damaging the furniture and furnishings; the occupant of an HOS flat in washing the corridor caused leakage to the ceiling of the corridor beneath and water poured down as if it was raining; the wall tiles of a recently occupied HOS flat fell off in tens of thousands; the fresh water pipes of a public housing estate were wrongly connected to the toilet water supply. In the face of such building quality, may I ask the Financial Secretary and other officials, do you not think that Ms Rosanna WONG and Mr Tony MILLER should be held responsible?

Madam President, these are my remarks.

MISS MARGARET NG: Madam President, on 11 March last year, I moved a motion of no confidence against the Secretary for Justice. It arose out of her decision in a matter of fundamental principle which was solely within her power and responsibility. Her decision, and the explanation she gave, manifestly affected the confidence of the legal profession and the community in the rule of law in the Hong Kong Special Administrative Region.

The motion before this Council today is different in material aspects. Firstly, the immediate events giving rise to it were not the direct result of the personal decision or involvement of the Chairman of the Housing Authority or the Director of Housing.

Secondly, these events were not by themselves the cause of public discontent behind today's motion. Rather, they were the last straw, added to a long series of problems with public housing policy and management, which are the result of a large number of factors and persons involved, at least some of which are beyond the control of the Chairman and the Director.

Thirdly, the reason why a motion of no confidence is moved against them is basically because of the office they occupy, and not in relation to any assessment of their performance. This motion is not based on an analysis of who is, or are, ultimately the cause of the problem.

When the Chief Executive last appeared in this Council on Friday, he told us, perhaps rhetorically, that he should take responsibility. I thought, in fact, it was not a bad idea. There is much truth in that admission, as I shall discuss later.

Madam President, I asked myself, in these circumstances, should a vote of no confidence be passed against the Chairman and the Director?

In this regard, I face some strongly persuasive facts.

I was struck by a passage in the Strickland Report. Having unflinchingly analysed and allocated responsibility to various individuals, the Panel draws attention to what the Panel refers to as the "Housing Department culture" where, significantly, paper is treated as more important than substance; even those staff directly responsible for construction quality spend most of their time at a desk in the Housing Headquarters; where each staff focuses only on his patch of duties and just wait for promotion as a result of seniority.

The Report, and the facts surrounding it are redolent of bad management and supervision as a fundamental source of problems. Ms Rosanna WONG has been in the Chair for seven years. Mr MILLER is the head of the executive arm of the Housing Authority. Management is certainly his business. They cannot dissociate themselves from these problems.

Finally and most seriously, as a matter of fact, the public has lost confidence in them. This may have been itself the result of bad crisis management on the part of the Administration, but here we are. The public's demand is clear. Here we have not one, but a series of fiascos in the building quality of public housing. These affect the lives and life-long savings of numerous people. Are we saying that no public officers have to take responsibility? Are we saying that the Chairman of the Housing Authority and the Director of Housing should not take any responsibility?

Madam President, are these matters enough for a vote of no confidence against the individuals concerned? In my view, if the vote is to be cast on the basis of personal responsibility, they would fall short of what is required without proper inquiry.

I considered the objective of this motion. I understand that it is to establish a system of accountability with teeth, and not just lip-service. I identify with that objective. In that system, it may be necessary that the person who occupies the office, rather than the person actually committed the wrong, should be held politically responsible.

But, if so, this Council must also observe the fundamental rule of fairness, and that is notice. We must give notice that this is the system we are going to follow. We must be able to say exactly what that system is.

The Chairman and the Director are not only caught by surprise. They are caught in a change of political culture, which is as yet incomplete, leading to a change of expectations in the community reflected by this Council. The Housing Authority and its executive arm have to reinvent themselves. These are signs that they are caught in the process of doing so.

At the time Ms WONG was appointed to the Chair, the office was largely ornamental. Public participation was more edification than substance. The real work was done and the real decisions were made by civil servants away from public scrutiny.

Now, this is no longer acceptable. Further, with the fierce policy directives coming thick and fast from the Chief Executive and his invisible Executive Council, the nature of the job has also become suddenly executive. The new Director of Housing was given a new portfolio to clean up, downsize, privatize, increase supply, stabilize property prices and so on. In the event, he is still at the job when the old machine collapses because of the new burdens being placed on it without any thought of the consequence.

That is why I have said that it was not a bad idea if the Chief Executive took the blame. If he had, I am sure that the public would have been satisfied. But he had not meant what he said, and so the accomplices or victims are left to bear the brunt.

So, even as this Council takes steps resolutely to establish a new system of accountability, we have to ask ourselves: Who should be held politically responsible for serious mishaps in an area of public policy? Should the vote of no confidence be directed against the Secretary for Housing, for instance? And in what circumstance? Should a motion always be preceded by investigation? And if so, what is the proper procedure? These are some of the things that we must consider.

Madam President, I believe that the practical consequence of this debate will be the same, whether or not the motion is carried. Ms WONG has already resigned. Mr MILLER, a civil servant, cannot be asked to resign over a matter for which personal default has not been proved and indeed not alleged.

But the dynamics of events have made it exceedingly difficult for them to carry on in their present positions. A change of personnel is almost inevitable, if reform is to be given force and impetus. The Chief Executive must endeavour to learn his lessons, even if it is other people who have to pay for the price.

For these reasons, Madam President, I will vote against the amendment of the Honourable LEUNG Yiu-chung and the original motion of the Honourable Fred LI. Thank you.

MISS CHAN YUEN-HAN (in Cantonese): Good morning, Madam President. I have been a member of this Council's Panel on Housing for three terms and I very often convened residents' meetings in public housing estates. During my service for the past three terms and within my 10-odd years' of district work, I have heard a great deal of comments from residents on public housing. Honestly speaking, the discontent we see today may be said to have been expected. For example at Chuk Yuen North, the ceilings were found to be leaking soon after occupation. That estate has only been available for occupation 10 years ago. Wong Tai Sin is another example. Shortly after occupation, ceilings were found to be leaking and the concrete surfaces were found to have cracked. If we consider such cases minor, there are more serious cases when the entire sewage channel could be at fault. I believe our senior officials have never lived in public estates and that sewage channels can hardly be connected to their daily lives. For us, we get into contact with such problems day in day out. We cannot help asking what has become of the supervision on public estates.

I am quite familiar with workers of the construction trade too. They have told me stories. I am not hearing such stories just today, I heard them a long time ago. According to them, the standard is for workers of construction sites working at bar fixing to tie up 10 iron rods as a bundle and then put 10 bundles together to make a bar. However, workers who put 10 bundles in each bar would not get hired by construction sites. Those who fix each bar with three or four bundles get the jobs. In other words, although the standard is to have 10 bundles in a bar, no one will hire a worker keeping to the standard of 10 bundles. Those who fix a bar with three bundles only are hired instead. What is this all about? What are the causes of problems that arise at construction sites of the public sector? Why are concrete surfaces broken up and why are there leaks? The answer is in loosened iron bars. The natural result is that concrete breaks, roofs leak and all connected problems arise. Madam President, those stories were heard by me a long long time ago. They explain why as a Legislative Council Member of the labour constituency, I joined the Panel on Housing as soon as I took up office. I was in that role back in the days of the former Legislative Council, the Provisional Legislative Council and during the current term of the Legislative Council (during the tenure of the Provisional Legislative Council, I chaired the Panel). All the while, I find that there are a lot of problems existing with government housing affairs. During the current tenure, cases have occurred one after the other, making us aware that the situation has turned serious. Worse still, we need to consider reports, but then we cannot disclose anything to the media afterwards because the Panel Chairman says we should not. So we did not disclose anything to outsiders. The thing is, we are very frightened after going through the reports because we do not know why problems with public housing management in Hong Kong keep reminding us of the situation of the sixties and seventies. Indeed, why?

I share the words of Ms Rosanna WONG on the day she resigned from office. She said that there were problems with the structural framework and such problems had existed for a long time. Why is it that people have been telling us we should not make public the problems and that everything would become messy as soon as the problems are made known? So we have kept on covering things up.

To me, the immense anger accumulated in our society today is not fueled by the media, neither are the Members just howling. There are objective circumstances. If you go and take a look at some public housing flats, you will understand why many of the cases we handle everyday are connected with public

housing. That is where the problems lie. Incidents in the recent series get more and more serious. One may say that surging public anger is expected. In the face of big problems with public housing, the public reacted with fury and asked relevant officials or departments to account for them. There were shows of no confidence and demands for resignations. To these, I feel that from the standpoint of fairness and objectivity, the reactions are normal and understandable. Yesterday, I received a letter to the Legislative Council from six chairpersons saying that if we insist on doing what we are planning to, perhaps no one else will dare to accept public office. My question is, how we are expected to choose between two evils? Are we expected to tolerate the continual development of this culture in Hong Kong? Are we expected to tolerate housing units of such qualities built on a lavish amount of money from the Government? I think we cannot tolerate them. I fully understand how everyone feels and I appreciate how the six chairpersons feel. They have worked together and they may have faced many internal problems which they have jointly handled and dealt. I appreciate all these fully. However, maybe they should also give thought to what to be done when public anger has escalated to the boiling point and when such anger has directly pound on the Government and the entire community. On the other hand, I would not accept that no one will be willing to accept working posts with responsibility. There are many people in Hong Kong with the heart to serve the community. I believe that they will take up responsibility when assuming public office in an accountable society.

Madam President, I feel that the Government should make a good summing up of this incident. Do not treat it as merely a public relations matter in the way as Mr TUNG discussed it with Mr Gary CHENG last week. I do not agree with that stand. When problems with public housing surface but are not treated, they drag on and public anger escalates. In the end, a foundation is set. This foundation does not crop up all of a sudden. When an incident like substandard piling is uncovered, public anger shoots up and bursts from this foundation. Nearly one half of the population of Hong Kong is housed in public estates. Residents have always had different comments, big or small, on the quality of public housing units. There is something I want the Government to understand. Some say that the recent exposure of the scandal of the Housing Department resulting in our course of action was brought out on our initiative. Let me ask how management is supposed to know about it if we do not bring out the problems. The world is no longer like this. Our society is developing into an accountable one of high transparency and combined information technology, accommodating the development of different media. Faced with this kind of

development, I very much hope that the government can sum up the experience of this incident. Do not look at these opinions and public anger against your conscience. If there is an erroneous analysis, the next time, other incidents may occur. I therefore very much hope that the Government can genuinely review this recent matter concerning public housing.

I would also like to point out that organizations like the Housing Authority, Housing Bureau, Housing Department, Housing Society and so on, overlap each other. I can say that at present, no one is authorized to be fully responsible for all these organizations. Madam President, I want to speak about something that have made me very angry. At the time when certain problems occurred, we asked the Housing Bureau, Housing Department and Housing Authority what to do. Someone from the Housing Bureau has even pointed out within our Chamber that they were not responsible for such problems and things were not under their control. I feel that such overlapping has to be corrected and various departments handling public housing matters have to be reorganized. It will be an urgent task. We of the Hong Kong Federation of Trade Unions welcome the suggestion of Mr TUNG last week to appoint Mrs Anson CHAN as the chairperson of the relevant committee. However, I still want to raise several points. Firstly, the committee will have to really do something. It cannot be just a facade to resist public anger. Secondly, the organization should have transparency and consultations should be carried out. During the course of its work, suggestions should be sent to different District Councils or the Legislative Council for discussion and the opinions from various sectors should be heeded. Frankly, I think if the structure for housing matters is not reorganized, Hong Kong will suffer a disadvantage. Finally, let me say that the Hong Kong Federation of Trade Unions support today's motion. Thank you, Madam President.

MR JAMES TIEN (in Cantonese): Madam President, motion debates were in the past mostly carried out in the evenings and only a few officials would be present in the Chamber. At times, even Bureau Secretaries themselves were absent. Today we are debating on the vote of no confidence in the Chairman of the Housing Authority and the Director of Housing on account of scandals on public housing involving substandard piling and construction works. All officials are present. I hope it is only because the debate is held during the day time which is unlike debates in the evenings that affect their meal time. However, my most sincere wish is that Bureau Secretaries are here today to listen to the views of this Council, and not to sit at the back in support.

Madam President, the Honourable Edward HO will later on speak on behalf of the Liberal Party concerning the scandal of substandard piling and construction works. What I want to say now is that today's motion for debate is a result of the relationship between the so-called political structure (government) formed by so many officials present today and the executive and legislative establishments. The Liberal Party has all long supported the ministerial system. Before one such system is in place, how should accountability be handled? We believe there should be accountability. We are different from the Democratic Party. Their party often feels that everyone should best be elected and that councils should all the more be elected. For them, the advantage of elections is that people are elected to jobs, such as the post of chairman, so that those not doing a good job will lose their posts in the next round. The Liberal Party, on the contrary, feels that many posts cannot be elected. The Chairman of the Housing Authority is an example. Although such a post is the product of the system of appointments, we agree absolutely that the person given the post should have accountability. Anyone in the post as Chairman of the Housing Authority or chairmen of other bureaux and committees cannot say they are doing the work on a voluntary basis or that the volunteer work pays only a certain sum.

Maybe I need to respond a bit to the letter from the Chairmen of six Standing Committees of the Housing Authority which refers to volunteer workers. I believe they are doing volunteer work. However, I must point out that through inquiries, I have learnt that the job as the Chairman of the Housing Authority is one paying \$90,000. I mentioned that to the Chief Secretary for Administration to find out why the chairmen of several authorities were paid so differently. The Chairman of the Housing Authority is paid \$90,000 per month. The Chairmen of the Trade Development Council and Hospital Authority are not paid whereas the Chairman of the Airport Authority is paid a salary of over \$10,000. A lot of people would ask whether so-called volunteer jobs, which receive no pay, mean no accountability. The Liberal Party cannot agree. We believe the jobs as board or committee members may not entail great responsibilities, but jobs as chairmen of large scale authorities or committees are not there for prestige. As chairman, one has to really work. Be there pay or no pay, one has to be responsible for what one does. To me, if there is pay involved, there is all the more need to be accountable since the job involved is not purely a volunteer one. I share the view of the Honourable CHAN Yuen-han given just now although I seldom did before. As put by her, in our society in Hong Kong, are there really no other people willing to take up public office?

Mr TUNG once said we had to follow the example of big cities like London and New York where there were a lot of elitists. There are a lot of elite people in our society too, in the industrial and commercial field, the education field and various other professional fields. Is it really that difficult for us to find people to take up public office?

Ms Rosanna WONG is a good friend of mine. I feel sorry for her as she has now been reduced to such a state. I hope when the new chairman takes up office, he can discuss things with the Government. The Government should not give him a feather. Instead, he should be given an authority arrow, one to give orders for things to be done. In this way, we can avoid recurrence of the situation for Members to again cast a vote of no confidence in a few years time.

Madam President, the Liberal Party opposes the amendment by the Honourable LEUNG Yiu-chung demanding immediate resignation of the Chairman of the Housing Authority and the Secretary for Housing because the ministerial system is not yet in place in Hong Kong. Whether we are referring to a government appointed chairman or a civil servant, we feel we should not demand their resignation before problems are resolved. Of course, Ms Rosanna WONG has put in her resignation, and I have nothing to say about that. I cannot say that she should not have resigned, nor can I commend her for her resignation. I just have nothing to say. As for the situation of the Director of Housing Mr Tony MILLER, I have said that today's no confidence motion may not be as serious as those of constitutional matters in foreign countries as put by the official side. In respect of the constitutional culture of foreign countries, a government official given the no confidence vote has to resign. I think there are two versions for constitutional culture. One is shown in the original motion which I have read out just now. The amendment moved by Mr LEUNG Yiu-chung demands for their resignation. At least in the council culture of Hong Kong, there is a difference between demanding one in public office to resign and casting a vote of no confidence. Perhaps there is no difference between the two in foreign countries like Britain, but for us, there is difference between the two. The Liberal Party feels that a vote of no confidence simply indicates our feeling towards the Housing Department's improper handling of matters in the last few years. Mr MILLER has been working with the Housing Department for a little more than three years, not as long as the tenure of Ms Rosanna WONG who has been there for seven years. I hear that he is actively tackling many problems now. Therefore, the Liberal Party has already issued a statement saying that if Mr MILLER can implement many of the good suggestions he has in hand but

needs six months or a year more to do so, he has our Party's support. However, if the Director is still unclear about matters of the Department, unaware of the crux of the matter and at a loss as to how to handle things, we think it would be understandable for the Government to appoint another officer in his post.

Finally, I want to speak about the votes of the Liberal Party. The Honourable HO Sai-chu is a serving member of the Housing Authority. As I notice, several others from other parties who once served on the Housing Authority have already handed in their resignations. Mr HO Sai-chu raised this with me. I could only say to him that since he had been a member of the Housing Authority for a little more than a year and he was not a member of the Building Committee of the Housing Authority, he would be advised to abstain from the voting.

Madam President, the Liberal Party supports the original motion and opposes the amendment.

DR LUI MING-WAH: Madam President, it is with a heavy heart that I discuss the motion raised by the Honourable Fred LI on "no confidence in the Chairman of the Housing Authority and the Director of Housing" in the Legislative Council Chamber. Here, I would like to explain my ideas and the basis on which I vote.

First of all, I want to speak about social background. Soon after the reunification of Hong Kong with China, we met with the Asian financial crisis, the issue of negative assets, high unemployment rate, staff reduction and pay cuts and an uncertain economic future. Those of the middle class holding properties as well as low income citizens are full of grievances. At this time of economic troubles, buildings constructed by the Housing Authority (HA) were discovered with the problem of seriously substandard piling, leaving our 3 million people living in government built premises in fear and worrying about the safety of public housing units they spent their years of savings to purchase. The substandard piling incident has given rise to widespread discontent in society so that the spearhead is pointed to the HA and the high level officials of the Housing Department, making them the main targets on which to vent their anger. This is understandable and not unreasonable.

Secondly, about the reasons for substandard piling. As a semi-official body, the management structure and machinery of the HA are in government format. However, the activities of this body from inviting tenders to completion of buildings, leasing or sale of housing units are purely commercial. This leads one to question whether its structure and its commercial activities can be brought in line. The running of the Government is based on an "Honour System", meaning each does his own job up to 100%. However, in the commercial sector, human qualities play a very important part. Coupled with the irrational nature of the tendering process and the bad habits of the construction trade, substandard piling cases occur within the gap of the "impossible".

The structure of the HA has been in place for more than 20 years. If we assume that there were no substandard piling for buildings constructed before and that the substandard piling problem is here for the first time, then the explanation is that there are two main reasons for the problem. The first one is the human factor and the second one is the imperfect structure. Whichever angle we choose to consider, the occurrence of substandard piling remains to be dereliction of duty on the part of the executive level. Neither the Chairman of the HA nor the Director of Housing is the one to be made directly accountable.

Thirdly, I would speak about the ways to resolve this. The administrative structure is a rigidity whereas the administering of the structure is an organic body. Because certain people colluded with insiders and outsiders and acted unlawfully, cases of substandard piling happened and brought shame to the structure. The upper management level is definitely responsible for it. People of that level should speed up the implementation of reforms across the board and restructure the organization to ensure smooth running and assured building qualities. It may be understandable that the public condemns the improper management exercised by Ms Rosanna WONG and Mr Tony MILLER, yet, to cast a vote of no confidence on them would mean no confidence in their abilities. It is not in line with the facts and it will not be advantageous for the future operation of the HA and the Housing Department.

Fourthly, I want to speak about the consequences and their influences. A large organization with over 10 000 staff members has been discovered with the serious problem of substandard piling, involving at the same time unlawful acts of civil servants, how could this stop the spread of extensive public anger? The simplest way to settle public discontent immediately is to drag down the highest

official of the organization and "have his head chopped off to please the crowd". It could eliminate public discontent. However, if we consider more deeply into the matter, the passing of the no confidence motion could give rise to a lot of negative effects. Take for example Ms Rosanna WONG. She is a capable leader willing to take up responsibility. She has served the public as the Chairman of the HA for seven years and during her tenure, numerous public housing units were built in Hong Kong. To make her politically responsible for mistakes of her subordinates is unfair to her. As for the Director of Housing Mr Tony MILLER, as long as he follows the book in carrying out his duties, he is a competent civil servant. Equally, bringing him the disrepute of "no confidence" because of the misconduct of his subordinates is an unreasonable allegation and is one that fails to affix responsibilities correctly.

In fact, substandard piling was exposed by the HA to the society on its own initiative. The incident backfired and the HA has since become the target of severe criticism. Passing of the no confidence motion will have far and wide effects on our society because it will tell the people of Hong Kong clearly that honest people will on the contrary be made accountable. What a bad message this is!

Of course, as the highest authority of the organization, Ms Rosanna WONG and Mr Tony MILLER made the mistake of mismanagement and deserve to be criticized. They should be held administratively responsible for the substandard piling incident, certainly not politically responsible. For the benefit of society, the Chief Executive should undertake to carry out large scale reforms of the organization and set up a machinery to assure the quality of future buildings to be built. That would be a commendable way of handling things. Politicizing management mistakes and punishing people of the highest level may win the hearts of the people, but such would be harmful to the overall interests of the society. It is not worth it.

Finally, I should point out that in accordance with Article 73 of the Basic Law concerning the powers and functions of the Legislative Council, the Legislative Council may raise questions on the work of the Government, debate on any issues concerning public interest or even impeach the Chief Executive under certain terms and procedures. However, the Council has no powers to appraise or dismiss civil servants at different levels and people in public office. Therefore, passing of the no confidence motion and further demanding Ms Rosanna WONG and Mr Tony MILLER to be politically responsible will be

acting in contravention of the provisions of the Basic Law and not within the terms of reference of the Legislative Council.

Thank you.

MR EDWARD HO (in Cantonese): Madam President, first of all, I have to declare that I am not involved in any conflict of interests as far as today's motion of no confidence is concerned. The hints dropped by government officials through different channels of the media that I should not vote because I was formerly a member of the Housing Authority has in fact misled the public. I am sure you can recall that I left the Housing Authority (HA) four years ago. There was a rumour in one of the newspapers that I was involved with substandard piling. It is extremely irresponsible and I find that extremely regrettable.

I support the no confidence motion today because the functional constituency I represent, especially architects and surveyors of that constituency, has been dissatisfied with the HA and Housing Department for many years. I did in person or jointly with representatives of the relevant institutes convey our dissatisfaction to the HA and the Housing Department over many areas. Although the Chairman of the HA and the Director of the Department said time and again that they would implement reforms, in the end, only one consultation report was completed and there has yet to be any real basic reform. Discontent coming from our field mainly concerns disrespect of professionals and of professional work to the extent of directly affecting the entire profession. Let me quote a few examples. On terms of professional employment, the lowest bidder is awarded the consultancy job without considering that low cost just could not lead to satisfactory completion of a job. That way, not only building quality would be affected in future, but with the HA as a major property owner which carries a leading effect in society, the room for existence of professionals would also be directly affected. I have to point out that since I have left the Building Committee four years ago, this kind of new culture has started to surface within those four years. The Housing Department is contraposing professionals. No partnership exists between them. When something comes up, a report is filed or several reports are filed, making that course of action to appear more important than resolving problems. When an incident occurs, the responsibility is cleanly shifted on to the professionals. Building contracts are also awarded to the lowest bidders. On implementation of the "85 000 building

target" in 1997, construction period has been drastically shortened, but there has not been any corresponding increase of manpower, neither has the workload absorption ability of the construction or professional circle been considered. When this Council debated on the Chief Executive's policy address of 1997, I have already registered my concern in this respect.

Now, what I wish to discuss is to find out who should be responsible for such problems. In Western countries, when a big incident occurs, the relevant minister or major government official would step down. There is no such protocol here in Hong Kong. Under today's political environment, I am certain that the public will not support the attitude that no one has to be responsible.

First of all, I would like to speak about the Chairman of the HA. The Chairman of the HA is appointed by the Chief Executive. It can be looked to as a political appointment similar to that of a minister. Hence, I think the Chairman of the HA should bear political responsibility. Apart from affirming the political responsibility on the Chairman of the HA, we must also speak about what sort of influence Ms Rosanna WONG has in the HA and the Housing Department. As far as I know, Ms Rosanna WONG is serious and devoted to the work of the Housing Authority. She is not someone without leadership or who can be pushed around. Her personality helps in her contribution to the work and policy decisions of the HA. It is not to be obliterated. However, precisely because of this kind of personality, Ms WONG has on the one hand refused to respect the views of professionals and on the other exerted her very extensive personal influence on matters involving professionals and building construction. As a result, people in the professional field have been discontented for years. It is a fuse to touch off. I tried to reflect the views of the professional field to Ms WONG several times. The impression I got was that she was totally unaware that the purpose of proposals made by professionals was to ensure that no serious problem would come up with the extensive plan to provide public housing, rather than just to fight for a little more benefits. Therefore, I support the no confidence motion on the Chairman of the HA Ms Rosanna WONG on account of the many years of discontent from the professional field, not just on the substandard piling problem of the present.

As for the Director of Housing Mr Tony MILLER, he is not only the Vice-Chairman of the HA, but also the Head of the Housing Department. If problems with administration occur, naturally, he should be held responsible. The Housing Department is the body responsible for implementing policies of

the HA. The HA is a government organization with financial autonomy. It is the boss of the Housing Department. We can see that the role of the Housing Department is unique in that being a government department, it may be operationally independent of government. In view of this, the role of the Director of Housing is even more important, for it carries bigger responsibilities. The professional field has also reflected their views on the Housing Department several times to the Director of Housing. I remember that when I met Mr MILLER in November last year, I said right at the start that to us in the professional field, the most unwelcomed government department was the Department of Housing. So, our consideration for support or otherwise of today's no confidence motion is not solely based on the substandard piling problem.

In fact, the establishments of the Housing Department and the HA are not only too independent and too large, but are also full of problems in their systems. Professionals of the Housing Department have already expressed their discontent over the matter. Finally, Madam President, I know that the Hong Kong Institute of Architects and the Hong Kong Institute of Surveyors are about to issue statements to register their willingness to assist in the reform of the HA and the Housing Department. I hope that the government will fully enlist their professional knowledge and experience in carrying out thorough reforms, so as to ensure history would not repeat itself and that public confidence in the HA be regained.

MR LAW CHI-KWONG (in Cantonese): Madam President, despite the fact that today's motion may involve Ms Rosanna WONG and Mr Tony MILLER, I am sure the motion does not seek to pick on the two of them. Rather, it is targetted against government accountability towards the public. That the Democratic Party has proposed the motion and that myself and two other members of the Democratic Party have resigned from our service in the Housing Authority (HA) make people who expect us to play our part in the HA and many friends of the HA and Housing Department very displeased and disappointed. What is more, in view that I have known Ms Rosanna WONG for more than a quarter of a century, I am somewhat apologetic. Yet, under the existing situation of political culture and political structure off the link, conflicts are hard to be avoided. The putting up of the no confidence motion by the Democratic Party and the resignation tendered by Democratic Party members from the HA are the political duties we have to fulfill.

Certain fellow Members label the motion as a political judgment. I wish to point out that demanding officials to take up political duties is not a political judgment. Political judgment refers to judgment based on the political stand and acts of individuals. For example, it is a political judgment to decide whether we can return to the Mainland. Some other Members think today's motion will deter volunteer workers from participating in public affairs in future. The ideology behind that is actually one of the problems that this motion targets at. We cannot say we are volunteer workers who should not be accountable for mistakes when we are members of committees with decision powers and management responsibilities. Such an attitude is not to be tolerated. There are public duties for public affairs. Of course, we can feel happy to take up public duties, but we cannot say we are not accountable because we are only doing volunteer work. There are yet other Members who call this motion a statement of political position without giving specific ideas on reform, so they are not prepared to support the motion. This is a curious reason to give. Very often at this Council, some very simple motions come up. This last motion of the current session is a very simple one too. Members can give specific ideas and enrich the content of the motion. We can as far as possible offer more specific suggestions. Just now, many Members pointed out existing problems with public housing and its management, and they made specific suggestions too. Therefore, I find it hard to understand the rationale of not supporting the motion because no specific views on reform have been raised. The system of political accountability is not yet in place and neither of the appointments of Ms WONG nor Mr MILLER is political. I can understand that. However, that has become part of the reasons for some Members to oppose the motion today.

I wish point out that the development of a political culture is not merely based on whether a system has been established. On the contrary, system reform should synchronize the progress of the political culture of a society, rather than converting problems into a dispute over "chicken should precede eggs or eggs should precede chicken". A political system and a political culture should influence each other. The obvious problem today is that the system lags far behind the existing culture. One important message of today's motion is to single out that problem. Support for today's motion is support for the establishment of a system accountable to the general public. Thank you, Madam President.

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

DR RAYMOND HO (in Cantonese): Madam President, first of all, let me clarify that I have never participated in work projects of the Housing Department or accepted any appointment by the Housing Authority (HA). Therefore, I have 100% freedom today to represent the Engineering Constituency in expressing their views and the words in their heart.

In recent years, all kinds of problems continued to surface as regards public housing. They include poor quality construction material, substandard steel bundles, uneven ground settlement and substandard piling. The situation with Yue Tsui Court in Sha Tin is so serious that two blocks of Home Ownership Scheme flats built up to over 30 storeys have to be demolished. It is a great blow to public confidence in public housing units. The HA as the body to study housing policies, devise and implement details and the Housing Department as the body to implement things cannot shirk from taking up such responsibilities.

Although the HA appointed an independent study group headed by Strickland and Nunn to investigate into substandard piling at Yue Tsui Court in Sha Tin, its investigation work could hardly seem objective or fair to the public since it was appointed by the HA. Furthermore, limited by its terms of reference and its scope of investigations, the study group lacks public credibility. Among other things, the report made by the group named four engineers of the Housing Department who were guilty of dereliction of duties, but during the whole process of investigation, the group merely met them once. Moreover, the group did not seem to understand the actual operation of the Housing Department too well. For a start, the report condemned a Chief Structural Engineer and a Senior Structural Engineer for seldom going to the site in question for inspection. The situation was that the former had to co-ordinate and supervise 100-odd construction sites at the same time whereas the latter had to co-ordinate 23 sites simultaneously. Burdened with a workload of this scale, the supervision ability of engineers could be directly affected. In the same way, the allegation of the report on another structural engineer and one geotechnical engineer has failed to take into account the management system of the Housing Department which generated an unreasonable workload and the unsatisfactory arrangement of reports on work done. In view of the above, it is grossly unfair for the Government to set up a group headed by Mr S SELBY to take disciplinary action on civil servants including the four professional engineers

mentioned above. I urge the Government to suspend the institution of disciplinary action before the conclusion of in-depth investigation and providing reasonable chances of self defence for the relevant professional engineers.

On supervision of work sites, the engineering field has always considered the absence of an establishment for site engineers to be the greatest problem with the Housing Department. Site supervision work of the Housing Department is currently taken up by officers of the non-engineering grade of Clerk of Works. Unfortunately, due to an erroneous Chinese translation in the past, the Chinese title of the Clerk of Works cannot really reflect its duties. In actual fact, the training and experience of Clerks of Works are not meant for them to follow up foundation or structural works at work sites. Instead, they should be assigned to follow up non-engineering works of the construction field. Supervision of foundation works should be the responsibility of the Inspector of Works. As such, we can see that there is a big problem with the establishment of the Housing Department's site staff. There is a need to set up the establishment of site engineers and step up the assignment of staff responsible for structural engineering. Very often, it is necessary for someone to make decisions concerning engineering at the work sites. This is a system which has been practised for a long time in the Works Bureau and proved to be a very successful one too.

In addition, the HA adopts the practice of taking the lowest bid for job tenders. People in the field have always felt that such a system would affect work qualities. In order to obtain work contracts, many contractors have to cut costs as much as possible. The quality of work projects constructed is thus lowered. Besides, the penalty for late completion is too heavy. Consequently, some contractors have resorted to non-observance of work specifications in order to finish the job in time. The system of sub-contracting adds to difficulties in supervision and aggravates the problem. All these have been criticized by people in the field for a long time.

In fact, the Structural Engineering Association of the Housing Department has discovered the problems back in 1996 and made a series of proposals to the Department on its own initiative. Unfortunately the proposals were not accepted. Before the system could be improved, the Government decided to increase the number of public housing units to build. The numbers were supposed to escalate from 20 000 or 30 000 units in past years to 60 000 units last year and probably as much as 90 000-odd this year. As such, the problems

have continued to aggravate. Under such circumstances, the senior level of the HA and the Housing Department have failed to take up the role as able leaders, in making basic reforms and implementing change management to meet the new requirements.

On the contrary, the Housing Department has all along implemented an unwelcomed management culture. For example, (1) promoting the meeting culture of many over-lengthy meetings and excessive work groups; (2) promoting paper management culture with too many guidelines, forms and complicated work procedures; (3) promoting general leadership and slighting professional management; and (4) cutting short contract periods for projects, or what is referred to as "asking for the impossible". From these, we can see that the highest level of the leadership should take up a definite responsibility for them.

The confusing roles within the organization structure of the Housing Department at present is also the crux of the problem. The powers and duties of the Housing Bureau and the HA overlap and demarcations are unclear. It is therefore not possible for them to devise effectively any housing policies that can match social circumstances. This is the time for thorough reforms. As far as organization structure is concerned, there are many weaknesses too. The most obvious one is that Mr Tony MILLER as the Director of Housing is also the Vice Chairman of the HA. The two roles confuse with each other. There is a need for internal reform within the Housing Department too. Design planning and work implementation divisions should be independent of the property management division. Professionals should head the divisions to ensure that insiders would lead insiders, rather than having outsiders leading insiders as it is now.

I have carried out three quite extensive consultations within the engineering field as regards the motion of no confidence today. The last one was carried out after the resignation of the Chairman of the HA, Ms Rosanna WONG. I also consulted the views of fellow engineers on the Internet. From the views collected, an overwhelming majority (over 95%) of friends of the engineering field asked me to support the motion. They feel that there are problems with the leadership of the HA and the Housing Department and that they are the causes for the series of problems that have surfaced. After the relevant incident, I wrote to the Chief Executive last Tuesday asking for a reform of the HA and the Housing Department as soon as possible and suggesting for the

appointment of a high level committee to handle the related matters. In his question and answer session last Friday, the Chief Executive agreed to set up a committee at high level. I hope the review committee will come up with a housing policy structure suited to the needs of Hong Kong in order that public confidence in public housing be restored.

Madam President, with the above remarks, I support the motion. Thank you.

MR CHEUNG MAN-KWONG (in Cantonese): Madam President, I wish to respond to the views given by several colleagues. The Honourable Ng LEUNG Sing said this motion before us was something of the past because Ms Rosanna WONG had handed in her resignation. If that were the case, the Government would not be so uptight as to bring all officials out here today to impose an impression. Everyone knows that this motion has very far-reaching political significance and influence. In other words, it is set to establish a political system in Hong Kong for high officials to be political accountable. The heads and high officials of any department or public body will have to be accountable for the long term serious mistakes of their offices.

Ms Rosanna WONG has worked with the Housing Authority for seven years and Mr MILLER has been with the Housing Department for roughly four years. Their terms cannot be considered short. In respect of the recent series of nine serious mistakes, they cannot shirk from their responsibility. Nor can they disregard surging public opinion and public anger. This motion is not something of the past because Mr TUNG Chee-hwa has also admitted in his question and answer session that he has a responsibility for the substandard piling for Home Ownership Scheme blocks. However, Mr TUNG did not further elaborate on what kind of responsibilities he had and how he was going to take up that responsibility. Look at Hong Kong today. Public grievance is surging and flames are lit everywhere. Just on one Sunday, there were five protest marches that drew 7 000 people on to our streets. Sundays have become not just family days, but days for marches and protests. It tells on the lack of confidence on the part of the public including the middle class and professionals towards the TUNG Chee-hwa government. If TUNG Chee-hwa does not seriously reflect on why his administration in the last three years has led to anger and grievances, one of these days, this Council will vote on a motion of no confidence in him. Therefore, behind the no confidence as stated in today's

motion, the message is in fact the term "political accountability". This term is by no means simple or something of the past. It is the first manifestation of democratic politics. I look forward to an open response from TUNG Chee-hwa on what kind of responsibility he would take up for the public grievance and fury arisen as a result of three years of policy failures. Some people call this motion a political statement and political judgment. The Legislative Council has always been a place for political statement. Opposing the no confidence motion is another kind of political statement. The question does not lie in whether or not to make a statement, but in whether there are reasons behind the statement made. The Honourable Fred LI just listed out nine failures of the Housing Department. So those are the reasons. I ask of you who are present here today whether those nine failures and reasons can be termed as mistakes, and whether they are serious mistakes? The nine failures are bad enough to threaten human lives and they have thoroughly exposed that there are still many more derelict and irresponsible officers in the Housing Department. It is an international scandal. If officials are still not made responsible or fellow Members are still afraid to make their statements, this would be tantamount to alienating public opinion and disregarding public fury. It may be considered another kind of irresponsibility and failure which oppose public opinion.

I wish to respond to the Honourable James TIEN on the question of a ministerial system. The response of the Democratic Party is that public fury is too great at present, the democratic politics of Hong Kong has stayed put because of the limitations imposed by the Basic Law and the people cannot reflect their opinions through this Council. As such, we believe democratic politics have to break through the framework of the Basic Law, not only to fight for a system of general election, but also to change the political structure of an autocratic government and remove the myth of an executive-led government. Right now, although we cannot implement a democratic ministerial system, we must urge that all policy officials to take up final political responsibility for the respective government departments under their administration. Even if public opinion cannot be reflected through election votes and this Council, it is seen through the media and social movements to be influencing government administration powerfully. In this way, the Government cannot play around with this Council any more. It cannot disregard everything and do whatever it wants to. During the process, we need to hurry in a genuinely democratic political system and an elected government. The motion of no confidence in Ms Rosanna WONG and Mr MILLER is indeed one to change the constitutional politics of Hong Kong. It serves to enrich the content of democratic politics in Hong Kong and it extends

the room for Hong Kong to fight for democratic politics. In this regard, it carries very important political significance. Today, public opinion has failed to be expressed through this undemocratic Council. Public opinion can only be expressed on the streets. In the eighties, many social campaigners on the street joined this Council, but they left in despair in the nineties. Today, social movements can only make a new start. At the same time, we are fighting for democracy in this Council, to be synchronized by a simultaneous system of political accountability. Our final goal is democratic politics. For these reasons, today's motion debate is not outdated or something of the past, it is a democratic campaign on the rise. This is precisely why this motion is so important. Thank you, Madam President.

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

MR FUNG CHI-KIN (in Cantonese): Madam President, after listening to the speeches of so many fellow Members, I just wish to express three points. My first point is in response to the Honourable CHEUNG Man-kwong's views. In fact, I do not think the motion moved today is something of the past either. On the contrary, I feel it is too early and hence untimely to move this motion. Perhaps at a time when the term of the Legislative Council is soon to end, everyone has to take the opportunity to discuss it. We know that substandard piling is a problem coming to a head for the construction trade after so many years. There is certainly need for a review. I agree with that wholeheartedly. Because of it, we know we need to set up a task group to investigate and find out the truth before affixing responsibility. It would be more appropriate to draw a conclusion then. Unfortunately, it seems to me that someone has made a premature conclusion.

Secondly, I have a view which you can term it subjective or arbitrary. I do not know if it is because election time is close, so that some people would raise sharp questions. Probably, they think this is time opportune. Others like those of the Democratic Alliance for Betterment of Hong Kong or the Liberal Party are put in the situation of "driving a duck on to a perch", or forced to act. No one can speak dispassionately in justice and fairness all because of the election. I do not know if I should make such a comment, but I am open to comment myself. Moving a motion for the above reason renders it difficult for many people to speak with a relatively just and fair attitude. I was elected, but

in a functional constituency, not directly elected. I stand out to speak now with my head under cover because I am risking being knocked on the head in expressing opinions that I feel are just and fair. So I need some courage. I notice that when Mr CHEUNG Man-kwong spoke, he commented on each and every Member who gave his opinion.

Thirdly, the Honourable Fred LI has in fact told me in private that he was hoping to make the motion instrumental for us to discuss a structure, not to pick at people. However, the wording of his motion is clearly pin-pointing on people and is picking on two people. His conclusion has been made which renders investigations pointless because he thinks he has already seen the whole picture accurately. This is particularly so of Mr CHEUNG Man-kwong. In the final part, he said his target was neither Ms Rosanna WONG nor Mr MILLER. He made that very clear. Under the circumstances, I feel that this motion debate carries with it another nature. If we obtain an extended meaning from his words, then whoever is involved in accountability has to resign. If this is the case, I think I have to take an illustration from the Democratic Party. The Democratic Party has recently split internally into four to five pieces — actually, some four or five people have been severed from that Party. It is not quite the same case as the Chinese idiom "split into four or five pieces". If anyone among them needs to be held accountable, I have not seen any model demonstration from them. Which people should be accountable and in what way would they take up the responsibility? I would really like to know.

To put it simply, I would like to view this incident from a more just and fair angle. People of our field hope everyone can row in the same boat to stay on top of the rough sea. We need time to implement reforms and to correct mistakes whatever. We still need time to evaluate the effects. We should not be too anxious or too rash to give unreasonable and unjust comments. I therefore oppose the motion. Thank you, Madam President.

MR BERNARD CHAN: Madam President, the last time we debated on a vote of no confidence was in March last year and the official targeted was the Secretary for Justice. Fifteen months later, it comes to the Chairman of the Housing Authority and the Director of Housing.

It is sad that such a motion should be on the Agenda. The debate this time apparently covers more than a lack of confidence in the Chairman of the

Housing Authority and the Director of Housing. It is about the entire mechanism of officials' accountability.

The resignation of Ms Rosanna WONG, Chairman of the Housing Authority, has set a good example of how a public office holder should be accountable to the public. It is beyond doubt that her resignation should be welcomed and respected. It is an appropriate decision, though some say that it comes a bit late.

This is a good lesson for our Chief Executive. Should the Government have handled the issue with more political wisdom and caution at the beginning, members of the public would not have been so provoked.

Although we may have different opinions on how officials having committed serious mistakes should be reprimanded, I am sure that we all share the same view that something must be done to make our Government more accountable to the public.

There is a saying that "there are no bad soldiers, only bad generals". As a businessman, I understand how true it is. A chief executive officer of a publicly listed company may not know every detail of the daily operation of the firm, but he should always keep a close eye on the overall policy and set the direction of development. And he will be the one to be responsible if any fatal mistakes arise. In some sense, a company can be viewed as a small-scale government.

Madam President, I found myself in an awkward position: either I voted in favour of turning public servants into scapegoats for political reasons; or I cast a vote against the need for accountability on the part of officials.

At present, we do not have a system requiring an official having committed serious mistakes to resign. Such a system may involve radical reforms of the entire Civil Service. The Government should start exploring a way to increase its accountability. What system should Hong Kong adopt? How could our civil servants be more accountable to the public? All these issues should be addressed with great caution and consideration. Thank you.

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

MISS EMILY LAU (in Cantonese): Madam President, I am speaking in support of the motion by the Honourable Fred LI and the amendment by the Honourable LEUNG Yiu-chung. On 3 November last year, we have already supported the motion moved then by Mr LEUNG Yiu-chung. He can be said as a person with foresight, but his motion and his speech back then did not get wide reports in society and they did not rouse everyone's concern. However, those who say Ms Rosanna WONG and Mr Tony MILLER did not get prior notice are wrong. In fact, after that day, we did discuss the matter with Ms WONG and Mr MILLER, but the results made us feel disgusted. I strongly support the amendment by Mr LEUNG Yiu-chung. Of course, many people say they are not giving him support, but I believe we need to be accountable to the public.

Madam President, I regret it very much that some colleagues (for example the Honourable Eric LI and the Honourable FUNG Chi-kin) thought a motion like this one was moved because the next election was drawing near. In fact, there are other things that can be brought up. One very simple example is the right of abode issue. Many Hong Kong people do not like the policy on this and some people are organizing some activities. In our view, the Government is wrong and harm will be done to the rule of law. We have the intention to speak our minds out all the same. We will say what needs to be said. Be there an election or no election, we will speak. The public will be the adjudicator — when 10 September comes, it will be plain for everyone to see. So, there is no need to say that we are politicizing whatever we are doing. I have said in yesterday's debate that anything that came into this Council would be politicized. I also mentioned the politicizing issue during the debate last week about the choice of judges of the Court of Final Appeal. This Council is itself a political forum. Unfortunately, not all of our Members were elected by the one person, one vote system which allows for a full play of the will of the public.

Madam President, I very much agree with what Mr Fred LI and Mr LEUNG Yiu-chung have said. Today, we want to set up a system, one that is accountable. Mr LEUNG Yiu-chung said that when something happened in other countries, some of the governments would even move motions on their initiative for the councils to decide whether they wanted to cast votes of no confidence. Actually, under this undemocratic system of ours, Mr LEUNG's words or his wish for the Government to do so would be futile. Nevertheless,

government resistance or resistance led by Mr TUNG Chee-hwa and Mrs Anson CHAN will not overcome the surging expectation of our citizens. It is the aspiration of the public that you people in authority would be accountable and responsible for your public offices. If anyone commits a serious mistake, he must resign in expiation. So many high officials are present here today. I believe they are worried because they can visualize what is to become of them. But there is nothing to be done. Once if there is anything that has gone wrong with the policy, everyone will have to be accountable. As Council Members, we too have to be accountable if our way of doing things has gone wrong. It is an honourable approach. Stepping down does not mean the end of the world. There will be many more tomorrows. However, we have to let the public know that we are willing to take up responsibility.

Madam President, I in fact agree with the Honourable Bernard CHAN who said it was the high level in the Government that mismanaged things this time. If Mr TUNG Chee-hwa were willing to stand out and appoint an independent, comprehensive inquiry committee when the incidents occurred, public fury would probably have been quelled. If the current legislative session were not to be concluded at the end of June, I am sure many colleagues would like to set up a task committee to investigate the incident and to give vent to public anger. Just now, the Honourable NG Leung-sing said this is a "scapegoat culture" or "anger-venting culture". Madam President, at times, people do need to air their displeasure. Some people even thank Mr CHENG King-hon for his radio programme because it gives them a chance to call the radio station and speak their minds out. If all kinds of discontent are contained and piled on with no outlet, it may result in riots. Right now, we need channels for the public to let off steam, that is why we see so many demonstrations and marches. Madam President, anger sometimes has to be vented. Although we do not necessarily agree at all times with the anger vented by the public, a responsible, sensible government will know how to handle these things. It will not leave angry sentiments to accumulate because when unsettled and discontented sentiments are let to burst, the whole society will suffer the harm.

Today, we see scandals after scandals under the leadership of the Housing Authority and Housing Department. They do not only make Hong Kong people feel disappointed, but they also shatter the international reputation of the SAR. Madam President, many foreign consuls are in fact very concerned about this. They ask us why something like this could have occurred. Several organizations and personalities have written to us, asking that special care must

be taken in handling the matter. Among these, there is one letter from the Chairmen of six Standing Committees of the Housing Authority. Several colleagues including the Honourable James TIEN mentioned it too. They said in the letter that they were doing volunteer work and that what we did would make others feel hesitant in, or even deter them from, accepting any public office as such. I think there is nothing that can be done about it. I agree with my colleagues that those accepting the office will have to be accountable, but I do not subscribe to the idea of taking up public office as a volunteer. Madam President, I think they should be given an adequate reward, but they should be made accountable for their public office. There is one very interesting sentence in the letter. They pointed out that problems with the quality of housing blocks built by the Housing Authority are concerned with the ethical code and traditional practice of some people in the construction trade; that it would be hard to rule out similar situations in private construction sites and that the degree of severity there might just be the same. Madam President, this is indeed horrifying. If this is the case, I think the Director of the Buildings Department needs to make investigations in different aspects. If there is also a bomb to explode in this regard, I think it is going to rock Hong Kong even more. I hope we can have other people to be responsible for the investigation. Nevertheless, it does not mean we can assume that since there are also problems with the private sector, the problems with the public sector are not problems any more.

Besides, Madam President, the staff at the management level of the Housing Department, some of whom are sitting up there listening to our speeches, have also written to us saying that Ms WONG and Mr MILLER reminded them in 1998 to be on the alert when monitoring the quality of housing blocks. The question is, problems have appeared in the quality of housing blocks. They said that after learning this lesson, they would discuss with people in the trade and review the procedure for construction of houses from 1999. But why from 1999

PRESIDENT (in Cantonese): Miss Emily LAU, please face the President when you speak.

MISS EMILY LAU (in Cantonese): Yes, Madam President. Pardon me, because I see them sitting up there. The question is why should you just say you are sorry now? If you are to take up responsibility and implement reforms,

you should do so with full efforts. Some people have done something wrong and society has lost confidence in them. Madam President, I believe no one is indispensable in this world. There will neither be a legal nor administration vacuum in this world.

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

DR YEUNG SUM (in Cantonese): Madam President, the purpose of the Democratic Party in moving the motion today is to express the hope for a system of accountability for people holding public office to be set up in Hong Kong. No matter whether the motion can be carried, the problems with public housing have long existed and require strong efforts of people from different sides to help resolve them, hence the group led by Mrs CHAN should do more. Problems with public housing have existed for so long that they are already deep-rooted. The efforts from all sides are needed to tackle them.

As put just now, the purpose of today's motion is to set up a system of accountability for people holding public office. The Democratic Party has all along wanted the implementation of a democratic system in Hong Kong, but the overriding pressure of the Basic Law has created many stumbling blocks. I do not know when we can elect a Chief Executive or all seats in the Legislative Council by popular vote. Nevertheless, setting up an accountable government is one of the main work targets of the Democratic Party after Hong Kong's reunification with China. We have exhausted all means in the hope of gearing society towards the development of a democratic system, but when democratic election is still encountering so many hurdles, I think we can still meet the needs of the public and keep pace with social development if we can have in place a system of accountability for the Government or people holding public office. During the era of British rule in Hong Kong, Mr PATTEN ran the government with high transparency, but we felt the pace was not fast enough. We should set up an accountable government and there should be a system of accountability for people holding public office. I was therefore pleased that at the Panel on Constitutional Affairs, it was decided that we could move this motion for debate. In other words, the majority of our colleagues agreed to discuss the request for the Government to set up a system of accountability, making high level officials politically responsible for any serious wrongs done by their departments or themselves. We also ask the Government to consider appointing certain people by contract to hold public office. I hope the Government can listen clearly this time and proceed accordingly.

Indeed, the motion today does not pick at Mr Tony MILLER and Ms Rosanna WONG. Just now, the Honourable LAW Chi-kwong said he had known Ms WONG for nearly a quarter of a century. I met her one year more than a quarter of a century ago because I got to know her one year before Mr LAW Chi-kwong. Towards Ms WONG, I am full of respect and admiration. I also appreciate the working ability of Mr MILLER. However, the focus of this discussion is not personal, rather it is on the system. This system is not only an advocated request made by the Democratic Party, but also that of many colleagues in this Council and even members of the public. We have conducted a public opinion survey and found that over 60% of our citizens supported the vote of no confidence moved by the Honourable Fred LI. So before the meeting today, I had talked it over with Mr MILLER in the hope that he would understand we do not mean to pick at him. In fact, I have all along admired Mr MILLER's performance in work.

Some regard the motion today as a political statement and a kind of political persecution. I regret that some people choose to think that way because we are just calling to task our responsibilities as Council Members in monitoring the Government. There are others who say moving this motion is against the Basic Law. I find that strange. These people may not be familiar with the Basic Law or they may not have participated in the work of our Panel on Constitutional Affairs. Under the Basic Law, the executive authorities shall be responsible to the legislature while the legislature is responsible for monitoring the operation of the Government on behalf of the public. Moving a vote of no confidence motion is one way of monitoring the running of the Government. As to whether members of the executive authorities should resign, it is an internal matter for the Government to deal with. I have already explained to the Honourable LEUNG Yiu-chung the reason why the Democratic Party would not support his amendment. We have demanded for the setting up of a system of accountability. If the no confidence motion is passed in this Council, the Government will have to face the obligation of being accountable; as for how the Government should deal with the officials concerned, it is a matter for the government departments to decide. As such, I think the allegation that performing the role of monitoring the Government is against the Basic Law reflects only a shallow view.

In the course of lobbying, government officials said many problems were actually uncovered by Ms Rosanna WONG and Mr Tony MILLER themselves and that they were the first ones to bring out the problems. "An object must

first be rotten before a worm can be nourished". When we see an apple rotting from the inside out with a worm coming out, we should realize that the rotting must have started a long time ago. If no problem exists, there will not be any public grievance. No matter how clever we are or how capable we are in organizing things, we cannot stir up the public over nothing. If we cook things up, we will not succeed in winning public response. Right now, public grievance is surging. It is obvious that there are problems with the quality of our public housing units. The Honourable Eric LI and the Honourable Miss Margaret NG said we had not given prior notice and that we had not made much preparation. I asked the Honourable LEE Wing-tat, Chairman of our Panel on Housing, about the whole thing just now and learnt that the Panel had held eight special meetings in respect of the substandard piling incident. During the process, the officials had a very busy time attending the meetings and answering our queries. How can we be termed unprepared? In respect of the incident, I have not assessed how long we studied and followed things up. Meanwhile, we had meetings with many groups too, so we have studied everything clearly. We feel that since public opinion is surging, we must put forth a well thought out suggestion. It will be dereliction of duty on our part if we fail to do so. So this incident has to be brought up for discussion. Of course, with the election coming up soon, there are bound to be people who allege that we are looking for more votes. Some fellow colleagues have said so too. They have freedom of speech. They can say whatever they like. However, I can tell you that we have debated on this motion for a long time and thorough consideration has been made. The Panel on Housing has also followed it up for a long time. Are housing problems so simple that some statements made by a few people will be able to cause public opinion to surge? That is impossible. The problems are already deep-rooted. So I hope Mrs CHAN can do more about it.

I also want to speak about the allegation that our way of handling this matter would deter people from taking up public office. We are in fact setting a good standard to specify the accountability of public office. It is possible that through doing things this way, we may even get people with courage, insight and commitment to take up jobs because everyone knows that commitment in a public office is not casual volunteer work.

Finally, let me sum up. First of all, we hope the group led by Mrs CHAN can start work without delay to rebuild the hierarchy for housing affairs. At present, the Housing Department, Housing Authority and Housing Society handle housing matters and they would sometimes find the demarcation for their

duties unclear. At times, public housing blocks are supplied; at other times, Home Ownership Scheme housing units with private participation are offered. Sometimes, it is said that the supply of public housing would influence the market; but at other times, people would say that the supply helps to stabilize the market. All roles are confused. One wonders whether the policy is to protect investors or to be implemented as some kind of welfare. The situation is quite confusing as well. I therefore hope Mrs CHAN can do more in this respect. Secondly, we hope the Government can start to seriously study into a system of accountability for people holding public office. The general public is making a demand for this. I think this is the right time, please do not let it slip past easily. Having said the above, I wish nevertheless to register my respect and admiration for Mr Tony MILLER and Ms Rosanna WONG. Thank you, Madam President.

MR TAM YIU-CHUNG (in Cantonese): Madam President, in the last two years, our public housing blocks were discovered, as a result of a series of disclosures, to be suffering from serious problems of poor construction quality, substandard piling, uneven settlement, and so on. The public has not only lost confidence in housing blocks of the public sector, but are also filled with grievances. From the response of the media and the public, the general opinion is that someone has to shoulder the responsibility for the recent series of incidents involving public housing. Today's motion is a reflection of this. However, it seems to be heavy on venting emotions and slight on giving constructive proposals.

I agree that the Chairman of the HA and the Director of Housing should assume responsibility. To a certain extent, the HA Chairman should assume political responsibility too. However, do we expect a full-time civil servant as the officer in charge of an executive department to bear political responsibility? This is open to question. In the past, this Council would set up select committees to hold hearings in respect of serious blunders of the Government so as to understand the reasons, identify the problems and persons responsible. Unfortunately, we have not done that this time. Of course, the reason may be the term of this Council is drawing to a close and it will be difficult to carry out investigations. But then, if we make decisions without going through in-depth investigations, are we not being rash and dwelling on the surface?

The public wants the HA, HD and relevant organizations to learn from their mistakes and be determined to reform. We do not want civil servants to report only the good things, hide the truth and cover up for each other because of the recent politicized discussions. We do not want people dedicated to serving the community to become disheartened in face of political pressure and to come to any misunderstandings.

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

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

MR LEE WING-TAT (in Cantonese): Madam President, I speak in support of the original motion. My speech aims at supplementing the comments of the Democratic Party.

First of all, I am in double roles. I was formerly a member of the HA and I am an elected Legislative Council Member. I therefore fully appreciate the operational difficulties faced by the HA and HD. I cannot deny that I also understand fully the anger of citizens as a result of the relevant incidents. What is more, citizens do not only feel grievance and anger, but they also hope that a system can be established in the wake of these incidents.

I wonder if Mrs Anson CHAN knows that one or two years after the SAR Government came into being, there was already a common view among the public that their Government would never be willing to admit errors or take up responsibility. This view did not originate from the substandard piling issue, but from the series of incidents that occurred since the establishment of the SAR. I do not think Mr TUNG or the Chief Secretary for Administration has ever made any conclusion after the incidents. Without a system of political accountability, the gap between public expectations and the administration of the Government will widen continuously. The enormous repercussions after the incident have to do with historical factors and context. It is just possible that they do not have much connection with the two persons named.

I cannot see what is wrong with demanding the building of a responsible government at the present stage of social development in Hong Kong. What is wrong with the public demanding better performance from the Government?

What is wrong with demanding the officers in charge to be held responsible when a serious mistake or scandal occurs in an organization? As I can see it at present, the largest mistake lies in our highest leader of the Government, Mr TUNG, as he is the stumbling block to reform. Mr TUNG has yet to agree with the above viewpoint. He does not agree that we need to put in place a system in which officials have to be held responsible. I have been a Member of the Legislative Council for nine years. When I occasionally sat down for a meal with Bureau Secretaries, I asked them whether they would approve of a ministerial system with political accountability. From what I heard, more people approved of it than opposed it. I sympathize with them. They are civil servants on the permanent establishment and they should be apolitical. Unfortunately, in the political reality, they have to play several political roles including the formulation and drafting of policies and the lobbying that tries to see them through. As such, when many of my colleagues pointed out that Mr MILLER was only playing an executive role, I cannot agree a hundred percent.

Madam President, Mr TUNG made a simple statement last Friday admitting he was constitutionally responsible. I dare say his statement does not help. The anger of the public will not die away unless the top echelons of the Government follow public opinion and demonstrate to them that they have begun to build an accountable system. As put by the Honourable LEE Cheuk-yan, if the tide against the Government continues to surge, there will be more and more question marks on whether Mr TUNG should seek another term of office.

Madam President, I have known Ms Rosanna WONG and Mr Tony MILLER for many years. We are friends. I am somewhat filled with conflicts at heart over this incident. On the one hand, I can see that since assuming office as the Chairman, Ms WONG has implemented a relatively open and transparent system that can accommodate different opinions. So I cannot agree with a veteran housing and community worker's point that Ms WONG has no contribution and that her resignation is her only contribution. I oppose that. Director MILLER is a capable person brave in launching reforms. One can say that in this case, he is to a certain extent a tragic figure.

As to the question of whether members of the construction committee should be responsible in this case, politically speaking, they should be. Nevertheless, I will speak for them in fairness. Many members of the construction committee work with all their heart and might. In my experience participating in the work of the Legislative Council and the District Council, I

can see that they are a group brave enough to commit and serve the community. From a certain angle, the pressure on them this time is not fair. However, I tell myself that the debate in progress now is about setting up of a system, not personal honour.

In conclusion, I just want to say that history is very often made by many unforeseeable, unfortunate factors. What we have to do is to see whether this motion can turn the wheel of history. To me, no matter whether this motion is carried or not, the wheel of history has started to turn.

Thank you, Madam President.

MISS CYD HO (in Cantonese): Madam President, I speak in support of the original motion and the amendment. Madam President, at this time, we really want to build up a culture or a system of accountability. Personal honour or position is really unimportant in the process. I agree with Ms Rosanna WONG that it takes more courage to stay on than to resign. It is because in the face of so much public anger and so much mistrust, even if today's motion is defeated by a small margin, it does reflect to a large degree that society does not trust the HA. If she stays to face things, she would not be of help to the launching of reforms. Indeed, if the Chairman of HA chooses to stay on, she will need much more tenacity to face the whole matter. From the standpoint of public interest, her resignation is definitely conducive to the building of a culture of accountability. I am sure we will remember Ms Rosanna WONG in the future not as a public officer wearing four hats at the same time, namely, a Member of the Executive Council, Chairman of the HA, director of the Hong Kong and Shanghai Bank Corporation and Chief Executive of the Hong Kong Youth Council, but as someone who resigns on her own, thereby starting a trend and acting as a role model for the building of an accountability culture. As rightly put by the Honourable Eric LI, we do not have a formal system or a convention in place now. Precisely because of this, the first one who assumes responsibility in response to public call is all the more invaluable.

Madam President, some colleagues call this an individual incident and warn us against seeing it as the start of constitutional politics. I cannot accept it. Those are the words of colleagues of the Democratic Alliance for the Betterment of Hong Kong. I just want to ask why everyone wants to look to this as an individual incident. Why should everyone fear that the atmosphere will spread?

Why can we not make this a precedent in the hope that people in public office from now on can face scandal in the same attitude and take up political responsibility? I hope this motion will be carried today. It is not because of the election that is drawing near. It is a sincere hope for a system of accountability to be set up in Hong Kong. We do not have a statute for this, and precisely because of this, we need to take the first step all the more.

In fact, the resignation of Ms WONG has come too late. She should not be blamed for procrastination because she had publicly said she would resign many times. It was the Chief Executive who encumbered her. Only last week, the Chief Executive said he would try his best to ask her to stay on, but he might not succeed that time around. I want to bring out the point that Ms WONG could see the public sentiment and know she had to respond, whereas the Chief Executive as the leader of the SAR Government could not see the need. Last week, Mr TUNG said he was responsible from the constitutional point of view. When I heard him make that comment, I was really pleased. I thought that was the best performance by Mr TUNG last week. I considered his words to have come from his heart. However, saying verbally that he should be constitutionally responsible may not be enough. Is he actually responsible? I believe Mr TUNG should stand forth to explain. In this case, the worst mistake of the HA Chairman could be not daring to say "no" to the Chief Executive when he gave the order for the construction of 50 000 public housing units per annum. We agree with that policy because shortening the waiting time is a good thing and we recently saw that waiting time had been shortened from seven to three years. However, when taking up this job, we have to look at the entire structure, manpower and supervisory system and consider whether we can handle it. If there were problems in terms of matching, we should bring up the issue for discussion. We can explain to our superiors and to the public that the target cannot be reached yet and we may need to slow down our pace. Is that not better pressing ahead and "triggering off" so many scandals about public housing? So, Madam President, I very much hope that the Chief Executive can come out and explain things about his working relationship with the Chairman of the HA, whether they had communicated regularly after the announcement that 85 000 housing units would be supplied each year, whether the HA and the HD could cope with supplying 50 000 public housing units annually, and whether there needs to be any amendments or co-ordination in terms of manpower deployment and structure.

Madam President, last of all, let me say that bygones must stay bygones so that new things may come to us. The new Chairman of the HA is yet to be appointed, but I believe society would like to take this opportunity to put in some basic requirements. For one thing, the new Chairman cannot have threads of link with the property sector. He has to be someone with public credibility. I also hope that the appointee can work full-time. Pay him a reasonable remuneration so that he may stay in the job wholeheartedly. At this time when our housing policy is a shambles, please shake up the structure of the HA. I so submit.

MR JASPER TSANG (in Cantonese): Madam President, several Members from the Democratic Party who spoke before me had explained that the motion did not seek to pinpoint individuals, but the system. I find that curious. If they are pinpointing the system, why do they not say so directly in their motion? On the one hand, they praise the capabilities and attitudes of Ms Rosanna WONG and Mr Tony MILLER, and on the other, they say they have no confidence in them. The motion states clearly of no confidence in both of them. I do not think many members of the public will understand the conflict. If it is the system that is at fault, why do they not say so in the motion? If it is the Chief Executive, Mr TUNG, who is at fault, why do they not say so in the motion? If it is considered that today's debate should be about the setting up of a new political system, why is it not clearly spelt out in the motion?

Madam President, as to why the Democratic Alliance for the Betterment of Hong Kong (DAB) supports today's motion, my colleague, the Honourable Gary CHENG, has explained it already. We are aware that the recent series of scandals have led to the public's loss of confidence in the public housing establishment. The public not only feels no confidence in the establishment, but also no confidence in the persons in charge. We hear of this everywhere. Of course, we are not pinpointing one person. It is only that during the time she was at the helm, certain incidents did occur to shatter public confidence. In face of such a motion, if we vote against it, we are not reflecting the current state of mind or the demand of the general public. Some people, including government officials, allege that political parties and people in politics are forced to vote in favour of the motion because of the imminent election in September and their worry about the number of votes. They feel that for the pro-government party DAB in particular, there is no case not to vote in favour of the motion. Let me ask further why political parties and people in politics do not

vote against the motion in order to canvass for votes. Is it really because they fear that opposing the motion will lose support of the electorate as alleged by commentators? If the motion is itself contrary to public opinion and if the voice of society is not to make the officer in charge take the blame, why would there be pressure? If we say we believe in election and democracy, we should take this view.

The inclination at voting should be in accordance with the will of the electorate. Is that right or wrong? Take catching termites as an example. Why are termite catchers criticized? Why are they not accepted by society? Let us turn and ask why so few people believe that the Chairman of the HA and the Director of Housing did attempt to catch termites. Why do so many people feel that termites are connected with them? Why is it felt that they have to be responsible for termites? I hope our government officials will not look at this so-called new political culture in an aggrieved state of mind because, like it or not, this new political culture is here. In fact, if our officials still adopt the mentality that since they have worked in earnest and diligence all their lives and they know they are doing things for the good of the public so that the public should respect instead of misunderstand or blame them, I am sorry that it no longer works. If our government officials including the Chief Executive think that it is a mistake for Ms Rosanna WONG to resign from the chair of the HA because she is the best person to continue to launch reforms and if Ms WONG's resignation is forced on by today's motion, then the correct attitude is not to complain about the moving of this motion and politicians supporting this motion on account of the number of votes. Let us examine why this situation has arisen. As many colleagues have pointed out, there has not been a change in our political structure. As to whether this political structure needs to change or how it should change, I feel that we still do not have a consensus. Nevertheless, the fact remains that our political culture changed a long time ago. We received a letter from the chairman of a committee of the HA saying he did not want to see public officers getting drawn into the political whirlpool in future. Let me say that society is a political whirlpool. If our public officers still adopt such a mentality and feel that they can perform their public duties effectively by staying away from the political whirlpool, they are lagging behind the times.

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

MR RONALD ARCULLI: Madam President, today for some of us is a painful day in more ways than one. Any no confidence motion, irrespective at whom it is directed, is a grave and serious matter. Some of my colleagues have used this motion to express dissatisfaction with our Government, outside the issue central to the motion. Whilst I respect their justifiable concerns, we should not be drawn into a wider debate today. The message that this no confidence motion carries should be simple and clear: responsibility and accountability.

It serves little purpose for me to repeat the incidents which have led to public outcry and loss of confidence. We can also analyse the situation to death, although I doubt if we can do as good a job as the Honourable Miss Margaret NG. The crux of her argument to vote against the motion and the amendment as I understand it is this. Ms Rosanna WONG and, indeed, the Civil Service, were caught by surprise by a change of the rules after their appointments, or in midstream, so to speak. Regrettably, much as I appreciate her analysis and reasons, I cannot agree with her. I would like to think that Ms Rosanna WONG and Mr Tony MILLER would be the last ones to suggest that they were caught by surprise or that they are neither responsible nor accountable. Indeed, they have frequently made themselves available to this Council to answer our questions. Ms WONG's resignation is acceptance of that responsibility. I do, however, agree that no fault is alleged against either Ms Rosanna WONG or Mr Tony MILLER, but that is not the issue. The issue is simple: responsibility and accountability. Despite this, they and the Administration have a deep sense of grievance. Why? I ask myself. Can we blame the system? What do we tell the public? Do we say to them, "Yes, something is seriously wrong, but our system does not require responsibility or accountability!" We have been repeatedly told: How can you shoot the messenger; how can you blame the good guys? Maybe they and their committees feel that they have done their level best. Maybe they have, but what they cannot deny is the loss of public confidence. This is a very grave and serious situation and I believe that this Council will be shirking in its duty if we were to turn our backs on the issue.

Madam President, in a no confidence debate over the Secretary for Justice last year, I said then that whatever the result of that motion was, there were no winners, and that Hong Kong was the loser. If the no confidence motion is lost today, Hong Kong, again, will be the loser. I hope that this will not happen.

MR ANDREW WONG (in Cantonese): Madam President, the Honourable Jasper TSANG just pointed out that although no names were mentioned in the motion, it in fact did not point out there were problems with the Housing Authority (HA) and Housing Department (HD) either. The Democratic Party said the motion addressed the system. Perhaps the Democratic Party did not explain things very clearly, but still, they pointed out that it had to do with the system. I support this motion on the basis of that. However, I have to point out clearly that I do not support all no confidence motions seeking to change the existing system in Hong Kong. I have to see objective facts before making that decision.

First of all, I want to talk about Miss Margaret NG. Although she is a colleague whom I very much respect, I do not agree with her analysis. The Honourable Ronald ARCULLI presented part of the facts and earlier on, the Honourable LAW Chi-kwong presented another part. They referred to matters of culture and structure. I want to point out that there is a big mistake here. Between 1986 and 87, the Chairman of the HA was the Secretary for Housing which is equivalent to the Secretary responsible for the Housing Bureau nowadays. At that time, to accommodate the then Chief Secretary, Sir Philip HADDON-CAVE, who was due to retire — no, sorry, not Sir Philip Haddon-Cave but Sir David AKERS-JONES, the post was changed to an executive one with salary and the use of government vehicles. As such, I do not think such a post is ornamental. It carries with it real powers. I do not want to speak about Mr MILLER or Ms WONG personally now. To me, the post is an executive one. It is only that as far as structure is concerned, the HA is likened to a board of directors for public housing headed by the chairman of the board of directors. The job as chairman of the board is a paid one whereas other directors are unpaid. That is how the whole thing comes about.

Under the circumstances, I feel that this post is not entirely ornamental. Now it has become one of executive nature. The person who took on this job seven years ago from Sir David should understand that it is executive, administrative and decision-making in nature. By executive, I mean that the person in post is a paid executive director.

Having explained this, I shall return to another argument. The motion before us now does not involve any so-called surprise question. I am just referring to "prior notice". The Honourable Miss Emily LAU also pointed out that it was prior notice. I am sure by prior notice, Miss Margaret NG did not

refer to notice given beforehand. I believe she meant there was not yet a system of accountability or that the relevant persons were not told of the system beforehand. And that brings us back to the issue of culture and structure as discussed by Mr LAW Chi-kwong just now.

There is a famous work on comparative politics by the political scholar Gabriel ALMOND. In his book, it is pointed out that political changes come from cultural change and structural change. In some countries which are luckier, there may be first cultural change before evolving into structural change. It can be transformed gradually after a long time. The free democratic system of the West today started to develop in Britain in the 12th or 13th century, or the period of the Magna Carta. All kinds of changes can take form gradually over a long period of time. If there is an urgent need, structural changes should be made first before the desired political effect can be achieved. However, during cultural change, persons concerned cannot just hold onto the word "law" and say they are not responsible for what is not specified in law. In fact, there are moral responsibilities behind all this. Anyone who seeks to work effectively in office will have to be responsible for duties attached to it. In other words, they should be committed to their responsibilities that come with the job. They cannot say they are not responsible because they are protected by contract.

The chair of the HA assumed by Ms WONG is protected by contract. Under the present circumstances, she is still responsible. She cannot hide behind the contract and refuse to shoulder responsibility. Had she been a civil servant on the permanent establishment, it could be something else and there could be some difference. Nevertheless, if everyone has lost confidence in the civil servant taking up the job, she has to accept a transfer. As such, I think the whole thing should be commented on the basis of facts. One cannot say that the post was never specified as a ministerial one and hence there is no need to resign over one's mistake. One cannot say that since there is no specification of the post as ministerial, a no confidence motion is inappropriate. If a no confidence motion is inappropriate because there is no prior specification of the post as ministerial, Miss Margaret NG's no confidence motion (the words used at that time were "this Council has no confidence in the Secretary for Justice") moved on 10 March 1999 against Ms Elsie LEUNG would have been grossly inappropriate. I do not know if Miss NG's stand today has changed from that last time.

I read over again the speech of Miss Margaret NG and my own speech at the debate on the last motion against Ms Elsie LEUNG. I found that my reasons were not the same as hers. Miss NG's thinking at that time was that Ms LEUNG made a serious mistake and hence the Council was asked to agree not to trust her. As for me, I agreed not to trust Ms LEUNG because she could have made a wrong decision and acted wrongly in handling matters so that an objective fact was created and subsequently started a storm. It would be best for her to resign over her failure. Even if she would not step down over her failure, I still supported the no confidence motion. My doing so could tell you about my sentiments as well as reflect the opinions and sentiments of the public over the case. Having gone through that kind of analysis, I asked not to remove Ms LEUNG from office, but expressed the hope that she would know her failure and know what to do, thereby setting a precedent of resignation over one's failure.

The amendment now before us states to ask certain people to resign. It does not seem appropriate. Let me say simply that I support the original motion but not the amendment by the Honourable LEUNG Yiu-chung asking certain people to resign. In the very least, I think the question of to stay or not to stay of a Civil Servant on the permanent establishment is naturally his own decision, and it is also for the Administration to decide. Whether he is to be transferred to another post or kept in the same post should be decided by Mr TUNG Chee-hwa. As for the fate of Ms Rosanna WONG, it is not something of the past. She has made her decision. Whether or not today's motion is carried, she has already made the decision to resign. Nevertheless, I do not think the motion should not be moved because of it.

Madam President, I have made myself clear. Thank you.

MR MA FUNG-KWOK (in Cantonese): Madam President, first of all, I would like to make a simple sum-up of the past performance of the HA or HD. The HA and HD built a large number of Home Ownership Scheme units or public housing units in the past and took care of or solved the housing problem of over half of our population. They contributed much to society. During this process, certain problems and failures were discovered. These include mismanagement, slack supervision of projects, and so on. These failures cannot be excused. I want to point out here that the merits or demerits belong to the people who worked in the past and work now in the HA and HD. They should take up responsibility jointly.

Last Saturday, I attended the political parties forum on Radio Television Hong Kong. Mr Albert HO, representing the Democratic Party, said this motion was not meant purely to affix political responsibility, but to affix administrative responsibility at the same time. I did not understand him at that time, so I engaged in a debate with him. I am referring to the way he put it, which is different from what Dr the Honourable YEUNG Sum said just now. The interpretation that the motion does not pinpoint people is somewhat contradictory. I feel that it is a rash act of the Legislative Council to jump to a conclusion and make a statement on administrative responsibility without carrying out an investigation. It is extremely unfair to the relevant parties. I therefore would like colleagues of the Democratic Party to clarify again, or I may oppose the motion.

Many colleagues have raised many viewpoints just now, especially on the accountability of officials. I agree with them and believe we should set up a system of accountability as soon as possible. However, I want to take the focus of discussion back to this Chamber. I intend to ask a series of questions and hope colleagues can give me answers.

During my tenure in the Legislative Council, five colleagues were appointed at different times as members of the HA. I think they were appointed because of the background of political parties to which they belong and their capacity as Members of the Legislative Council. These people include serving members Mr Gary CHENG, Mr LAW Chi-kwong, Mr HO Sai-chu, Mr NG Leung-sing, a former member Mr YIP Kwok-him who is the party central convenor of the DAB and Mr CHEUNG Bing-leung who is the founding vice-chairman of the Democratic Party. Let me first of all ask the Honourable LEE Wing-tat how he understands his work with the HA for the last eight years. I had wanted to ask him how he would evaluate Ms WONG and Mr MILLER, but he already mentioned it. How does he share his experience and acts with his colleagues in the party? When the time for a vote comes, will he relate it to his past participation? Two days ago in the debate on the Urban Renewal Authority Bill, he asked more members to elect among themselves into the Urban Renewal Authority. I wonder how he understands the roles to be played by these Members.

Next, I would like to ask the Honourable Fred LI if in the past, he ever asked fellow Democratic Party members sitting on the HA to deliver his concern over housing and his doubts on the capabilities of the leadership of the HA and the HD. I wonder how they responded. Now, he has listed out nine sins of the HD. Is he denying that his Democratic Party friends and the Party itself should also be responsible? Or, what responsibilities should they assume? If in the past he had never requested his Party friends to make similar requests in the HA, is it appropriate of him to move this motion in this Council today? How can he make people aware that he is not moving this motion to let the public air grievances and curry favour with the electorate? How can we believe that this is a serious, rational motion?

I come now to the questions for Mr Gary CHENG and Mr LAW Chi-kwong. As Legislative Council Members, they accepted appointment to work in the HA. At the same time, they are responsible to their electorate and political parties. Did they tell the Chairman and Director at the HA that they were going to support today's motion? If they did not, and now that they have resigned from the HA, can they convince themselves to vote in support of the no-confidence motion in the Legislative Council? Is it all that simple? How do they understand their own roles?

Next, I want to ask the Democratic Party questions. Many of the Party's backbone members have been working in the HA for a long time. Did the Party ask the relevant members to express concern over matters such as over construction of housing would affect the supervision abilities of the HA and the HD, the policy of the lowest bid gets the contract might affect building quality, and so on?

My next question is for the 59 Honourable colleagues in this Chamber. So many among us have joined the work of a public body but a lot of problems have occurred. Have we fully performed our supervisory role as Legislative Council Members? Is resigning after the occurrence of problems and then chastising the executive the way or the attitude to solve problems? I think the urgency to study this question is in no way lower than that to ask officials to be accountable. If we cannot treat ourselves in the same attitude, it is hard for us to ask the executive to respond actively. Therefore, in my view, when we go through with this debate, we should at the same time think about our role as Legislative Council Members. At the same time when we ask the Government to reform, Honourable colleagues should reflect on themselves seriously.

Those are my remarks and I would like to share them with my colleagues.

MR EDWARD HO (in Cantonese): The Honourable MA Fung-kwok has asked a lot of questions just now. One of them confronted 59 Members except you, Madam President. Nevertheless, he might have wanted to include you because he said he wanted to ask 59 Members. My question is whether we will have the chance to respond.

PRESIDENT (in Cantonese): Mr Edward HO, according to the Rules of Procedure, after a Member has spoken, if another Member has any misunderstanding of his speech, he can only clarify. His clarification is limited to one time. Therefore, I suggest that if you want to answer a question put by Mr MA Fung-kwok, you may have to do so outside the Chamber. I may be one of the people being asked the question, but I do not intend to respond now.

MR AMBROSE LAU (in Cantonese): Madam President, several work sites of public housing and buildings already completed are marred by the scandal of substandard piling, ground collapse, leakage, gaps, and so on, so that the public is in a confidence crisis concerning public housing. In view of the situation, the HA earlier passed 50 measures to improve public housing quality to be implemented in stages.

The HA realizes its past mistakes and is determined to reform. No doubt, this merits our support. However, "ice three feet thick could not have come about in a matter of one cold day". The problems faced by the HA at present are mostly accumulated over the years. To succeed in implementing reform depends on continued determination and the courage to act in a practical way. If the HA still holds onto the style of "chopping off a toe to avoid the worm" instead of addressing its mistakes in policies, system and operation, the end result will be light rain after loud thunder.

An obvious example is the "Investigation Panel report on Accountability" released by the HA earlier. It named some middle or lower level staff of the HD for their faults without reviewing whether the works grades of the Department and manpower deployment can effectively supervise work sites and without studying whether the existing establishment of professional works grades is adequate to cope with the large increase in construction of Home Ownership Scheme (HOS) blocks in recent years. Such an investigation that lacks depth or comprehensiveness not only cannot thoroughly solve problems, but also adds to the grievances of front-line workers and discontent of professional works grades.

Construction of public housing involves professional and complicated problems. If the Administration wants to improve the quality of works supervision, the management structure must build up a partnership that supports and trusts each other. The Hong Kong Progressive Alliance (HKPA) thinks that the Administration should give due consideration to and absorb the opinions of professional bodies in guarding against faults and plugging loopholes. When investigating the scandal of jerry building, the Administration should ensure fairness, justice and comprehensiveness. At no time should it take disciplinary procedures before the truth is out in order to avoid injustice.

As Ms Rosanna WONG has handed in her resignation, the no confidence motion before us has become inopportune. The HKPA has reservations about showing no confidence to the Director of Housing. In any case, several HOS works scandals are still under investigation, and it is not known as to who should be responsible and how much responsibility to take. It is difficult to make an accurate conclusion before we have the results of the comprehensive investigation.

I want to emphasize that having reservations about the motion is not equivalent to deciding that the Director of Housing has no responsibility. Today's motion pinpoints individuals, not the system problem with respect to works failures, the excessive workload and serious manpower shortage of professional grades of the Housing Department. We would be most happy to see that the task committee appointed by the Chief Executive and headed by the Chief Secretary for Administration could review expeditiously the relationship of powers and responsibilities of the four bodies of the HA, Hong Kong Housing Society, HD and Housing Bureau, and identify a model and structure best suited to public housing management programmes and policies, so that the public can restore their confidence in the quality of public housing and in the Government. Madam President, I so submit.

MISS CHOY SO-YUK (in Cantonese): Madam President, I did not originally intend to speak, but I have listened carefully this morning to the opinions of Honourable colleagues and now, I would like to speak about some changes in my mind's pilgrimage.

Madam President, I believe I was among those who stated the intention to support the motion right after the Honourable Fred LI had proposed it. It is a

fact that members of the public have too much intense criticisms of the work of the HA. As a Member who seeks to reflect public opinion, I think I am duty-bound to vote in favour of the motion. I had written a speech to be read out in support of the motion, but after Ms Rosanna WONG announced her resignation last Saturday, I told the media in the first instance that I had to reconsider my own stand. As a matter of fact, I believe there is a need to review and improve on the situation of civil servants having powers but no responsibility and the existing unhealthy state of our political structure. To me, the biggest question is whether this is opportune. Is it really the best course for us to pinpoint civil servants? I have yet to make up my mind. When I met a group of residents of Siu Sai Wan last night, I said I could act on my own conscience and abstain from voting because I could not sort out my thoughts clearly on the matter.

However, having heard the opinions of many Honourable colleagues and, in particular, the speech of the Honourable Jasper TSANG, I was very much enlightened. He meant that times were changing, public cognition of politics was changing and whether we liked it or not, we had to face the change.

Madam President, I just want to state simply that after listening to everyone's views, I acknowledge that we do need to face up to the aspirations of society. I will support today's motion moved by the Honourable Fred LI.

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

MR JAMES TO (in Cantonese): Madam President, many Honourable colleagues have discussed a lot of perspectives. As a matter of fact, I have read through carefully the whole text of the speech by Ms Rosanna WONG when she announced her resignation and found that some parts may be of help to matters of dispute among Honourable colleagues. I am supplying the information as a supplement, not as lofty ideals. I do not know how many people have read the text of her speech, but I read it sentence by sentence because I was sure she had written it very carefully.

First of all, what are the reasons of Ms WONG's resignation? Some Members said she had to take up political responsibility, others said she was drawn into a political whirlpool, and yet others felt she was an object of political sacrifice. All sorts of reasons were suggested, but perhaps we should look at

what reasons were given in her speech on her decision to resign. Let me quote, "To ease members immediately of the increasing pressure and distress and to help reduce the impact on the Authority, I deem it appropriate for me to tender resignation immediately." So, she thought to reduce impact and distress was a very important reason.

Secondly, is it important to have someone who can command public trust to implement the reforms in order that there may be the necessary driving forces and strengths? Let me again quote from the text of Ms Rosanna WONG's resignation speech, "There are two major prerequisites for a reform to really take forward. Both are indispensable. First, there must be an impetus for reform within the Authority and the Housing Department. Second, the one who implements the reform must command the trust and support of the community." Those are the words of Ms WONG. She thinks it is necessary to have trust and support. If others think these are not necessary, all we need to know is whether as the person involved, she feels that way.

Thirdly, does the public have confidence in the reformers? I quote her again, "Unfortunately, from the recent incidents, I can perceive that the community has lost its support and trust in the reformers." I believe she is saying that she is willing to launch reforms, though admitting that the community has lost its trust in reformers. I do not want people to feel as if political parties or public opinion are forcing her to take action. She genuinely feels that the community has lost support and trust as a result of the incidents. It could probably be part of her reasons for tending resignation.

Just now, colleagues have discussed whether the discussion on political accountability here today signalled the sudden implementation of the ministerial system. They questioned whether Ms WONG knew of the happenings or whether the rules of the game had been changed mid-way. They reflected on whether all these had been unfair to Ms WONG. She looked at things this way, "When I took over the chairmanship of the HA in 1993, I already had a hunch that it would not be easy to avoid the fate of resignation. History has a way of repeating itself. Every time I accepted an invitation to stay on for a new term, I would remind myself that I should be psychologically prepared for the pressure ahead." If we say that the rules of the game had changed and it was unfair to her, my view is that at least when she took over in 1993, she had known there might be a chance for resignation because the post involved the distribution of many interests. Also, each time she accepted a new term, she reminded herself

to be psychologically prepared. In other words, if someone says we should not put the blame for all incidents on her, I would argue that even she herself did not put it that way. I do not want this to appear as if we are forcing her or pressurizing her. That is not a fact. I feel that she could see where the problem lies. Of course, some people would question whether Ms WONG did see it in 1993 and whether she had enormous foresight to see political changes so that every time she took on a new term she had to make the psychological preparations.

Finally, let me quote another paragraph of her words to see when Ms WONG began to see the problems. She wrote, "As a matter of fact, the knot of building quality was not unforeseeable. Two years ago, I was already aware of the hidden threat and ramifications." She went on to say a lot of things, including that the knot was hard to untie and many other things. If we should say that she could have been misled or that her subordinates did not do a good job, it is just not true. She could see what was happening. I admit that she could have wanted to launch reforms, but I just want to share with Members my feelings. I find that at times, no matter how well one has done, one may be aggrieved. There is nothing strange about it. Since Ms WONG can see that community trust is of key importance to the implementation of reforms, do we or the Government or Mr TUNG have to make the public accept someone we do not trust or have lost trust in to head reforms? Even if that someone is earnest, true and sincere in implementing reforms, I would say that the present focus is still on system. Ms WONG accepted the system, so she had to take the responsibility. I hope everyone will not describe things in a way as if we are forcing her to accept the system. I find that at least in her own resignation speech, Ms WONG has not voiced grievance or alleged that the public or the Council is unfair to her. She has not asked why we will not allow her to continue in her job knowing she has the determination to launch reforms. She has just stated that she accepts all the principles in total.

PROF NG CHING-FAI: Madam President, the Honourable Fred LI made it very clear that he did not move today's motion for debate to pinpoint Ms WONG and Mr MILLER, but to bring in a new culture of political accountability. I believe this motion is worth discussion only if we adopt such a viewpoint.

First of all, I believe everyone of us sitting here today feel deep pain for such a big scandal concerning blocks built by the HD. I also believe that, as

legislators, we are fully aware of the public's extreme discontent with the HA and HD over the series of Home Ownership Scheme (HOS) incidents in recent months. The spearhead is pointed at the persons in charge of the above bodies, namely Ms Rosanna WONG and Mr Tony MILLER. Indeed, they have to take the main share of blame for such serious failures, but the key is that up to the present moment, we still do not have the concept of political responsibility. Resignation is therefore the relevant party's personal choice, or we have to rely on an appropriate investigation committee to affix responsibility and then take the proper course of action. Ms Rosanna WONG has resigned and I think her decision is appropriate because it will be of benefit to the future reorganization of the HA and HD. By tendering resignation, Ms WONG has become the first one on semi-political appointment to resign in the history of Hong Kong. In a certain sense, as put by Mr Fred LI, the purpose of his original motion has basically been achieved. As for the part in the motion pinpointing Mr Tony MILLER, since he is the officer in charge of an executive department, the Civil Service Bureau has the machinery to take disciplinary actions if he is at fault. It is hard for people to find it fair for us to vote no confidence in him directly without going through investigations by a task committee.

I cannot agree with some colleagues in saying that we are just voting in support of a no-confidence motion and that the Government will have to decide on the results. They say we are not connected and we are just moving the no-confidence motion as a reflection of public opinion. I want to point out that if that is the case, then in a certain sense, we are in fact making a decision which should be made by the executive arm of the Government. We will then have to ask ourselves what our basis is. Are we taking media reports or citizens' investigations as the basis? Is that enough? If we do not trust the Government, why cannot this Council set up a select committee to carry out investigations? We are at the close of our tenure, so of course it is too late. However, there will be a new Legislative Council in October, why cannot the new Legislative Council set up a select committee to carry out formal investigations? Why do we have to get around the existing administrative system of the Government and pass this no-confidence motion?

Madam President, we have heard a lot of impassioned speeches by Honourable colleagues today. Yet, as pointed out by Mr MA Fung-kwok, many of them or their party comrades have participated in the work of the HA for a long time and the service of some of them is even longer than that of Mr MILLER. Are they expected to stand out and accept responsibility? If I go

back step by step, at which level or grade should I stop? Madam President, in view of the fact that Ms Rosanna WONG has put in her resignation, we have no absolute need to carry this motion for the interest of society as a whole. The reasons are as follows. First, the person concerned has already resigned. From the words quoted by Mr James TO just now, I believe Ms WONG has resigned to avoid making the future task of the HA and HD even more difficult. If we look at it from this angle, then we do not need to pass this no-confidence motion. If the motion is carried, I think it will spark more resignations by HA members. Is it the best way to clean up the mess? Is it in the best interest of society as a whole? I hope Honourable colleagues will think again before casting their votes. Secondly, many colleagues said the Legislative Council should reflect public opinion. I agree with it absolutely. Nevertheless, the Legislative Council has the obligation to explain to the public the in-depth significance of motions. We stand to represent public opinion, but at the same time we have to relieve public opinion. If not, why do we need an assembly? Why do we not decide everything by referendum? Therefore I urge Members to reconsider seriously before deciding on their votes.

PRESIDENT (in Cantonese): Miss Margaret NG, is there a point of order?

MISS MARGARET NG: Madam President, I would like to make a short clarification if you would permit me.

PRESIDENT (in Cantonese): Miss Margaret NG, please sit down first. Under normal circumstances, if a Member seeks to clarify the part of his own speech misunderstood by another Member, he should immediately ask for leave to clarify after the speech of the other Member. Miss NG has asked for leave to make a clarification at this stage, but in fact I do not remember very clearly about her speech any more. Therefore, I have to suspend the meeting for a few minutes at this stage in order to listen to a replay of the tape recording. I will permit her to make a clarification, only when I have a clear understanding of her speech. I think this is fairer to other Members.

MISS MARGARET NG: Madam President, since I had read from a prepared speech, may I just submit the speech to you? That might help.

PRESIDENT (in Cantonese): Miss NG, please sit down first. After I have read the speech, I will then let Miss NG clarify the misunderstood part of her speech.

PRESIDENT (in Cantonese): Miss NG, please make your clarification.

MISS MARGARET NG: Madam President, thank you. Several Members have referred to my speech where I said that this Council should give notice. My clarification is as follows.

First, I do not mean notice to the individuals in question. I refer to notice of a change of system. This is set out in my original speech. We have to know for ourselves what the new rules are and how they are to be applied before applying them. I support a new and stronger system of accountability. I have made known my

PRESIDENT (in Cantonese): Miss NG, you did not mention this point in your speech. You should clarify that there needs to be prior notice in respect of the system. What you are saying now is an explanation of your original speech. It is not the part you have to clarify.

MISS MARGARET NG: Madam President, I will omit this.

PRESIDENT (in Cantonese): Very well.

MISS MARGARET NG: My point is that I would prefer to see the system established first.

Madam President, I do not know if you will allow this. Members said that I may have resiled from my position last March when I moved my motion of no confidence against the Secretary for Justice. I referred to that also in my speech in the first paragraph, Madam President.

PRESIDENT (in Cantonese): Miss NG, at the present stage, I suggest you simply state clearly whether you have changed your position. If I allow you to continue to speak, I shall have to allow other Members to do the same and this debate is not going to end for a long time. So, you need only state whether you have changed your position.

MISS MARGARET NG: Thank you, Madam President, I have not resiled from that position. What I have said in my speech is that the motion today takes us to a new area, and I said that the new rules have to be made clear first.

Thank you, Madam President.

MR MARTIN LEE (in Cantonese): Madam President, certain Members said since Ms Rosanna WONG had resigned, continuing with the debate on the motion no longer had significance. I take the opposite view. This motion does not demand the resignation of anybody, it casts mistrust on the Chairman of the Housing Authority and the Director of Housing. Now one of them has resigned. Does not this indicate that the motion is already half way right? We have to pass the motion all the more.

Madam President, Ms Rosanna WONG has set a very useful precedent in our constitutional system because we have not heard of a Hong Kong Government official stepping down over failure in the past. That Ms Rosanna WONG has done this is very useful to the development of our constitutional system. Why is there this phenomenon? Why are there so many public grievances? Why are so many of our colleagues dissatisfied? The Chief Executive has handled the relationship between the executive and the legislature most inappropriately. About eight or nine months ago, Mr Michael SUEN told reporters that an in-depth and wide consultation on the relationship of the two bodies should be conducted immediately after this year's Legislation Council Election. The consultation will go farther than how many directly elected seats there should be for the Legislative Council. Unfortunately, when we debated on the same issue, Mr SUEN was forced to swerve and we finally did not discuss the issue. I do not know when the issue will be discussed again because the Secretary did not mention a date. He only said that the Government would conduct an internal review. So that is how the phenomenon has emerged. I think by setting the precedent, Ms Rosanna WONG has done a very good thing

for the development of our constitutional system. Thank you, Madam President.

PRESIDENT: Does any other Member wish to speak?

(No Member responded)

PRESIDENT: Mr Fred LI, you may now speak on the amendment by Mr LEUNG Yiu-chung. You have five minutes for your speech.

MR FRED LI (in Cantonese): Madam President, a legislature must have a very serious indictment to make when it moves a vote of no confidence in any government official. In a democracy, in particular, the passage of such a vote of no confidence can give a clear message to all — that the officials concerned should resign. However, in Hong Kong, this is simply not the case, for the motions moved by Legislative Council Members are not legally binding. Suppose Mr LEUNG Yiu-chung's amendment or my motion is passed today, and also suppose the Government chooses to remain totally indifferent as if nothing has happened, there is still nothing we can do practically. Unlike Western democracies, Hong Kong does not have any clear system of public accountability, but the absence of similar democratic mechanisms should not be taken to mean that government officials can ignore their accountability. The Housing Authority and the Housing Department have made such grave errors in monitoring the quality of housing construction and formulating policies; as a result, people have lost confidence in the Housing Authority.

Actually, before we moved this motion, we had considered over and over again whether we should make the allusion to "resignation". In the end, we decided that it was inappropriate for the legislature to ask anyone to resign. We also did not think that we should pass any judgment on whether or not a certain government official should be dismissed or disciplined. We considered the matter for a whole morning, and came to the conclusion that "no confidence" was already the harshest possible indictment. So, we did not use the word "resignation" in the motion. Instead, we now suggest that the new Legislative Council should set up a select committee to explore whether the officials involved should be disciplined for the short piles scandal. For this reason, the

Democratic Party cannot support the amendment of Mr LEUNG Yiu-chung. We will adhere to our position of "no confidence" as mentioned in the original motion. I so submit.

SECRETARY FOR HOUSING (in Cantonese): Madam President, the Government of the Hong Kong Special Administrative Region adopts a mode of operation in which the executive machinery is monitored by the legislature to achieve a check-and-balance effect. In monitoring the Government, the Legislative Council Members, I believe, should discern between right and wrong, adopt a positive and forward-looking rather than negative attitude, focus on issues instead of personalities and work for the interests of the general public.

We shall examine today's motion against the above criteria.

A number of Members have expressed their views on the recent problems with substandard piling and building quality of public housing. Public housing is an issue closely related to the well-being of the community. The Government understands Members' concerns and agrees that urgent and effective measures should be taken to regain public confidence in the quality of public housing.

Just as Mr LEUNG Yiu-chung said, at the Legislative Council meeting on 3 November last year, there was a motion debate on whether members of the Housing Authority (HA) should resign collectively on account of poor public housing quality. Many Members were of the view that the HA and Housing Department (HD) should take viable, thorough and urgent actions to address the issue rather than to politicize it in the Legislative Council. In the end, the motion calling for the collective resignation of the HA members was defeated.

The motion moved by Mr Fred LI today is probably out of line with the views expressed in the motion debate in November last year. The amendment by Mr LEUNG Yiu-chung today even attempts to overturn the decision taken on the last occasion. Notwithstanding that the substance of the motion, expressed in simple wording, states no details about the reasons for casting a vote of no confidence in the Chairman of the HA and the Director of Housing, it hints a very stern criticism and censure on both of them.

Are these criticisms valid and reasonable? Are they fair and impartial? Just as Mr Eric LI has said, Members should base their comments not on public

opinion, for public sentiments should not be the driving force behind actions by Members who should analyse the whole case objectively. Mr Gary CHENG advanced a reason for supporting Mr Fred LI's motion, and that is, public sentiments. Mr CHEUNG Man-kwong also made an allusion to public grievances. I should stress that the Government respects public sentiments and opinion, but we would not act on such alone. Why? Public sentiments will certainly oppose any increase in tax or rents and they will surely want somebody be "beheaded" in any scandal. But as a government, or indeed as Legislative Council Members, we must sort out the right from the wrong and no votes should be cast on basis of public sentiments irrespective of the consequences. Therefore I agree to the comments of Prof NG Ching-fai. Mr Edward HO has also expressed earlier in the debate the discontents of professionals in respect of the HA. In fact, he has precisely reflected the results arising from the HA's decision to save public moneys for public good and the difficult dilemmas confronting civil servants and public officers.

I hope that Members would cautiously think it over. As the Chief Executive and a number of Government officials, including I myself, pointed out time and again, the HA and the HD have attached importance to the quality of public housing, have striven to strengthening the monitoring mechanism and improving the culture of the construction industry and have been proactive in the early detection of problems related to project supervision and building quality of public housing. They fully understood that once the incidents were revealed, they would have to face insurmountable pressure and harsh criticisms. Yet, for the sake of public interests, they honestly gave a full account of the incidents without making any attempt to cover up the facts and without paying heed to their own honour. Notwithstanding all the difficult circumstances, they went all lengths to hammer out remedies and a series of reform measures were drawn up in April this year.

Up to the present stage, both the Government and Members can find no evidence in proof of malpractice or partiality on the part of the HA Chairman or the Director of Housing. Ms Rosanna WONG, as the head of an independent organization, and Mr Tony MILLER, as the Department head, of course should, to a certain extent, be held accountable for the substandard piling works. But, if Members of the Legislative Council are to insist on a no-confidence vote against them as a result of their dedication to improving the quality of public housing, strengthening the operation of the HD, especially the working attitude of the supervisory staff with day-to-day monitoring duties, and disclosing non-

compliances, is this not a case of calling white black and confounding right with wrong?

We should distinguish between different levels of responsibility. The contractors who have failed to meet required standards and contractual obligations should be held fully responsible. The supervisory staff with day-to-day monitoring duties should also bear responsibility. The senior managerial level of the HD cannot be expected to deal with operational supervisory duties though it should ensure that a good overall supervisory and management framework is in place to facilitate the operation of the HD. The Chairman of the HA and Director of Housing have all along been leading the HD with resolve to produce quality public housing. Following the piling incidents, they have been taking active steps to tackle the problems and looking into ways to strengthen the supervisory and managerial framework of the HD.

The problem with the quality of public housing, which has already been discussed on a number of occasions by the Legislative Council Panel on Housing, is caused by a host of complicated factors. At present, the first priority should be initiating reforms and putting an end to similar problems. The HA, HD and the officially-appointed Construction Industry Review Committee are now carrying out the finalized public housing reforms and conducting review on the quality of private residential developments and other related issues in an active, brisk and positive manner. Following the investigation headed by Messrs Philip NUNN and John STRICKLAND, I have appointed Mr Stephen SELBY to follow up the staff disciplinary matters arising from the two housing projects in Tin Shui Wai and Yuen Chau Kok, Sha Tin. The Ombudsman has also decided to conduct an independent inquiry into the incidents to see if any maladministration existed.

Over the past few years, Ms WONG and Mr MILLER tackled numerous difficulties and challenges as if they were treading on thin ice. Undaunted, they spared no efforts in performing their duties. Under the leadership of Ms WONG and Mr MILLER, the HA and HD have made major improvements to the living environment of most Hong Kong residents. One of the most important tasks accomplished is to reduce the average waiting time for a public rental flat from seven years in 1994 to five years. Meanwhile, the number of applicant families on the waiting list has significantly decreased. Through increased supply of public rental flats, hopefully the HA can bring forward the further reduction of the average waiting time for a public rental flat to three years

to 2003. In addition, with the efforts made by Ms WONG and Mr MILLER, the HA has successfully launched the sale of public rental flats scheme to help public housing tenants to buy their own homes. Home ownership rate in the public sector has increased from 23% in 1993 to 34% this year. Moreover, with the implementation of the "excessively well-off tenants" policy and the abolition of public housing "hereditary" system by the HA, a large number of misused public rental units have been taken back and re-allocated to families with genuine need.

Although there is public opposition to this, we would have acted incorrectly had we followed the public opinion. Ms WONG and Mr MILLER also initiated the setting up of Estate Management Advisory Committees, which has greatly increased the opportunities for residents to participate in public housing estate management. With the devolution of power in estate management, problems in this area are now handled more efficiently and properly.

The community is also concerned about the relationship between the HA and HD and their accountability. In fact, Ms WONG and Mr MILLER started to restructure the HA and HD a few years ago, from streamlining the organizational structure, expediting the process of outsourcing and stepping up supervision to the recent comprehensive reforms on the quality and safety standards and daily operation, enhancing the accountability of the HA and HD, as well as improving their efficiency and cost effectiveness. Facts speak louder than words. The improvements and reforms made by the HA and HD in the past few years are obvious to all.

Public housing development has gone on for 46 years. Over this long period of time, massive housing programmes have been implemented to provide accommodation for half of the population in Hong Kong as well as fulfill the wishes of those who aspire to home ownership. They also enable the formation of countless model communities that are conducive to maintaining social stability. When people's demand for comfortable housing is met, they will enjoy their work and make a good living. This creates the conditions for Hong Kong to thrive and prosper.

It is by no means an easy task to manage such an important and independent organization, shouldering the endless expectations and enormous pressure from the community. Unreasonable and unfair criticisms against the

leadership of the organization would only impede the pace of reform in the HA and HD, with the result of making double efforts with half return. Is this not more damaging to public interests?

The HA and HD are in the course of reforms and tremendous efforts are needed to overcome the various difficulties encountered. The faults found in the construction industry, the problems with the quality of buildings caused by the attitude of a few staff responsible for the day-to-day supervision of the construction works, coupled with the misgivings of the HD staff towards the organizational changes and the public criticisms are barriers to the reform process. Should those who devote themselves to bringing about the reforms be subjected to condemnation and censure in the reform process? Would this have an adverse impact on other people who are enthusiastic in community services and civil servants who have always discharged their duties with conscientiousness?

Most of the Members here have had official or private contacts with Ms WONG and Mr MILLER on different occasions and should know well of their impartial and pragmatic attitude towards their work. Over the years, Ms WONG's and Mr MILLER's contributions have been highly commended by members of the public as well as the SAR Government. As regards the substandard piling of public housing, why does the Legislative Council insist on a no-confidence vote against Ms WONG and Mr MILLER in the absence of evidence?

Experience tells us that conventional thinking alone is not enough to deal with the challenges of the new century, and that mere reliance on wider and stricter monitoring will not ensure the quality of our products. The best method is to have every person concerned fulfil their duties on their own initiative, rather than simply count on the top management's supervision. To achieve this, reforms at institutional and community levels are necessary. That takes much time and is a formidable task. Moreover, we have to eliminate the practice of promptly shifting the blame to others, and positively face and tackle the apparent and potential problems. In this regard, Ms WONG and Mr MILLER have displayed remarkable dynamism and dauntless courage. Over the years, they have proactively implemented numerous measures to enhance the quality of housing and services. In particular, Ms WONG and Mr MILLER have, within a short period of several months, implemented many key initiatives out of the 50 recommendations relating to housing quality. These include changes to the

structure of the HD, authority and responsibility, commitments, operation procedures, monitoring as well as partnership with the construction industry, and so on. It is apparent that comprehensive reforms are well under way.

The effective operation of the SAR Government hinges on the solid work of the civil servants as well as prominent social personalities' commitment to public affairs. Mr Fred LI's motion, if supported and carried, will significantly dampen interested persons' enthusiasm for community services and promote the culture of "doing less to avoid making mistakes". This is against the expectation of Members and the general public.

Mr NG Leung-sing also expressed in detail similar worries in his speech. Although I have heard some Members expressing disagreement to such comments, and Members may not agree to the points just made by me, I can tell them that facts are facts. I believe several or many capable persons who are enthusiastic in public service will indeed be deterred by this incident.

Mr LEE Wing-tat said the Government would never admit its mistakes. Indeed he was wrong, for Ms WONG and Mr MILLER unreservedly expressed their apologies to the community over the piling incidents on 1 June. Last Saturday, Ms WONG even resigned from the HA chairmanship. I feel very sorry for her departure.

Madam President, today's motion debate has, in fact, made me feel deeply sorry and embarrassed. A community leader with mission, remarkable dynamism, undaunted commitment to reforms and community services has decided to leave the HA. I am deeply sorry for Ms WONG's resignation. Similarly, Mr MILLER is my long-time colleague. Over the past four years, Mr MILLER and Ms WONG have endeavoured to implement the massive public housing projects. We should not therefore doubt their ability and devotion to work.

If some Members should wish to discuss the administrative responsibility of the Government or an organization on the occasion of this motion debate, then they should seriously look into and discuss in detail this new subject, but on another day, rather than lumping it with Ms Rosanna WONG and Mr Tong MILLER. This point was shared by Mr FUNG Chi-kin, while Mr Jasper TSANG has made a generally similar point.

Madam President, I earnestly urge Members to reject Mr Fred LI's motion and Mr LEUNG Yiu-chung's amendment. With our concerted efforts to face difficulties, I believe that the issue of public housing quality can be gradually resolved to restore the public's confidence in public housing.

Thank you, Madam President.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, with a heavy heart, I shall wind up this debate on behalf of the Administration. Firstly, I want it placed firmly and unambiguously on record that the Government fully understands and shares the frustration, disappointment and dissatisfaction with the misdemeanours that have led to this debate. The incompetence and corruption that has been uncovered is even more galling set against the success we have had over four decades in providing decent and affordable homes for almost half of our population, whilst at the same time raising standards and reducing waiting times. Precisely because of this, we feel very sorry to uncover cases of incompetence and even corruption in this series of public housing incidents.

Secondly, I acknowledge that in matters as serious as this, where public concern had been aroused, it is only right that in our open and plural society, where the executive is constitutionally accountable to the legislature, that this matter should be fully and frankly aired. My concern is that in doing so, we may inevitably be distracted from the greater task which is to ruthlessly eliminate the inadequacies and shortcomings in the system; and ensure that mechanisms are put in place so that we do not again have to deal with a scandal of this magnitude. I wish at this point to reassure Honourable Members and all the members of the community that the provision of a proper level and quality of rental and ownership public housing will remain at the cornerstone of our social programmes, as it has been for the past 40 years.

Thirdly, I would be less than honest if I did not say that I am saddened, and not a little troubled, to see two fine public servants, who have between them served this community for over 50 years, virtually put on public trial in a manner that has far-reaching and potentially damaging effects on the governance of the SAR. Ms WONG's resignation on Saturday may satisfy the political aspirations of some, but it will do little or nothing to resolve the critical issues at stake in this debate.

Mr Fred Li has said, as indeed have others, that he is not calling for Ms WONG and Mr MILLER to resign, but rather to create the culture of political accountability. Is not that just a little disingenuous, given that the whole parliamentary tradition of a vote of no confidence is to bring down a Minister or even a government? There are surely other ways to bring about such a debate without threatening the careers of the two people who are the target of this motion.

So, it is clear that this motion is as much about our system of government as it is to do with short piling. I do not think any of us should lose sight of that, for at the core of today's debate lies a fundamental question: Are we looking for solutions? Or are we determined to make someone pay? Do we want to find the fastest and most effective way to get our public housing programme back on track and restore public confidence in it? Or do we want to see heads roll? First Ms WONG, then Mr MILLER? Who is next?

Madam President, I have argued that there are two issues at stake here today: The immediate questions of systems failures and the responsibility for them; and the motion of no confidence in the Chairman of the Housing Authority (HA) and the Director of Housing. Let me address them one at a time.

My colleague, the Secretary for Housing, has dealt in some detail with the chronology of events at the heart of this matter and the raft of remedial measures that have already been put in place to address them. I would simply add that there is ample evidence to suggest that we have not shirked our responsibilities. There have been two independent inquiries into piling problems at Yuen Chau Kok and Tin Shui Wai; we have set up a disciplinary investigation within the Civil Service; the HA had itself conducted a thorough independently-led study of the HD's systems and supervisory mechanisms; the Ombudsman is separately conducting an inquiry.

But let us consider the salient facts of the matter at hand. The truth is that it was the Chairman and the Director, working together, who set in motion a process of reform that in turn led to the discovery of the faults that we now know have caused so much damage to the public housing programme and public confidence in it.

This began formally at a meeting of the full HA in May 1998 when the Chairman and Director launched a drive for improved quality. This did not happen by accident. Ms WONG and Mr MILLER had already identified structural weaknesses that needed to be critically examined and rectified.

There followed an intense dialogue with the industry which led ultimately to the publication of a major consultative document on reform. So, there was an awareness as far back as two years ago of challenges to be met on the wider canvas and a commitment to tackle existing and potential problems on the ground. Each problem area that was uncovered led to further checking and cross checking which led to further discoveries. It was indeed Ms WONG and Mr MILLER who deliberately opened this can of worms with no thought for the consequences of such action for themselves personally. Ms WONG has paid a very high price for her sense of duty and perseverance.

Piling problems in the private sector in the summer of 1998 and allegations of malpractice on a site in Tung Chung triggered off not only an investigation by the Housing Department (HD), with the Independent Commission Against Corruption (ICAC), on this site, but also a heightened alert on others. The latter involved both enhanced settlement monitoring and a thorough and systematic cross-checking of all of HA sites for any common threads, for example, work by the same contractors, sub-contractors and individual personalities. It was this detective work which first revealed similar problems in Yau Tong and led ultimately to the decision to drill all of the piles at Yuen Chau Kok. We are all aware of the results.

Madam President, I believe that any objective examination of the facts will show that the leadership of the Authority and the Department not only recognised the potential problems, but set about in a proactive and systematic manner to pinpoint and then expose them to public scrutiny. Nobody can surely suggest a cover-up. Indeed, Ms WONG and Mr MILLER have from the start demonstrated a single-minded determination to root out the rotten apples from this particular barrel. On their own initiative, they inspected all the ongoing HA projects to identify quality problems, then candidly and unreservedly informed the public of their findings.

Now, having unearthed the evidence for the prosecution, so to speak, Ms WONG and Mr MILLER find themselves in the dock. Is this fair?

Ms WONG and Mr MILLER are two of our most capable and experienced public servants. Certainly, nobody has impugned their personal integrity. During their tenure, they have put into effect many reforms and improvements. For example, they have rationalized the allocation of housing resources to focus on those in genuine need; significantly cut the waiting time and reduced the numbers on the public housing rental waiting list; through a series of initiatives, they have widened the choice of home ownership for both rental tenants and eligible low-income families; they have enhanced service quality and efficiency as well as introducing corporate reforms. All these have seen effects now.

These are no small achievements. They have had a real impact where it counts most — among the hard-working families which cannot match the going rates of the property market.

More to the point, Ms WONG and Mr MILLER were in the vanguard of the strategy to implement deeper and fundamental reforms and to apply a policy of zero tolerance to the kind of problems their stringent approach has uncovered.

For these and other good reasons, I support the Chief Executive's remarks in this Chamber last Friday. In my view, it would have been much better, and eminently fairer, to allow Ms WONG and Mr MILLER to finish the job they started. With Ms WONG's resignation, that will not now be possible. But it remains vitally important to maximise continuity and stability, and for that reason, Mr MILLER will remain in his post. These past few months have been difficult for Mr MILLER. It is to his credit that he has continued to pursue the tasks before him with commitment and quiet determination. There are many good loyal and hardworking Officers in the HD. They need strong compassionate leadership which Mr MILLER has all along provided.

The task of finding a new Chairman for the HA will not be made any easier by the circumstances surrounding Ms WONG's departure. Indeed, one of the fallouts from this episode will be a disincentive for public-spirited citizens to take up important positions that may result in them being pilloried in the court of public opinion.

Madam President, this is not the first time this Chamber has debated the question of the accountability of the executive and of civil servants. I daresay it will not be the last. But as head of the Civil Service — which has, I venture to suggest, served this community conscientiously and well — I am bound to say

that it will do none of us — the legislature, the executive, the public at large and certainly not the Civil Service — any good if we are to politicize the Civil Service.

Moreover, the political neutrality of the Civil Service is one of the most valuable assets we have, particularly in times of change and uncertainty. Our fellow citizens are attracted to join the Civil Service because they believe they can contribute to society free of political interference or pressure. They expect to be able to forge a career based on merit, rather than political connections.

That is not to say we are perfect. Of course we are not. We are as prone to mistakes as anyone else. But over the decades we have evolved our own systems of checks and balances to enhance efficiency and the quality of advice we give to those institutions which have the final decision-making responsibilities in our system of government. This is a collegiate Civil Service with a strong culture of objective yet compassionate analysis and problem-solving and a sophisticated process of consensus building. And to keep pace with the speed with which our political institutions have developed and public expectations have grown, we have refined our procedures of promotion, postings and discipline to take account of them.

I believe I can say that the dedication and commitment of civil servants today remains as strong as it has ever been. The reversion of sovereignty has presented us with new challenges and opportunities. But it would be idle to pretend that morale would not be affected, and affected seriously, if civil servants were now expected to take political responsibilities.

We operate within a system that has by convention recognized the unique politically neutral role of civil servants. It is a system designed not to preserve their rice bowls, but to protect the integrity and impartiality of civil servants in the policy-making process.

Now is not the time to move the goalposts. I know there are those who will find this unpalatable, who will claim that the events we are now debating show up the need for, say, a ministerial system. That may well be so. But unless and until we have something different, I believe it is essential in the public interest to maintain the current system as rigorously and effectively as we can. We cannot unravel the present system if we have nothing to put in its place, as it would not do good to social stability in Hong Kong.

How can the civil servants perform their duties properly and effectively with the Sword of Damocles hanging over their every decision? If we are to make civil servants politically accountable, how will it be calibrated? Will it apply only to me and the Financial Secretary for the constituent bureaux under our direct areas of responsibility? Or should I, as head of the entire Civil Service, be held politically responsible for all of them? Or should it apply to individual Policy Secretaries and/or Heads of Department? And their subordinates? Down to what level?

I readily concede that the present system of government is not ideal, but let us not make it worse. Let us stick by the rules of the game until they are changed and staff are aware of the changes.

We are all aware of the opportunities and constraints contained in the Basic Law. We know also that the time is rapidly approaching when the community will need to debate and consider the wider issues inherent in today's motion.

Is the present system of government satisfactory? If not, what would be better? How can we strike a better balance between the executive and legislature to remove the frustrations both sides now feel? Which system will best suit Hong Kong's particular needs as a Special Administrative Region of the People's Republic of China?

Is it a ministerial system, or a variation of it? Or something else altogether? And how do we preserve and enhance the political neutrality of the Civil Service? Above all, how do we best maintain an honest and efficient government which effectively delivers the services the public expects of it?

These are big questions that will not be answered by Ms WONG's resignation nor, for that matter, by removing Mr MILLER. They will only be answered by the community reaching a consensus after a calm, well-informed and tolerant debate.

Madam President, there has been much talk in this debate about accountability. Much of it has focussed on public officials and civil servants. I am surprised that other aspects of accountability in this case have not been mentioned. Given the performance of the construction industry in this sorry tale — some people may think they are indeed the real culprits — I thought more questions would have been asked about the accountability of the industry and its professionals.

Members of the HA have generally held together extremely well, dealing with difficult issues as they arise expeditiously and decisively. I pay tribute to their dedication and sense of collective responsibility. Two chose to resign to leave themselves free to vote against their Chairman in this Council today. I make no comment other than to note these differing approaches to accepting responsibility.

Finally, Madam President, I would like to pay tribute to Ms Rosanna WONG. Having seen her in close action over a long period of time, I regard her as one of the outstanding public officials of her generation. Her dedication to public causes, covering youth services, social welfare, law and order, housing and the general well-being of the community through her membership of the Legislative and Executive Councils and numerous other committees, has been unstinting. She has the courage of her convictions, boundless energy and enthusiasm and is always constructive in her approach to matters.

I have already listed some of her achievements as a thoroughly modern and reformist Chairman of the HA. Her record will long outlast the memory of this current controversy. The only consolation I take from her resignation is that she will continue to serve in the various other capacities where her counsel is sought and appreciated. She has pledged to serve the community at other posts after her resignation from the HA chair. As a community, we can ill-afford to lose the involvement in public life of the likes of Ms WONG.

In the past months, and especially in recent weeks, Ms WONG has, as always, conducted herself with grace, dignity and honour, even in the most difficult moments. In that sense, she is a model for us all.

In closing, I wish to reiterate that the Administration has no intention of shirking its responsibilities nor do I seek to defend blindly any of my colleagues. We take our responsibilities seriously and civil servants are well aware of the rules of the game. As a responsible Administration, we cannot unilaterally, and in the absence of a better alternative, seek to impose political responsibilities on senior officials. I therefore urge Honourable Members to reflect on the consequences for the Civil Service as a whole if this Motion is passed and to reject it and the amendment proposed by Mr LEUNGg Yiu-chung.

Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the amendment, moved by Mr LEUNG Yiu-chung to Mr Fred LI's motion, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr LEUNG Yiu-chung rose to claim a division.

PRESIDENT (in Cantonese): Mr LEUNG Yiu-chung has claimed a division. The division bell will ring for three minutes.

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

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

Functional Constituencies:

Mr Kenneth TING, Mr James TIEN, Mr Edward HO, Mr Michael HO, Dr Raymond HO, Mr Eric LI, Mr LEE Kai-ming, Dr LUI Ming-wah, Miss Margaret NG, Mr Ronald ARCULLI, Mr CHEUNG Man-kwong, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mr CHAN Wing-chan, Dr LEONG Che-hung, Mrs Sophie LEUNG, Mr SIN Chung-kai, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Mrs Miriam LAU, Mr Timothy FOK, Mr LAW Chi-kwong, Mr FUNG Chi-kin and Dr TANG Siu-tong voted against the amendment.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung, Mr LAU Chin-shek and Miss Emily LAU voted for the amendment.

Mr Albert HO, Mr LEE Wing-tat, Mr Martin LEE, Mr Fred LI, Mr James TO, Miss Christine LOH, Miss CHAN Yuen-han, Mr Gary CHENG, Mr Andrew WONG, Mr Jasper TSANG, Dr YEUNG Sum, Mr LAU Kong-wah, Mr Andrew CHENG, Mr SZETO Wah, Mr TAM Yiu-chung, Mr David CHU, Mr NG Leung-sing, Prof NG Ching-fai, Mr MA Fung-kwok, Mr CHAN Kam-lam, Mr YEUNG Yiu-chung, Mr Ambrose LAU and Miss CHOY So-yuk voted against the amendment.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present and 26 were against the amendment; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 29 were present, five were in favour of the amendment and 23 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negatived.

PRESIDENT (in Cantonese): Mr Fred LI, you may now reply. You still have five minutes three seconds out of your original 15 minutes.

MR FRED LI (in Cantonese): Madam President, let me first thank the 33 Members who have spoken on this motion. I cannot reply to them one by one, because we are running out of time and we are all very hungry by now. The only thing I wish to say is that I simply wonder why Mr MA Fung-kwok should raise so many questions just now while he knew very well that his colleagues would not have time to answer his questions. Why did he not raise these

question at an earlier time, so that his colleagues can have the time to answer them? All the questions raised by Mr MA Fung-kwok just now, such as the award of contracts to bidders offering the lowest prices and the issue of monitoring the quality of public housing, were in fact already asked by Mr LEE Wing-tat on behalf of the Democratic Party in the HA. I am also puzzled by the fact that Mr TAM Yiu-chung, who was returned through direct elections, is the only Member belonging to the DAB who says he will vote against the motion. According to Mr Gary CHENG, public opinions count a lot, and for this reason, they have to reflect such opinions and support the motion. So, if Mr TAM Yiu-chung opposes the motion, can we say that he is acting against public opinions? I do not know how the voters in New Territories West are going to look at this. If he says that as an Executive Council Member, he has to vote against the motion, I would think that this is much better, much better than advancing any specious arguments.

I also wish to comment on Mrs Anson CHAN's remarks. I am pleased to hear her say that the existing system of accountability is not satisfactory enough. But if I had not moved this motion, would the Government have taken the first step? If I had not moved this motion, would the Chief Executive have said last Friday that the Chief Secretary for Administration would set up a committee on this matter? Had it not been because of this motion debate, many things would not have happened, and there would not have been so many responses from the authorities. That is why I am of the view that the motion I have moved has elicited quite a lot of discussions. Some have questioned the accountability of high-ranking government officials, and they have also asked how we can make public officers answerable to the public. Mr Dominic WONG, Secretary for Housing, has said in response that the HA has been doing its job very well, very satisfactorily, and that everything is going to turn out fine in the future. However, do the public hold the same view? I fully understand that people will naturally oppose rental increases, but I must also say that we must not ignore the fact that over 90% of the people of Hong Kong think that short piles are a very serious problem. Have our government officials heard these opinions? They cannot possibly stop the public from voicing their views. Even if they try to pacify the people, they still cannot pretend that nothing has happened. One day, the deluge of public opinions is sure to flood the whole place. Madam President, with these remarks, I thank Members for their remarks and hope that they will support my motion.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Mr Fred LI, as printed on the Agenda, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(Members raised their hands)

Mr Fred LI rose to claim a division.

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

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

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

Functional Constituencies:

Mr Kenneth TING, Mr James TIEN, Mr Edward HO, Mr Michael HO, Dr Raymond HO, Miss Margaret NG, Mr Ronald ARCULLI, Mr CHEUNG Man-kwong, Mr CHAN Kwok-keung, Mr CHAN Wing-chan, Mrs Sophie LEUNG, Mr SIN Chung-kai, Mr WONG Yung-kan, Mr Howard YOUNG, Mrs Miriam LAU, Mr LAW Chi-kwong and Dr TANG Siu-tong voted for the motion.

Dr LUI Ming-wah, Mr HUI Cheung-ching, Dr Philip WONG, Mr Timothy FOK and Mr FUNG Chi-kin voted against the motion.

Mr Eric LI, Mr LEE Kai-ming, Mr Bernard CHAN and Dr LEONG Che-hung abstained.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr Albert HO, Mr LEE Wing-tat, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Miss Christine LOH, Miss CHAN Yuen-han, Mr LEUNG Yiu-chung, Mr Gary CHENG, Mr Andrew WONG, Mr Jasper TSANG, Dr YEUNG Sum, Mr LAU Chin-shek, Mr LAU Kong-wah, Miss Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr CHAN Kam-lam, Mr YEUNG Yiu-chung and Miss CHOY So-yuk voted for the motion.

Mr TAM Yiu-chung, Mr NG Leung-sing, Prof NG Ching-fai and Mr MA Fung-kwok voted against the motion.

Mr David CHU and Mr Ambrose LAU abstained.

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

THE PRESIDENT announced that among the Members returned by functional constituencies, 26 were present, 17 were in favour of the motion, five against it and four abstained; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 29 were present, 22 were in favour of the motion, four against it and two abstained. Since the question was agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was carried.

PRESIDENT (in Cantonese): Honourable Members, we have spent four hours and 30 minutes on this motion. I now order that the meeting be suspended. Upon the resumption of the meeting, Dr LEONG Che-hung shall chair the debate on the next motion.

2.00 pm

Meeting suspended.

2.20 pm

Council then resumed.

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

DEPUTY PRESIDENT (in Cantonese): The second motion: The Government not requiring the two power companies to increase their interconnection capacity and approving their financial plans.

THE GOVERNMENT NOT REQUIRING THE TWO POWER COMPANIES TO INCREASE THEIR INTERCONNECTION CAPACITY AND APPROVING THEIR FINANCIAL PLANS

DR YEUNG SUM (in Cantonese): Mr Deputy, since it was exposed in early 1997 that the CLP Power Hong Kong Limited (CLP) had made erroneous investment in its Black Point Power Station and that there was excess generating capacity, this Council, environmental groups, academics and the public have all been very concerned about the development of Hong Kong's electricity market, how to remedy the situation of excess generation, how to reduce power wastage, how the interests of the citizens can be better protected and how to prevent recurrence of similar incidents, and they have put forth many positive comments and suggestions. Regrettably, when we look back at the Government's policy decisions on power over the past few years we would feel greatly disappointed. Its decisions still tend to protect the interests of the consortium but ignore those of the public.

For example, when the Government amended the Scheme of Control Agreements of the two power companies in April 1999, units No. 7 and 8 at Black Point were not included in the new clause prescribing assets with excess generating capacity should not factor in the calculation of return. Nor had it taken this opportunity to fight on behalf of the public for any amendment to the permitted return of the two power companies. Then in mid-1999 when the Audit Commission criticized the CLP for over investment at Black Point, causing the public to pay \$3.4 billion extra in tariff between 1996-98, the Government had also not fought for compensation for the public, rather it

queried the calculation of the Audit Commission. In implementing the proposal for increasing the interconnection capacity of the two power companies, the Government also deliberately dragged its feet so that the necessary arrangement could not be put in place by 2004 to meet the peak demand of Hong Kong Island. At the end, succumbing to the pressure of the consortium, and amidst the din of opposition from the public, the Government still gave permission to the Hongkong Electric Company Limited (HEC) to build a plant on Lamma Island. With the CLP, not only had the Black Point Power Station made the public pay more for their electricity a few years ago, for a number of years to come, the CLP would still maintain a high level of electricity reserve, meaning that the public still has to pay more for their electricity. Notwithstanding the mistake it might have made, the CLP does not plan to make any compensation to the public. As the Government has already given the CLP approval to invest \$30 billion in the coming four years on additional supply and transmission facilities, the CLP can have the "legitimate" reason to begin a new round of tariff increase based on the permitted return.

In fact, in the course of approving the financial plan of the two power companies up to the year 2004, the Government's inability in supervising and negotiating with the two power companies, protected by the scheme of profit control, is fully exposed. In order to give approval to the HEC's expansion plan, the Government has portrayed any increase in interconnection capacity by 2004 as impractical. Its purpose is to make the public believe that expansion of the HEC's power plant is the one and only option available.

At the meeting of the Panel on Economic Services last month, Members kept asking Ms Maria KWAN, Acting Secretary for Economic Services, if it was really impossible to increase the interconnection capacity by 2004 so that both the HEC and the CLP could achieve a constant supply of 300 MW in 2004 and the HEC could then further postpone the construction of its Lamma power plant. At that time, the Acting Secretary just kept saying that technically it was impossible; the reason was that the current report on interconnection is only a preliminary and conceptual report, which should require more in-depth study and planning before any proposal can be implemented. It was also pointed out that the submarine cables would have to pass through the busy Victoria Harbour, which would involve great difficulty in alignment and identifying landing points, and the complexity was far greater than the construction of the Cyberport and the Disney theme park. The Government estimated that construction could begin after all detailed studies and planning had been completed and could complete by

2008. Mr Deputy, frankly speaking, I have great doubts about this explanation given by the Government. What a coincidence it is that the plan for increasing the interconnection capacity will only complete in 2008 when the Scheme of Control Agreements of the two power companies will also expire. However, I am pretty sure of one thing, and that is, if the interconnection were to be carried out in 2008 and electricity were to be purchased from each other, the Government would face the least pressure and resistance from the two consortia.

In the preliminary report on interconnection that the Government refers, and I quote, "If additional interconnection capacity were to be in place to meet the 2004 summer peak load, the Government must have a decision by the end of 1999 or early 2000 and begin the necessary construction work. As only a preliminary concept has been formed for the project, and other works are yet to begin, it is therefore theoretically feasible, but difficult to complete in practice" and I unquote. Insufficient time of course is a legitimate reason, but if colleagues' memory has not betrayed you, or if Members care to look up previous materials, it is not hard to discover that insufficient time is only an excuse to fool the public!

Actually, early in June 1995, the HEC had already submitted a proposal to the Government for additional generating facilities to meet the demand for power of this century. And in September 1996, the HEC had completed a final report and explained to the Energy Advisory Committee what the plant expansion would involve, which also included information on tariffs, siting and measures for environmental protection. Early in 1997 when excess generation at Black Point Power Station was exposed, the Legislative Council then and the public were in an uproar and staged extensive discussion. In March 1997, the Democratic Party proposed a motion in the Legislative Council then, demanding that in addition to removing units 5 to 8 of Black Point Power Station from the Scheme of Control Agreement, the clauses of the Scheme of Control Agreements of the two power companies be amended, and that the Government should actively study opening up the market. At that time, many environmental groups and academics had already suggested that the two companies should interconnect and asked the Government not to approve the HEC's plant expansion on Lamma Island. It was only in mid-1998 that the Government finally agreed to appoint a consultant firm to look into the issue of interconnection capacity. In December 1998, the Democratic Party once again proposed a motion in the Legislative Council, demanding the Government to implement the interconnection arrangement and reduce power wastage. The reply from the Secretary for

Economic Services then was that the study report would be completed in one or two months and in time for public consultation. According to my understanding, in December 1998 the consultant firm already submitted the preliminary draft of the report to the Government and consulted the Energy Advisory Committee. Now, this report was tabled before the Legislative Council on 30 November 1999. It had taken the Government almost a year to study this report on interconnection. When it was released, the Government said that it was a preliminary and conceptual report that required further study before any decision could be made. Mr Deputy, if this is not feet-dragging, what is it?

There are full seven years between 1997 and 2004. I am not any expert on electricity, and I would not treat lightly the technical difficulty of laying a \$1 billion submarine cable in the Victoria Harbour, but I still remember that when the Secretary for Transport released the Strategy for Rail Development 2000 earlier, he said that from planning to completion, a railway could be completed within as short as eight years. With that project, the Government's proposal includes a fourth cross-harbour rail, costing \$10 billion to \$16 billion. Mr Deputy, using my common sense, I believe the technology required for laying a submarine cable would not be any more difficult than building a cross-harbour railway.

In the document approving the HEC's plant expansion, the difficulties confronting the Government can faintly be seen. The most important factor that blocks any increase in interconnection capacity in 2004 is not the technical engineering problem, but the Scheme of Control Agreement itself. The document points out and I quote "The Secretary for Justice confirms that under the Scheme of Control Agreement, increasing the interconnection capacity must have the consent of the HEC. However, the HEC has already clearly expressed that it would not agree to the model of increasing interconnection capacity proposed by Environmental Resources Management." Unquote.

It is clear from this that though increasing the interconnection capacity can put back the HEC's plant expansion and reduce any excess generation and relieve the pressure on tariff increase, regrettably the Government has rejected a plan that is beneficial to society as a whole and approved the two power companies to invest a total of \$57 billion to expand and install more generating facilities and permitted them to raise the tariff in the coming four years in accordance with the permitted return. We think that the Government's decision is not in line with public interest and unacceptable.

Obviously, though all the decisions of the Government are made within the constraints of the Scheme of Control Agreement of the two power companies, the public and we cannot see if the Government has tried or fought as hard as it can to break itself from such constraints. On the contrary, it has succumbed to the pressure of the consortium and allowed the two power companies to raise the tariff through massive investment. The Government has not discharged its duties to protect the interests of the citizens, to which the Democratic Party expresses regrets.

With these remarks, Mr Deputy, I beg to move.

Dr YEUNG Sum moved the following motion: (Translation)

"That, as the Government has not required the Hongkong Electric Company Limited (HEC) and the CLP Power Hong Kong Limited (CLP) to increase their interconnection capacity and has approved the financial plans of HEC and CLP to invest a total of \$57 billion up to 2004 for the extension and refurbishment of their electricity generation and supply facilities, thereby increasing the territory's electricity tariffs and the burden on the public in the coming years, this Council regrets the Government's decisions."

DEPUTY PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Dr YEUNG Sum, as set out on the Agenda, be passed. We shall now proceed to the debate. Does any Member wish to speak?

MR RONALD ARCULLI: Mr Deputy, I would like to declare my interest as a director of the Hongkong Electric Company Limited as well as Hongkong Electric Holdings. I have looked at Rule 84(1) and the three exceptions under which I may be permitted to vote, but I am not clear whether the issue under discussion today is a matter of government policy. If it were, it would be permissible for me to vote. But I think I would leave that matter until we have heard from the Secretary for Economic Services, and then perhaps I might ask the President or Deputy President for a ruling on this. In the meantime, please record that I have a direct pecuniary interest as a director of those two companies.

Thank you.

DEPUTY PRESIDENT (in Cantonese): Thank you, Mr Ronald ARCULLI.

MR LAU CHIN-SHEK (in Cantonese): Mr Deputy, the expansion plan of power companies has been a matter about which I have the greatest concern. Under the permitted return scheme, any increase in the power company's fixed assets would naturally constitute a pressure on tariff increase, which ultimately has to be shouldered by consumers in general.

I remember whether it was at the meeting of the Panel on Economic Services or on Radio-Television Hong Kong's programme Letters to Hong Kong, the Acting Secretary for Economic Services had said that interconnection was the direction for long-term development, but on the other hand, she also emphasized that reliability in power generation and transmission was very important. Every time she would simply repeat herself, but the conclusion was always that though the CLP still had serious problem with excess generation, the Government would stick to approving the HEC to expand its generating facilities. This would make the problem of excess generation worsen.

The Government always stresses that sufficient electricity must be generated to meet the needs of development of society. I believe no one would dispute this. Indeed, no one would like to see disruption in our power supply or even outage. However, does it mean that the Government can approve the power companies to increase their generation capacity without taking heed of anything? The painful experience of the CLP Black Point plant should be a lesson that the Government must learn, but it seems that the Government has not heeded this mistake.

Whether it is for the present purpose or for the foreseeable future, the CLP's generation is seriously in excess. In the view of most citizens, selling some of the excess electricity to the HEC via interconnection is the most reasonable and effective option for Hong Kong's overall power generation plan. Selling the excess to the HEC would definitely make it unnecessary for the HEC to build additional generation units. So doing would not only make effective use of our resources for power generation, but also benefit all electricity consumers economically. What is more, deferring the construction of the HEC's generation unit is also an environmentally-friendly move.

This option that is beneficial to both the consumers and society as a whole is rejected by the Government. I feel that this is totally unacceptable. The reason given by the Government is, I think, hardly convincing at all. I would like to briefly respond to two points here.

Firstly, the Government said that in order to increase the interconnection capacity of the two power companies, two submarine cables must be laid to connect the two systems and this would require long study on the relevant technical problems. However, according to the CLP, there is no need for such cables. The current interconnection system is sufficient to meet the additional sale of 300 MW of electricity to the HEC. Even for the sake of reliability that additional submarine cables are required, I believe if the Government were serious about the study, it is still inconceivable that the enhanced interconnection work cannot be completed by 2004. The question remains: Does the Government have already had a premise that makes it unwilling to enhance the interconnection?

Another view expressed by the Government is that even if it would like the two power companies to interconnect, it cannot force them to enhance the interconnection. However, I must point out that the Government has the final say in whether to approve the expansion of the power companies. I therefore must ask why the Government does not choose to reject the two power companies' financial development plans for the coming five years so that they could be made to interconnect.

Notwithstanding all this, I hope that the Government can assume responsibility for approving the development plan of the two power companies today. I think that the Government needs to make an undertaking to the public that if the public is to suffer any loss as a result of any excess generation in the future, it will be held responsible for having erroneously approved the development plans of the two power companies today.

Finally, Mr Deputy, I would like to talk about interconnection in the long run.

The Government stresses that it would, in a year or two, study the feasibility of interconnecting the two power companies or even interconnecting with Guangdong. In the long run, Guangdong may supply electricity to Hong Kong. I agree that the interconnection between the two power companies must

be stepped up. However, is it necessary for us to have comprehensive interconnection with areas outside of Hong Kong? I feel that there are a lot of questions that need to be thought through as I have great doubts about it.

Firstly, if we have to rely on Guangdong for power supply, the first question will be whether there are ways to control the quality of power generation, for example, whether they use environmentally-friendly fuel to generate electricity, whether the power is generated from the controversial nuclear power plant, and whether the means used by them to generate power are reliable. Hong Kong's reliance on Dongjiang for its water supply has given rise to all sorts of problems, about which we are all very clear and I need not say more. I believe, if comprehensive interconnection is to be established with Guangdong, similar issues still warrant consideration.

Comprehensive interconnection with Guangdong and reliance on Guangdong for Hong Kong's power supply would also affect the job opportunities of the people here. I believe that this is also an issue that the Government must consider when studying the issue of interconnection.

Mr Deputy, I so submit. Thank you.

MISS CHRISTINE LOH: Mr Deputy, energy is a key component of an economic policy. Hong Kong does not have an energy policy. Hong Kong cannot achieve long-term goals of sustainable development or a competitive economy without one. I have argued for a clear policy for some time. I now know why we do not have one. The Government does not have the capacity and the expertise.

Firstly, no one ever saw the need in the Government. Indeed, no one understood energy as an increasingly important area. Secondly, Administrative Officers come and go. There is no institutional memory in the system. I have dealt with several Deputy Secretaries and Secretaries since 1992, when I first joined this Council. My memory of government failure is longer than that of the current team, hence my level of frustration is extremely high.

Let me start with general comments and then speak on the motion more directly, as the two are related.

The Government's consultant for the interconnection report recommended that the Government should take immediate steps to formulate a long-term energy policy. Even our officials concede that the present Scheme of Control Arrangement is outdated. Yet, the Economic Services Bureau seems to have barely begun to think about a new regulatory framework.

In the response to my question in the Legislative Council Meeting last week, the Secretary for Economic Services replied that the Bureau was "examining the restructuring of the electricity market in other places with a view to identifying practicable options for Hong Kong in future." Just who in the Economic Services Bureau is doing this? What resources have been committed? What is the timetable for any outcome, and how long will it take, and how will the public be consulted? The arrangements will expire in 2008. We do not have long. There needs to be detailed evaluation of all the options. I fear that the Government is not up to the job if past performance is anything to go by.

Technology in the power sector is changing rapidly. In other parts of the world, utilities are developing distributed generation using micro-gas turbines and fuel-cell technology. In future, power may not be generated in large power plants, but in smaller, cleaner ways near the user. Yet, distributed generation cannot be implemented under the current regulatory scheme. We can learn from other countries' mistakes in re-regulating their power sectors.

However, we need a dedicated team of experts, including energy economists, policy experts and technology specialists, who can help chart the course of a new regulatory environment. This is singularly missing in the Government.

The Government's approval of the utilities' financial plans betrays that lack of vision and a poor understanding of what is best for consumers, the environment, our competitiveness and even the long-term interests of the utilities.

Officials allowed the CLP Power Hong Kong Limited (CLP) to overbuild capacity in the past, leading to the embarrassment that two units of the Black Point Power Plant had to be deferred. Now officials have difficulty arguing with the Hongkong Electric Company Limited (HEC), who wants to build a new

plant at Lamma Island, because it would be unfair to the HEC if they were not allowed to do so, even though we do not need the plant. Since two wrongs do not make a right, the Government is just compounding the problem. They act as bureaucrats, trying to remedy problems rather than make fundamental change. Indeed, as regulators, the Economic Services Bureau has failed abysmally in its job over the years.

Firstly, in approving the CLP's \$30 billion financial plan, just what was that based upon? The bits of information that Members received were pitiful. The CLP will spend, we are told, 65% of the amount on transmission and distribution. But where is the breakdown? We have asked for it, but we really did not get enough information. If we do not have the detailed breakdown, how can we tell whether the amount is appropriate? Consumers have to pay for all of it, after all.

Secondly, in approving the HEC to build a new plant, the Government ignored the recommendations of its own consultant hired to investigate interconnection as an option. The recommendation was clear. First, upgrade the interconnection between the CLP and the HEC via the addition of a high voltage, large capacity, second interconnector by 2004. Second, add generation capacity in 2006 and 2007 by allowing the CLP's Black Point Units 7 and 8 to be used to support the HEC's service area. And third, defer the expansion of the HEC Lamma Power Station.

The report also showed that this would deliver economic benefits to Hong Kong with a present value of \$347 million, \$562 million and \$896 million in the periods up to 2008, 2018 and 2028 respectively. Moreover, that analysis is considered conservative. The economic benefit may be higher by approximately \$350 million. Further, the recommended option would save consumers between \$1.2 billion to \$1.6 billion for the period up to 2008.

This arrangement would also preclude additional reclamation and further environmental damage at Lamma Island through the construction of a new power station. And yet, the Government has completely ignored its own consultant's recommendations, and deferred any further decision on interconnection by commissioning yet another study.

The Government's arguments are pathetic. Firstly, they say that they could not force the HEC to agree to interconnection. Secondly, they claim that the existing interconnection is unreliable; and thirdly, that a new interconnection would take five years to build. They cannot force the HEC? Well, they forced the CLP over Black Point. There is simply no commitment and no determination. As for unreliability, well, the HEC does not want interconnection, so they say that it was unreliable. The CLP likes the idea and wants interconnection, and the Government says that outages are unacceptable. Do they not know that there are still outages in Hong Kong today?

As for time for further interconnection, frankly speaking, we can do a lot in five years. We can reclaim land, build a new power plant, develop an entire Disney theme park and Cyberport in less time than this. So, frankly, there is just no will.

What I suggest is that the Government should seriously think about setting up a specialist energy commission to take things forward. I do not see that the present Government has the ability or the capacity to do so.

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

MR HO SAI-CHU (in Cantonese): Mr Deputy, electricity is a daily necessity of everyone, and also a basic factor in promoting economic development. The Liberal Party considers that while trying to keep the tariff at a reasonable level, we must also ensure that the supply is reliable, which is really in the best interest of the public. At present, there is a practical need for the Administration to approve the financial plans of the two power companies for expanding and renovating generating and distributing facilities to meet the increasing demand. In the long run, the Liberal Party thinks that the Government should develop interconnection to introduce competition into the electricity market, which will benefit the public.

With the local economy gradually improving and such development projects as the Cyberport and the Central-Wan Chai Reclamation, the number of electricity users as well as the consumption rate will increase. According to the HEC's assessment of Hong Kong Island's demand growth, the reserve that guarantees adequate supply will drop to the alert level. Even if we were to

build the new units now, we would still not be able to catch up with the demand. Moreover, the development of interconnection technology has not yet reached a state where a steady supply of electricity can be assured, approving the HEC to improve its Lamma plant and increase its generation capacity whereby the public can be assured of a steady supply of electricity is a practical option for the moment.

The Liberal Party thinks that because of the mistakes in estimating the demand for electricity, thus giving rise to the problem of excess generation, the Government's major consideration, when approving the financial plans of the two power companies, is to prevent the recurrence of similar incidents. The Liberal Party appreciates that when the Government and the two power companies conducted the interim review of the scheme of control on permitted return, new clauses were added to specify assets that generate excess electricity would not factor in the calculation of permitted return. The Liberal Party hopes that the Government will ensure the strict enforcement of the relevant clauses to protect the interests of consumers. Moreover, the Legislative Council should also step up its monitoring to ensure that the two power companies cannot raise their tariffs at will and to protect the interests of users.

On the other hand, in protecting the environment, the HEC may use natural gas as fuel in its proposed new units and improved units. This will greatly reduce the amount of exhaust released and improve the air quality, thus meeting the principle of protecting the environment and facilitating the establishment of an ideal living and working environment.

The Liberal Party has great reservations about the use of the word "regret" in the motion. We think that the Government has not, as stated in the motion, given up requiring the two power companies to increase their interconnection capacity. The Liberal Party therefore cannot agree to the content of the motion.

In fact, the Liberal Party always thinks that in the long run, having more interconnection facilities is the best option to resolve the problem of electricity supply. The Liberal Party always supports that the electricity market should develop towards liberalization and enhanced competition. The Administration should quicken the pace of development for interconnection so that the public can benefit from having more competition in the electricity market. We appreciate that in developing interconnection, besides the two power companies, the Administration would also look into the possibility of interconnecting the two power companies with Guangdong.

In conclusion, electricity supply is not only a issue that is related to the people's livelihood, it also plays a pivotal role in Hong Kong economy. We hope that the public can look at the issue from a longer perspective and consider it on the basis of Hong Kong's long-term economic interests.

With these remarks, Mr Deputy, I oppose the motion on behalf of the Liberal Party.

MR ALBERT HO (in Cantonese): Mr Deputy, the CLP always says that its average net tariff is the lowest in Hong Kong, but the market in Hong Kong is monopolized by two power companies that do not compete with each other. So the public in fact has no choice with respect to their electricity supply. The CLP's saying so only means that it is a little bit cheaper than the HEC, but in effect there is not much meaning in it. Whether the tariff is expensive or not should be judged by the users. Very often, I will receive complaints from the public saying that the tariff is too high. The Democratic Party conducted a survey on electricity tariffs in early June. The results show that of 471 CLP users, more than 70% (72.8%) think that the current tariff is too expensive. This is quite a high percentage, and the Government must take note of it.

Now the Government has approved again the CLP's \$30 billion investment in expanding and renovating its transmission and distribution facilities. The Scheme of Control Agreement for the CLP, which the public knows very well, is in fact a scheme for protecting their return, and that in effect means further tariff increases soon. In recent years, because of excess generation (that means excess generating units) from the CLP's Black Point Power Station, the public has been made to pay more for their electricity. According to the Audit Commission's conservative estimation, the public has paid close to \$3.4 billion in excess. After the incident was exposed, the CLP and the Government were subject to severe criticisms, even the Public Accounts Committee of the Legislative Council had held hearings on this and certain officials were criticized. However, notwithstanding all the criticisms, no rebate is given for the payment made in excess. After the Government has approved of the CLP's new investment plan, the tariff for the coming few years would be even higher. I therefore cannot help but ask what, other than paying higher tariffs, interests the citizens do have. What exactly has the Government, being the regulator of the power companies, done for the citizens?

The two incidents of excess generation by the CLP's Black Point Power Station and expansion of the HEC's Lamma plant have fully exposed the complete lack of checking, even negotiating ability, on the part of the Government *vis a vis* the two consortium. No matter how unreasonable the investments of the two power companies are, no matter how severely they are criticized, and no matter how out of line the plans are with the interests of consumers and the needs of environmental protection, still the Government has given its approval and consent in the end. Given such performance, how can the citizens believe the Government?

On the one hand, the CLP has excess generation; on the other hand, the HEC does not have sufficient electricity. This difference, as Member can see, is only separated by a strip of sea. Now with an additional \$1 billion investment to increase the interconnection capacity, the CLP and the HEC can in fact purchase each other's electricity and resolve the problem of power supply on Hong Kong Island in 2004. We think that with this investment on interconnection, both sides can supply electricity to each other and resolve the problem of power demand on Hong Kong Island in 2004. This can not only reduce the wastage, but also defer the HEC's plan to expand its Lamma plant and arrest the rate of tariff increase. Regrettably, the Government has still approved of the HEC's plan to expand its Lamma power plant and distribution facilities. The reason is that under the Scheme of Control Agreement, there is little the Government can do if the HEC does not accept its proposal. The Democratic Party is not asking the Government not to respect the spirit of the contract, but as a regulator, it must remember that when it has repeatedly found that there are unreasonable areas in the regulatory regime that causes damage to the interests of the citizens and leaves the environment without any adequate protection, should it still fold its arms and let the consortium, bent on protecting its own interests and plans, have it its own way? We think that if the Government fails to take any timely remedial measures to check the two power companies, that will be a serious mistake on the part of the Government.

Without any competition in the market, there can hardly be any room for the local tariff to come down. Interconnection is a necessary condition for the introduction of competition and liberalization of the electricity market. The economic benefit that it can bring about is very immense. Market liberalization will certainly meet with great resistance from the two power companies. But while we appreciate the investors' point of view, the Government is duty-bound to undertake this job to implement interconnection as soon as possible. Just like

when the Government decided to open the telecommunications market, we believe that, if it continues with its ambivalent attitude and drags on till 2008 before coming to a decision, the public would show even greater dissatisfaction with it and I believe the Government would also be subject to more severe criticisms.

With these remarks, I support Dr YEUNG Sum's motion.

MR LEE CHEUK-YAN (in Cantonese): Mr Deputy, with this motion debate, I feel that I must let out a sigh of emotion. It seems that the Government would make changes where change is not required but would not make any changes where they are needed. When Mr TUNG Chee-hwa attended last week's Question and Answer Session, Members asked him why there were so many people protesting on the streets, why the middle class was in such an uproar. He rightly said that the change had made them lose something. Yes, they have lost something. If you took something away from a person, he would certainly rise against you. There are things that the Government should have taken away, but it has not. That is the problem we are facing now.

The HEC and CLP both have vested interest in the whole matter. They have monopoly over the whole market, and have a scheme of control that is more or less like a "money spinner" for them. No matter how much investment they make, it would naturally add to their profits, if they see no increase in their profits, they can naturally ask for a tariff increase. This is how the system works. Such a system should be changed, but the Government is not to change anything of it. The Government really dares not touch these consortia; instead, it would ride roughshod over the tradesmen. The Government would ride roughshod over those who make a living with their labour, but dares not touch those with enormous financial backing. Is it so? It seems that the Government is telling the public that the Scheme of Control Agreements, which have been around for a long time, are not to be changed. The citizens are just like lambs to the slaughter, with their fate having been decided already. They can be made to pay higher tariff. Does it mean that the Government's so doing is being generous at the expense of the citizens? Finally, is it that the consortia must win, while the environment and citizens must lose?

The above situation makes the citizens feel that the Government is defending the consortia. It is therefore not hard to see why the citizens would

have this thinking, that is, whichever way the CLP and the HEC want, they will get it. Let us not talk about the past incidents of the CLP, but look at the issues at hand. Is there really a need for the financial plan? Some Members asked just now why interconnection could not resolve the problem. The Government may say: We also agree to interconnection and a study is being carried out on this. If interconnection was to go ahead, would there still be the need for more generation units? I understand that a report has said that if the HEC were not to construct its generation units at Lamma Island, it still has sufficient capacity to meet the demand of the whole Hong Kong Island. However, this can only be achieved on the condition that there is interconnection so that the HEC can have sufficient reserve capacity. If, according to the Government's consultancy report, the HEC can have sufficient reserve capacity with interconnection, why is the HEC allowed to construct a generation unit at Lamma?

I know that the Secretary for Economic Services would say later that forcing the HEC and the CLP to interconnect in this way would be unfair to the HEC. What about fairness to the citizens? If it is unfair to force a consortium to purchase electricity from another consortium or to interconnect, then what about the citizens? Can the citizens be trampled on like that? In fact, some people have suggested that if the HEC were not to be treated unfairly, the HEC could purchase the two units at Black Point. In that case, the HEC would not need to construct new units at Lamma. It would thus be fair to the HEC as it would have another investment, and the CLP would not have any unnecessary investment. This is fair to both sides. So why can it not be done? Actually, the problem lies with the Secretary for Economic Services. Has the Government seriously negotiated with the two consortia? Has it made full use of the chips in hand? The Government has the pawn for negotiation. Now I am not asking the Government to breach the contract. To approve or not to approve the financial plan is the pawn, which we also know very well, that the Government may bring to the negotiation. The Government must have held discussion behind closed doors regarding the development after 2008. If it is decided that the market is to open to competition in 2008, the speed at which the market is liberalized will have direct impact on the two power companies. I am worried that if approval is given for the construction of new units, then when the market is liberalized in 2008, the two companies may have already cornered a certain share of the market, and it would be impossible for other companies to enter the market. So how can this be called liberalization and competition? What the citizens may end up with is an expensive tariff bill for a long time to come. I feel that this is very unfair to the citizens.

I therefore support the motion of Dr YEUNG Sum, and hope that the Government can give us a genuine answer: Are the citizens always the lambs to the slaughter? Thank you, Mr Deputy.

MR CHAN KAM-LAM (in Cantonese): Mr Deputy, under the former British Hong Kong Government, the CLP's financial plan was approved in 1992, allowing it to construct a new generation plant at Black Point. However, in assessing electricity consumption, consideration had not been given to the issues arising from the relocation of a large number of Hong Kong industries to the north of the border and the fall in consumption as a result of changes in our economy. This led to the situation where the CLP's reserve capacity far exceeds the reasonable demand. As a result of the additional generation investment, the CLP may, under the Scheme of Control Agreement, make an even greater profit. The citizens have been made to pay for the unnecessary plant investment and return.

The CLP's reserve capacity still exceeds the normal consumption level today. Three years ago, we already began the discussion on deferring the construction of some of the generation units at Black Point. Fortunately, with our hard work, we finally came to an agreement, relieving the pressure on the citizens as a result of any unreasonable tariff increase. However, as Members may still remember, the CLP has made an extra \$3.4 billion profit from the excess investment, which is still deep in the minds of the citizens and they are asking the CLP to refund that excess profit.

Mr Deputy, because of the previous experience with mistakes in estimating the demand for electricity, when we discuss the construction of new plants to meet the demand for electricity four or five years later, the Democratic Alliance for the Betterment of Hong Kong (DAB) thinks that we must be extremely careful. When the Government briefed the Legislative Council on the two power companies' financial plans last month, we asked the Government to provide data on which the forecast of electricity demand was based. Regrettably, the Government refused to provide further details on the excuse that they were commercial secrets. Frankly speaking, under such circumstances, the DAB cannot make an objective assessment of the reasonableness of the forecast made by the Government and the power companies. We can only rely solely on the analysis of the Government's consultant. However, as I just said, given our previous experience with the CLP, we cannot completely rely on the

consultancy report without the support of sufficient data. The DAB therefore must express its regret at the Government's refusal to make public the data on electricity demand.

Mr Deputy, the DAB has expressed views on how to deal with the CLP's excess investment. One of our suggestions is to remove the excess investment from the calculation of permitted return. Today, we can see that the Government has learned from the CLP incident and, when approving the HEC to build its new plant, taken more stringent control measures. The DAB welcomes such a move. However, we must point out that the Government has not been very active in its action to resolve the problem of excess reserve capacity of the CLP. A few years ago, the HEC already made the request to build a plant to meet the demand. A strange phenomenon appears across the Victoria Harbour with one side of it not having enough electricity supply, while the other side has electricity in excess. As early as three years ago, I already suggested that the Government should interconnect the two power companies as soon as possible to balance the difference in power supply across the harbour. Regrettably, having studied this suggestion for a number of years, the Government still cannot come to a more definite conclusion.

The DAB fully understands that relying solely on interconnection is not good enough to ensure a steady electricity supply for Hong Kong in the long run. However, interconnection at least can alleviate the difference between the supplies of the two companies, defer the construction of new plants and reduce the tariff burden on the citizens. Looking at it from the long term, the positive effect from interconnection can introduce competition into the energy market. We are therefore very disappointed when the government statement that further confirmation of the interconnection plan can only be made after 2008.

Mr Deputy, we agree that the Government has the full responsibility to ensure the electricity supply meets the needs of the citizens. If a few years from now, the demand exceeds the supply, society would suffer great losses. At the same time, with the population growing and the economy developing rapidly, there will naturally be great increase in the demand for electricity, and it is therefore necessary to study the construction of new plants or introduction of new power sources in the coming few years. However, before deciding on building new plants, the Government should publicize what actually the current supply situation is to gain the recognition of the public. Today, the citizens generally have the impression that increasing generating facilities will

necessarily increase their tariff burden. Though this may not necessarily be the case, I feel that the Government should explain more clearly in what direction the electricity market will develop.

With these remarks, Mr Deputy, I support the motion.

MR DAVID CHU (in Cantonese): Mr Deputy, the Hong Kong Progressive Alliance supports increasing the interconnection capacity and thinks that in the future interconnection should be extended to China for greater economic efficiency. However, we must point out that the motion under discussion has confused the issue of interconnection with the financial plans of the two power companies, which is misleading. Even if the interconnection capacity were to be increased, the power companies will still have to renovate and improve their current facilities. Moreover, up to now, the Government has not yet given up requiring the two companies to increase the interconnection capacity. We therefore think that there are areas in the motion that may require further consideration.

We agree that, in terms of overall cost effectiveness, interconnection is the choice of necessity. According to the analysis of the Government's consultant, interconnection can reduce the total generation capacity of the whole system and allow for greater flexibility in the operation of the system. The Government is therefore supportive of interconnection and says that increasing the interconnection capacity is a matter of course. However, there are still many technical issues to overcome before the interconnection capacity can be increased.

Stable and reliable electricity supply is very important to Hong Kong's economic development. Interconnection is a long-term plan, but near-term and medium-term planning cannot be stopped. Increasing the interconnection capacity does not mean that the two power companies do not have to renovate and develop their existing facilities. In fact, a pretty large proportion of the financial expenditure goes to renovating and developing the transmission and distribution facilities.

I would like to add one more point. The determination of tariff is based on a number of factors, for example, demand and supply as well the economic situation. Construction of new plants and the amount of investment are only

some of the factors. It would be arbitrary to say that renovating and improving the generating facilities will necessarily lead to unreasonable increase in tariff. The crux of the matter lies in whether the regulatory measures of the Government can effectively guarantee that the citizens will not pay more than is necessary and that their interests are protected.

With these remarks, Mr Deputy, I oppose the motion.

MR FRED LI (in Cantonese): Mr Deputy, at the end of May, the Government approved the two power companies to invest, up to year 2004, a total of \$57 billion in building and renovating generation and distribution facilities. I would like to stress that \$57 billion is not a small amount. A rough calculation based on a 13.5% to 15% rate of return on their assets will show that in the coming four years, the two power companies will take from the citizens' in tariff an additional income of \$7.7 billion to \$8.6 billion. This amount will be shouldered by everyone in Hong Kong. Under the current regulatory system, the citizens, and even the Legislative Council, cannot oppose any tariff increase. Given their virtually monopolistic operations, no matter how much increase is made to our tariff, and whether it is reasonable or not, we are left with no choice unless we choose not to use electricity.

The Scheme of Control Agreements executed between the Government and the two power companies have repeatedly told us that the citizens only have the responsibility to pay their power bills, and any other matter is out of their bounds. It would even be better if they do not raise any question for the excess amount they have paid. Let us forget the past. However, when the new round of investment plan begins, the power companies can start anew another round of tariff increase plan. What an unreasonable state of affairs that our Economic Services Bureau can allow to happen! I really doubt whether the Government is protecting the interests of the citizens or those of the consortia.

On 7 June, in the document submitted to the Legislative Council by the Government, it was mentioned that the CLP was to invest \$30 billion. It was briefly mentioned that the investment was made for renovating the Castle Peak Power Station, enhancing the transmission and distribution system and strengthening the customer service. A plan of \$30 billion that affects close to 1.9 million customers was just given such cursory description. I feel very dissatisfied. The two power companies only gave a description of how the

expenditure was to be distributed when, at the meeting, I asked for a clearer breakdown of the expenditure. Some time after the meeting, the CLP then released further information about its expenditure. At first, the CLP explained that about 70% of the investment would concentrate on strengthening the distribution and transmission systems of the new towns and major infrastructure projects, 25% on raising the quality of customer service, and the remaining 5% for renovating the Castle Peak Power Station. The information provided by the CLP to Members of the Legislative Council at the end of June also pointed out that about 65% of the investment would be used to enhance the transmission and distribution system, 5% on renovating the Castle Peak Power Station and only 8% on strengthening the customer service and satisfying the general corporate requirements, 12% (\$3.6 billion) for units 1 to 8 of Black Point and 10% on interest expenditure.

I would like to point out that the Democratic Party does not oppose the CLP's strengthening the distribution and transmission system of the new towns and major infrastructure projects. The question is exactly how much is needed. Can the Government really monitor what expenditure is necessary? The expenditure breakdown is only arbitrarily given by the CLP, sometimes it can be a bit more, and sometimes it can be a bit less. For example, the expenditure on Black Point is \$3.6 billion and the interest expenditure is \$3 billion. I would like to point out that expenditure that is as much as over a billion dollars is not an item that can be mentioned at will. The most important thing is that without any data and information, the Legislative Council and the citizens can hardly judge if the expenditure item is true, if the proportion is reasonable, if it is cost-effective and if it accords with the interests of consumers.

The excess generation from the CLP's Black Point Power Station has already made the public pay more for their electricity, and the situation has continued. In other words, the citizens are still paying more for their electricity. When the CLP said that investment was required, they would ask for a tariff increase. I think that this is very unreasonable and unfair to the public. The CLP of course has the responsibility to provide Hong Kong with a stable supply of electricity, but it must also be responsible for its investment mistakes at Black Point Power Station and make compensation. The Government therefore should suppress as far as possible any tariff increase by the CLP, and should not approve of the CLP's investment, which in effect would also approves its proposal for tariff increase.

With the HEC, if the Government can urge the HEC to purchase electricity from the CLP, thereby deferring the construction of a new plant at Lamma, it can definitely reduce the pressure for a tariff increase on Hong Kong Island. Regrettably, the Government sides with the interests of the consortium and makes the public shoulder higher tariff.

Though the Government has only approved the HEC to build one 300 MW generation unit this time, I query why, immediately after all reclamation work and installation of associated facilities are completed, the calculation of profit begins in 2001. The reason is that all the works and facilities are to be used by six units. Why can the calculation of profit not be apportioned among them? After all, it is still not yet known if the other units will be built. Even if new units were to be built after 2008, the Scheme of Control Agreement for calculating return may not be used at all. Now, the citizens have to shoulder most of the expenditure just for one 300 MW unit. Just like "paying for the future", this does not provide any protection to the citizens. After all, our experience with the CLP has told us that we cannot recover anything even if we have paid more than is necessary.

The Democratic Party considers that the Government's approval for the financial plans of the two power companies are not in the interest of the public and should be criticized.

With these remarks, I support the motion.

MISS CHAN YUEN-HAN (in Cantonese): Mr Deputy, the Audit Commission released a report last year, strongly criticizing the Government's mistake in estimating the demand for electricity and approving the CLP to build more generation units, thereby increasing the amount of electricity generated. As a result of this, users were required to pay an extra \$3.4 billion in tariff. At that time, after an investigation of the Public Accounts Committee, the case was substantiated and a hearing was then held. I believe the public still has deep memory of this. This in fact involves the problem of monitoring.

Last month, the Government expressed that because the HEC needed to build and renovate its equipment to increase its reserve capacity, the Government therefore had to commit \$57 billion. Naturally we would ask: Why has it to be so? Is there really such a need? If there is such a need, is it just like what the

Government says? As a Member of the Legislative Council, we must effect monitoring. We had just criticized the Government last year in relation to the problem of electricity supply, so we cannot, without first making it clear to ourselves, agree with the Government on this. It is our responsibility to raise many questions.

As my colleagues said just now, Members of the relevant Panel had in fact repeatedly asked the Government about the whole estimation, what the specific figures were and whether the two power companies could be interconnected. In fact, some countries do have the situation where power generated in the north is used in the south or *vice versa*. We have clear figures showing that the CLP's current generation is 50% in excess, which greatly exceeds the internationally required standard of having 25% reserve capacity. We also know that the HEC has sufficient capacity, and it is estimated that it only needs to increase its capacity to maintain the 25% reserve capacity in 2003.

With these data, we made a number of assumptions. Mr Deputy, why do I say assumptions? It is because the Government has told me a lot of things in the past few days: "Miss CHAN Yuen-han, the situation is not as you thought. There is a need for this investment, and it is necessary. If there is insufficient electricity supply to the new towns in the future, what would you do?" I know that this is necessary. Hong Kong has plans for a Disney theme park, new towns and new infrastructures, which we all know. However, has the Government given us all the information for examination and discussion? I learned from Mr CHAN Kam-lam just now that the DAB had already asked the Government about the arrangement in this respect, but the Government has been refusing to lay bare the situation. So we do not know what exactly the Government has got up its sleeves. We therefore have come to this conclusion. Maybe the relevant government departments think that our conclusion is not doing them justice, but if we were to look at it from another angle, has the Government been doing any justice to the Legislative Council, the monitoring institution. From the series of phenomena described by me just now, it is natural for us to come to this conclusion: The CLP has generation exceeding the standard and the HEC has insufficient generation, so interconnection should resolve the problem. This is our point of view.

There is another question. Why does the Government have to insist that the HEC increases its generation. Hong Kong and Kowloon are only separated by a strip of sea. Why cannot the CLP and the HEC interconnect? Why

cannot the two power companies co-operate? Our conclusion is that the Government is protecting the HEC consortium. This naturally will cause a public uproar. Though this sentiment has not been fanned into a blaze, if the Government insists on this plan, this could lead to another public uproar. We were troubled by the tariff increase of the two power companies in the past, and the Government has not exercised any effective control over them. I think it would be very difficult for us to agree with the Government's action if, on these issues, it were not going to tell us all the relevant information. I have repeatedly talked to Ms KWAN. I know and well appreciate the situation of the Government. It may have discussed a lot of things and know a lot of things. Now a number of studies are underway and preparations being made. However, I feel that, only the Government has this information, but we do not. But it is not going to give us even these basic figures. If we were to give an immediate response, saying that we agree to it and that the fifty-something-billion-dollar investment is right, the forecast electricity demand is accurate, then we are not doing our job and we have not discharged our function of monitoring the Government.

Mr Deputy, we, as Members of this Council, and the Government must develop some kind of mutual trust in each other. We need to ask the Government to disclose to us all the relevant information, and we also need to ask the Government to show us its sincerity. Over these years, we have been asking, in relation to power supply, if the two power companies can interconnect. We have repeatedly asked the Government to carry out the relevant studies and tell us the results. The Government has recently expressed that it has already engaged a consultancy to carry out the relevant studies and also expressed that interconnection shall be the trend in the future and a natural thing. However, there are research findings showing that the practice of generating electricity in the north for use in the south, or *vice versa*, may also have its problem. What should we do if all the units went out of order and there was blackout across Hong Kong? I think these are good questions that warrant study and exploration. However, up to now, is it that we do not have enough time to do any research on these questions? I think the situation is not that bad. We still have time. If this Council were to say yes without going through careful study and give unconditional support to the Government in making that \$57 billion allocation, then we are not doing justice to either side.

Today, we support this motion because in the past, despite our requests on the Government to provide the relevant figures for us to study, to tell us the

results of the studies, to make available to us the interconnection plan for discussion, the Government had not paid any attention to or heeded our voices and opinions. It is because of this that I think we still have time to continue with the studies and need not hurriedly make the allocation decision or agree to the financial arrangements. Mr Deputy, we therefore support Dr YEUNG Sum's motion today.

MR CHEUNG MAN-KWONG (in Cantonese): Mr Deputy, I must express deep regret at the Government's decision to approve the construction of a power station by the HEC on Lamma. The Scheme of Control Agreements of the two power companies will expire in 2008. In order to secure the biggest profit and protection before that date, the two power companies have been looking for nooks and crannies in the agreement to enlarge their asset values and injure the interests of the citizens. If it was not that the Government is incapable and trying to protect the interests of the consortia, then the Government must have played tricks and shown partiality to the HEC and the CLP.

The Government has approved of the HEC's making a \$27 billion capital investment. How large is this figure? The HEC's fixed assets in 1999 had a value of \$37 billion. The new investment is 70% of the past assets value. In other words, in the coming four years, the HEC's size will increase by 1.7 times, and the permitted return will rise accordingly. With the HEC's development fund having only \$100 million left, tariff increase would be the inevitable result. Superficially, in order to meet the growth in demand in the next four years, the HEC must expand its generation facilities; however, of the \$27 billion new investment, only \$6.7 billion will be invested in generation facilities, increasing the total generation capacity from 3 300 MW to 3 800 MW. An increase of 500 MW is already enough to meet the growth in the coming four years.

By turning the \$6.7 billion into \$27 billion, the HEC can exploit the Scheme of Control Agreement to its benefit without generating excess electricity. Of the additional \$20 billion investment, \$3 billion will be used for reclamation works, the purpose of which is to make room for use in the future by five more new units having a maximum capacity of 1 500 MW. As the reclamation works will not increase the reserve capacity, the Government will have no way to use the new clause to curtail the excess assets. However, the additional capacity is of such a large volume that, even by 2008 when the Scheme of Control Agreement expires, it may not be required. In other words, as long as the units

are not commissioned formally, the citizens will have to shoulder the additional expenditure even the reclamation works and the capacity of the units have exceeded the actual electricity demand.

The remaining \$13 billion investment will be used on installing distribution and transmission facilities. This amount takes up half of the total expenditure of the whole financial plan and is also a major expenditure item. However, very little information is provided on this. In June, the Government submitted a 12-page document to the Legislative Council in relation to the HEC's financial plan, but there were only seven lines, about 200 words, briefly explaining the transmission and distribution expenditure. As to the reasonableness and cost effectiveness of the expenditure, the document only states that the consultant company agrees to the HEC's plan. The Government has not made any assessment and there is no mention of a clearer investment plan and a breakdown of the expenditure. Because of the technicality of the information, the public can hardly assess its necessity; but these expenditures would not raise the reserve capacity. Even if the relevant assets were not necessary, the Government cannot remove them from the calculation and the public still has to shoulder the additional expenditure.

The HEC has learned from the experience of the CLP by making use of the loopholes in the Scheme of Control Agreement to successfully inflate its assets value. Of course, in addition to preparing itself for a bigger profit in the last eight years of the Scheme of Control Agreement, its calculations are to increase the capital investment and expand the plant before the expiry date so that on the expiration of the Scheme of Control Agreement, even if interconnection were to be carried out and competition introduced, its competitive advantage could still be maintained, which is more important. Of course, the HEC would oppose strongly to interconnect with the CLP now and give up any expansion plan and purchase electricity from the CLP. On the contrary, an investment of six units with a total capacity of 1 800 MW could push the HEC's overall generation capacity up to 5 400 MW, thus narrowing the difference with the CLP, which has a total capacity of 8 200 MW. A massive increase in transmission and distribution facilities would also enhance its ability to transmit electricity to the Kowloon peninsula and the New Territories in the future. The two power companies are making early preparation ahead of the time before the market is liberalized. They exploit the loopholes in the Scheme of Control Agreements and veer for competitive advantage at the expense of the interests of the citizens. Being the instigator of the Scheme of Control Agreements, the Government

actually should have monitored the two power companies and plugged any loophole in the Scheme and protected the interests of the citizens, like pushing for early interconnection and amending the Scheme of Control Agreements and subjecting the investment plan of the two companies to strict examination. However, the Government makes protecting the monopoly of the consortia as its starting point and has not done its job properly. This really makes people feel very indignant.

Early in 1997, the public had already suggested that the CLP should use its excess generation to meet the HEC's demand in 2004. However, with strong opposition from the HEC, the Government has been dragging its feet and now interconnecting the two companies is still a very distant option. This also creates another *fait accompli* — the HEC can only expand its generation facilities to meet the demand. This makes one suspect that the Government has become a puppet of the consortia. It is a clear case of collusion between the Government and the businessmen, with the interests of the citizens being blatantly trampled on. The citizens are being made sheep to be fleeced. The Democratic Party therefore proposes this motion to hit out at the Government for not having properly monitored the two power companies.

With these remarks, I support the motion. Thank you, Mr Deputy.

DR RAYMOND HO (in Cantonese): Mr Deputy, reliable electricity supply is extremely important to Hong Kong as an international commercial centre. Compared with other large cities, Hong Kong has always enjoyed a high degree of reliability in its electricity supply. Hong Kong citizens are also used to this standard and take this reliability in supply for granted. No one, I think, would like to see any power outage. If there were really an outage, even for a very short while, what would be the consequences? Early this year, the 20-minute stoppage of SEHK's system as a result of human errors has already given us some revelations.

To meet Hong Kong's development needs in the future, we must ensure that we have sufficient electricity supply. To achieve this, some people think that we can step up the interconnection between the two power companies and defer the construction of the plant on Lamma. Such an arrangement seemingly has its benefit, but strengthening the interconnection will not necessarily resolve the problem of electricity supply, as interconnection cannot replace generation

facilities. When the reserve capacity of the two power companies is maintained at a reasonable level, interconnection may only be used to give emergency support.

According to my understanding, by 2004, the reserve capacity of both the CLP and the HEC will drop to a reasonable level, and interconnection will not necessarily meet the demand at that time. What is more, the peak load of the two power companies appears in the same season and at the same time. They actually cannot be of much help to each other. Of course, if the area covered by interconnection is extended to include China, the economic benefits thus attainable will accordingly increase and the risks involved will also be reduced. I believe in studying the idea of interconnection, the Government will also consider the feasibility of interconnecting with China.

In fact, in North America, the major economic benefit from interconnection comes mainly as a result of their having very large systems and that there is great variations in seasonal or daily load, and that there is difference in their modes of generation. For example, in Canada, electricity is mainly hydropower and the consumption rate peaks in winter, whereas in the United States where electricity is mostly generated by coal, the peak is in summer. Even they have a very strong interconnection system, however, large cities like New York still insists that it must have an adequate reserve capacity to ensure that it still has enough power in times when the interconnection partner interrupts the supply. Between 1994 and 1998, New York's reserve capacity was maintained at 25.3% and 39.3%. Despite having such measures, New York still cannot escape the mishap of power outage. In July last year, 200 000 people were affected by a major blackout. The underground railway stopped running and all trades were affected.

Considering the North American experience and the fact that interconnection may not increase the generation capacity, if the two local power companies were to step up the co-operation between them, we must ensure that they would invest and build new facilities to meet Hong Kong's future development. A growing population, new development projects and development of new towns in Hong Kong are all factors that will put a heavy demand on power supply.

Of course, we as citizens have reasons to worry that our tariff will increase as a result. But according to my understanding, the Government has already

established a number of mechanisms to protect the interests of users. I believe that the Government would learn from past experience and examine with great care the investment made by the two power companies on their facilities to ensure that the distribution system is reliable and, at the same time, that the public would not, as a result of the additional investment, have to pay more than is necessary.

Mr Deputy, I so submit, Thank you.

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

(No Member responded)

SECRETARY FOR ECONOMIC SERVICES (in Cantonese): Mr Deputy, just now I have listened very carefully to the speeches of many Members and I wish to thank them for their suggestions.

The motion alleged that the Government has not required interconnection between the two electricity companies. This is not the Government's position. I have time and again explained this to Members and the public, and let me reiterate here that the Government has not given up the option of interconnection, as the motion has alleged. On the contrary, we see increased interconnection, not just between the two power companies but also with the Mainland, as the global trend and the logical way forward in the longer term. We are firmly committed to pursuing this earnestly. However, to ensure reliability of supply, we must sort out a number of engineering and planning issues first. We have made preparation for further detailed studies of the routing and timing for construction of the new interconnectors as well as the planning criteria for our electric systems under the increased interconnection scenario. These studies will start in a few months' time and, if everything goes as planned, complete in the latter half of next year. In parallel, we are examining the restructuring of the electricity market in other places with a view to identifying practicable options for consideration of the Hong Kong market. We need to study the supporting regulatory and institutional structure for increased interconnection. We are also liaising with the mainland authorities regarding regulatory reforms in the mainland market with a view to exploring the possibility and scope for the supply of electricity from the Mainland to Hong Kong. We hope to map out the

broad direction for future development of the electricity sector after 2008 prior to the next interim review of the Scheme of Control Agreements scheduled for 2003. As Miss Christine LOH also pointed out just now, we must carefully assess the various options of electricity reform. Some Members considered that the Government has deliberately put off interconnection on the pretext of studies. Some questioned why the Government, having talked about increased interconnection for years, still needs to carry out so many studies now.

These questions were also raised by the Democratic Party and the Democratic Alliance for the Betterment of Hong Kong in 1997. I wish to point out that a consultancy study was commissioned by the Government in 1996 to examine if the forecast demand in respect of Hong Kong Island should be met by interconnection so as to defer the extension of the Lamma Power Station. Results of economic analysis conducted at the time indicated that this was not a cost-effective option. Yet, the Government did not give up the idea of interconnection. We commissioned another consultancy study in 1998 to further look into the feasibility and benefits of interconnection and enhancing competition. The conclusions of the two studies were reported to the Panel on Economic Services in 1997 and 1999 respectively. This shows that the Government has been actively following up matters relating to interconnection between the two power companies. Besides, it took a long time to prepare the report on interconnection and competition between the two power companies and the consultant had to deal with very complex technical issues in the process. In the course of the study, the consultant also had to consistently collate the information obtained to corroborate their arguments. Dr YEUNG Sum's motion gives an impression that increased interconnection can replace the financial plans of the Hongkong Electric Company Limited (HEC) and the CLP Power Hong Kong Limited (CLP), thus obviating any increase in investment by the two companies. This is not true. The consultant's proposal of increased interconnection can only defer the extension of the Lamma Power Station. It cannot reduce the need for other facilities and investment arising from population growth, economic growth and new projects, such as electricity transmission and distribution facilities, or engineering works relating to the existing and approved generation units of the CLP. In fact, of the \$57 billion investment by the two power companies, \$30 billion will come from the CLP and the newly approved generation units are not included. Close to 70% of the total investment is to meet the transmission and distribution expenditures to tie in with the development in various districts, such as the new towns in Tseung Kwan O and on Lantau Island, the development of container terminals, new railways, the

Disney theme park, and so on, and also for refurbishment of equipment which is too old to meet the demand. The expenditure for refurbishing the existing generation units is to ensure continued operation of generation units which have been used for over 10 years and to ensure that they meet safety and environmental standards. Other expenditures cover the existing or previously approved engineering works on generation units, customer services, information system, financial costs, and so on.

Regarding the HEC, we have stated in the Legislative Council Brief that only around 20% of the estimated expenditure of \$27 billion relates specifically to its extension of the Lamma Power Station which is of great public concern. Close to 50% of the expenditure is for transmission and distribution projects to facilitate power supply and refurbishment works for the Cyberport and new developments in such districts as Central and Wan Chai, and for upgrading the generation capacity of the existing units. Other expenditures cover information and financial costs. All these show that a greater part of the \$57 billion investment by the two power companies has nothing to do with interconnection, and these investments will have to be made irrespective of whether interconnection between the HEC and CLP is to be increased. I believe no one would wish to see that our Disney theme park, Cyberport or the West Rail could not come into operation because of no electricity supply; and no one would wish to see that those who moved to live in new towns on Lantau Island or in Tseung Kwan O could not switch on the light or air conditioner due to insufficient supply of electricity.

Some Members opined that the Government has indiscriminately allowed the HEC to increase its generation capacity, while some stated that the Government did not consider or have regard to the views of the consultant. I wish to point out that the Government did not go for increased interconnection immediately to defer the extension of the Lamma Power Station because that is not practicable at this stage. After making an independent forecast and reviewing the demand forecast by the HEC and the Government's Economic Analysis Division, the consultant considered that a prudent option is to plan for the commissioning of the first unit at the Lamma extension in 2004. They also stated that the higher Gross Domestic Product figures announced in recent months have made this planning all the more necessary. However, the consultancy study on interconnection and competition is just an initial feasibility study. The consultant proposed laying new cables from Yau Ma Tei to Central, but no definite timetable can be drawn up to plan the works ahead due to the

absence of detailed engineering analysis. Given the hustle and bustle of the Victoria Harbour, we must conduct detailed studies in respect of the planning for routing and timetable for works before we can identify landing points in the Central-Wan Chai reclamation area, and link the cables with the HEC's existing system in Wan Chai. It is because we must be careful not to disrupt the busy road and marine traffic while at the same time avoid impinging on existing submarine and underground facilities. Should the interconnected system fail to cater for the growth in demand, the electric system cannot possibly satisfy the requirements during peak periods. Members may note the press reports some 10 days ago about the failure of the electric system in California to cope with the demands in San Francisco and Silicon Valley, which have resulted in power outages and rotation supply. While their circumstances may be different from ours, I trust that no one would wish to see a severe power failure in Hong Kong or the practice of rotation electricity supply.

It is also necessary to study the criteria for our electric systems under an increased interconnection scenario as our existing planning criteria in Hong Kong are different from many other places with increased interconnection, with a view to ensuring reliability of electricity supply after increasing interconnection. Just now Members proposed that electricity generated in the southern region be transmitted to the northern region. I think Members still remember the severe power outage that occurred in Taiwan last year. The incident was caused by problems in one section of the transmission facility which made the entire interconnected system volatile and finally triggered off a severe power outage in most parts of Taiwan. Although there might be individual causes for initial transmission problems, the ultimate outcome is that interconnection will increase interaction among the various systems so linked as well as the risks that follow. In the United States where there is more advanced development in interconnection and enhanced competition, problems in the electric system in summer last year also led to severe power outages in many places all over the country including such metropolises as New York and Chicago. So, we must appreciate that while interconnection will bring economic benefits, we also have to face the risks associated with it. Reliability in electricity supply is closely related to the lives of the people. Therefore, the Government must carefully study ways to deal with the risks before we can feel at ease to rely on increased interconnection in the long term to supply electricity around the clock or to significantly reduce the reserve capacity of any system.

Moreover, the proposal to increase interconnection capacity requires the consent of the HEC and the CLP under the Scheme of Control Agreements. However, the HEC has already stated that if a majority of the company's reserve capacity does not generate from the company's own system, it would have serious concern about its capability of fulfilling its duty to ensure reliability of supply to customers. It also considered that its position in a competitive market would be undermined if it had to rely on its potential competitor for reserve support. The Energy Advisory Committee have similar concerns over competition when considering the consultant's report and findings. The Committee pointed out that the economic benefits that may be brought about by increased interconnection between the two power companies shortly and by deferring the increase of HEC's generation capacity are relatively small compared to the benefits of enhancing competition. So, it is important to ensure that the discussion on interconnection should not be overshadowed by short-term benefits to the neglect of long-term development. The views of the Energy Advisory Committee were also submitted to the Panel on Economic Services last year along with the findings of the consultancy study.

I also wish to take this opportunity to clear up the misunderstandings of many people about the benefits of interconnection. From an economic point of view, some may think that increasing interconnection between the two power companies and deferring the extension of the Lamma Power Station can greatly reduce the electricity tariffs payable by the public. According to the consultancy report on interconnection and competition completed at the end of last year, some of the benefits enjoyed by other interconnected systems elsewhere cannot be realized in Hong Kong because of similarities in the hours of peak consumption between the two power companies. According to the consultant's estimation, if we would implement interconnection under the consultant's proposal instead of approving construction of generation facilities by the two power companies under the provisions of the Scheme of Control Agreements, it would result in a reduction in tariffs of 0.4 cents per unit of electricity on average in the period up to 2008. Members were informed of this when we reported to the Panel on Economic Services the findings of the consultancy study at the end of last year. In this connection, even with the immediate implementation of the consultant's proposal, a household of which the monthly electricity tariffs are \$200 will save less than \$1 based on the current level of tariffs. Many people do not understand why the two power companies will need to increase investment from time to time even with increased interconnection. It is because interconnection will not increase the generation

capacity, so it cannot replace the generation units in the long term. Furthermore, increased interconnection will also involve massive investment. As pointed out by Dr YEUNG Sum just now, \$1 billion would be required under the consultant's proposal. So, increased interconnection between the two power companies will entail increased investment. Therefore, we must take account of economic benefits and risk control in considering increased interconnection.

To ensure reliability of electricity supply, investment will be made to meet the growth in demand — I beg your pardon. Let me say it again. To ensure reliability of electricity supply, it is inevitable to increase investment to meet the growth in demand. It is most important to ensure that the power companies make investment and construct new facilities in the light of actual needs. Therefore, it is not truly in the genuine interest of the general public if we overwhelmingly oppose any increase in investment by the power companies or ignore the actual constraints and the risks involved and proceed to increase interconnection before we are well prepared for it. On the contrary, it is more important to provide greater protection for consumers' interest, and the Government has made lots of efforts in this area. All the relevant factors had been taken into careful consideration before the financial plans of the two power companies were approved under the Scheme of Control Agreements. To ensure that investments are made and new facilities constructed in good timing to cater for actual needs, the Government, in examining the financial plans of the two power companies, commissioned a detailed independent consultancy study of the forecast of the electricity companies as well as their investment proposals. Their financial plans were accepted only after the new facilities and investment were considered by the consultant as necessary and reasonable. Moreover, to facilitate co-ordination between developments in districts and local transmission and distribution facilities, Policy Bureaux and departments responsible for planning new developments in districts were consulted to ensure that the proposed investment timetable of the power companies dovetails with the relevant development project. We also consulted the Energy Advisory Committee on the major expenditure items in the financial plans of the two power companies and obtained the support of the Committee. The Government has put in place many mechanisms to safeguard the interest of users. Regarding the site formation cost required for the extension of the Lamma Power Station, we have drawn up an additional safeguard with the HEC to ensure that shareholders of the HEC will not obtain return on site formation works prematurely as a result of the actual demand being lower than expected. This will ensure that the interest of consumers will not be adversely affected. Prior

to that, we also introduced four other safeguards which include improving the arrangements for demand forecast, and requiring that generation units be approved basically on a unit-by-unit basis instead of giving approval to a whole range of units. Even if a new unit is approved in principle, the power company can sign a contract for purchasing and installing the additional unit only in consultation with the Government and after reviewing the latest forecast demand. We have also set up a mechanism that deals with excess capacity to the effect that some investments will not bring returns for shareholders. All these measures aim to ensure that the power companies will make appropriate investment only when such need arises in order to protect the interest of consumers. We will perform an auditing review annually to review the expenditures of the two power companies.

On electricity tariffs, a mechanism is already in place to require the Government and the power companies to conduct an annual review of electricity tariffs to determine the level of tariffs having considered the latest situation. The views that Members put forward to the Government will certainly be reflected in the review. In fact, return from investment is just one of the considerations for determining the tariffs payable by the public each year. Other factors such as the sales figures, interest rate, measures to enhance productivity, and so on, will also have a bearing on the level of electricity tariffs.

Just now Members spoke of environmental protection and I wish to speak on this aspect too. Insofar as environmental protection is concerned, an assessment report was completed on the extension of the Lamma Power Station under the Environmental Impact Assessment Ordinance and the findings indicated that the project meets environmental standards. The report, on which the public was consulted, was endorsed by the Advisory Council on the Environment and the Environmental Protection Department. In fact, under the extension project, there are plans to introduce liquefied natural gas for electricity generation, which will significantly reduce the emission level of the HEC units. According to the environmental impact assessment, when the 1 800 MW Lamma extension is fully commissioned, the total annual emissions of sulphur dioxide, nitrogen oxides and carbon dioxide from the HEC system would drop by about 60%, 40% and 10% respectively although the total electricity generation would increase by 43%. Moreover, the construction of a liquefied natural gas pipeline might open up opportunities for utilizing natural gas as an alternative fuel in other areas, such as for use by motor vehicles. All these will bring additional environmental benefits to Hong Kong. Incidentally, I wish to point out that the

CLP has used up all the natural gas purchased from the Mainland. If the HEC is to be supplied with electricity through increased interconnection, coal-fired units would be required for generation purpose, in which case there would be no environmental benefit to speak of. Besides, I wish to point out that the Government has continued conducting other studies to minimize the adverse environmental impact of electricity generation. For example, studies will be conducted on the potential of renewable energy for application in Hong Kong and on the feasibility of importing from the Mainland electricity generated by renewable energy.

Members mentioned the need to monitor the suitability and adequacy of the staff establishment of the two power companies to cope with the development of the electricity market in future. In considering this matter, the Government will draw on a diversity of expertise within the Government, including that of the Economic Analysis Division and that of the Electrical and Mechanical Services Department. Financial analysis will also be carried out by accounting professionals in the Economic Services Bureau. We will, where necessary, seek assistance and support from outside the Government, and the mode of operation and resources required will be subject to review in the light of development.

Members also spoke of the reclamation works. They asked whether the site should be reclaimed in stages or whether certain investments should be excluded from the Scheme of Control Agreements. We have explained this in detail in the Legislative Council Brief and the supplementary information provided for the Panel on Economic Services. Given safety and operational considerations and the necessity to provide for ancillary facilities, about 65% of the site would need to be reclaimed and over 80% of the cost would be incurred in stage one. In the long term, the temporary works required for reclamation in stages, such as the construction of additional temporary seawall, would incur an additional cost of about 20% and deter balanced distribution of generation facilities. Moreover, a two-stage programme would cause even greater environmental implications and constitute additional risks to units which came into operation on the site reclaimed in stage one. Given these considerations, both the consultant and the Government consider a one-stage programme more desirable.

On the proposal of excluding from the Scheme of Control Agreements part of the investment on reclamation, I believe Members will appreciate that the

Scheme of Control Agreement is a binding contract. Any amendment to it must have the consent of both sides. Some may think that the Government should abolish the Scheme of Control Agreement arrangement, but I wish to point out that its immediate abolition will not benefit consumers instantly. At present, there is no restriction in the electricity market that prevents investors other than the two power companies from investing in the electricity sector, but we have seen no entrant in the market over the years. Without any arrangement better than the existing Scheme of Control Agreement and without mature market conditions for increasing competition, an abolition of the Scheme of Control Agreement may not necessarily safeguard the interest of consumers. The Government appreciates the various concerns of Members and the public over the Scheme of Control Agreement. We have also requested the two power companies to make a range of amendments to the agreements but as I said just now, the Scheme of Control Agreement is a binding contract and any amendment to it must have the consent of both sides. We appreciate that Members would like us to go further in this regard. We will make greater efforts in this area in the next interim review.

Just now Members alleged that the Government is biased towards the interest of consortia, and their interest seemed to be the Government's consideration in approving the financial plans. Earlier on I already expounded why we approved the financial plans of the two power companies. I wish to repeat two points here. If the Government is biased towards consortia, we would not reach an agreement with the HEC on an additional safeguard for consumers that prevents HEC shareholders from obtaining return from site formation costs prematurely. Moreover, the CLP also gave up a return of over \$800 million after the Black Point incident. After discussion with the Government, the CLP announced in late February that it would forgo the permitted return on the deferral premium for generation units, which has reduced the cost of the CLP to the benefit of electricity users. According to the Scheme of Control Agreement calculations, it is estimated that the users will save around \$2.3 billion on a nominal basis, or \$267 million at net present value, over the 25-year useful life of the generation units.

Just now Members expressed their hope that the Government will provide them with more information. I fully share this view of Members, and I also hope that I can provide as much information as possible. However, I hope Members will understand that the disclosure of commercially sensitive or price sensitive information will have an impact on market operation and investors.

Members also asked the Government to make public the findings of the study on interconnection. I wish to point out here that when the report on interconnection and competition was completed last year, the report was uploaded onto the Internet and the major findings of the study were also submitted to the Panel on Economic Services.

To conclude, the approval for the financial plans of the two power companies will not lead to a scenario where the public and the environment are made to be losers, as described by Members just now. Earlier on I already explained the benefits that the plans will bring to the public and the environment; and I think the message conveyed in the motion is not in the best interest of consumers. In fact, the public, Honorable Members and the Government should have a similar concern over the question of electricity and that is, the interest of consumers should be well protected while ensuring reliability of electricity supply. It will not benefit the public if we ignore the importance of reliability of electricity supply and oppose all investments made by the power companies to cope with the growth in demand because this would only increase the risk of power outage which, I believe, is the last thing that members of the public would wish to see. In fact, I remember that many Members present have expressed concern over the reliability of electricity supply before, urging the power companies to improve their services and reduce the incidence of power failure. If Members, at one time, agreed that additional investment be made by the two power companies to cater for the demand but, at other times, disapproved of such investment, it will confuse the public and what is more, it may put across a negative message to both local and overseas investors.

I hope that what I have said above can dispel Members' misunderstandings and I hope Members will appreciate that the Government has actually taken a myriad of measures to strike a balance between ensuring reliability of electricity supply and protecting the interest of consumers. I hope that Members will vote against this motion after considering the points that I have made. Thank you.

DEPUTY PRESIDENT (in Cantonese): Dr YEUNG Sum, you may now reply. You have five minutes three seconds out of your original 15 minutes.

DR YEUNG SUM (in Cantonese): Mr Deputy, I would like give a brief reply to the speech made by the Government.

A reliable electricity supply is indeed very important, but reliability means neither making excessive investment nor imposing no limit on the amount of electricity generated. This will not only lead to wastage, but also put unnecessary tariff burden on the citizens. In 1999, the CLP's reserve capacity was already as high as 54%, which was too high a level and meant that the public had to pay more for their electricity. It is natural for the company to obtain a reasonable return from its investment, which we must accept. However, for those of us who have paid more than we should, compensation is in order. Is this not a reasonable demand?

We do not oppose to the CLP investing in the distribution or transmission systems for the new towns or major infrastructure projects, but in considering the tariff charged, we should not look only at what return we can make from the investment projects. The power company should also be responsible for the excess tariff paid by the citizens in recent years and make compensation. The power company and the Government have not made this clear and, by adopting a "let bygone be bygone" attitude, begun a new round of proposal for tariff increase. This is certainly unreasonable and unacceptable to the citizens. Though the public grievance is not as serious as when this was last debated, I can guarantee that it will flare even more fiercely if the two power companies were to raise their tariffs.

Interconnection is the first step in opening up the market and in introducing competition. As long as interconnection is not yet a reality, there can hardly be any further development in Hong Kong's electricity market. This is a dead certainty. When the Government invested in the Disney theme park and Asian Games, it often argued that we should consider not only the actual gain, but also the invisible economic gain. Similarly, in considering what we have to pay to have the benefit of opening up the market, it is not, as the Secretary for Economic Services just said, only 0.4 cent. What do we consider? It is the changes that interconnection would bring to the electricity market, including the use of land, the impact on the Hong Kong ecosystem, citizens' right to choose (I have to stress again that it is citizens' right to choose, which they do not have at the moment), enhancement of service and changes in tariff. Under the current Scheme of Control Agreements, there are only two power companies; what choice can the citizens have? What change can there be to the tariff? The greater the investment, the higher is the return. When a company that is prepared to sell its generation to the other with generation less than adequate, the Government not only does not encourage them to interconnect, but also let them

make huge investments. \$57 billion is no small amount. Mr Deputy, I can predict that in the coming few years, the tariff for Hong Kong Island, the New Territories and Kowloon will definitely increase. How can there be no increase? Unless the Scheme of Control Agreements are abolished.

Mr Deputy, we saw that the Government's handling of the problem of long distance calls with Hongkong Telecom had been done very well. To open up the market, notwithstanding the complexity of the process, the Government set up a Telecommunication Authority to handle it. Let us look at the telecommunications market, which, after it was opened, allows the citizens to have more choice in service and price. Why do we still have to maintain the outdated Scheme of Control Agreements? Why can we not have an earlier discussion on this? Has the Government made use of this opportunity to have further discussions with the two power companies? No. The Government only told us that this was a technical problem, that there might not be enough electricity when the Disney theme park opened, and it even threatened us by saying that there might not be electricity for our fridges. How could that be? The technology required for interconnection is basically practicable; and in the report made by the Government's consultant it was also said that the technology was practicable. But the Government is saying that it is no good, the Victoria Harbour is very busy, and the cable is busy. In fact, if the Government had begun the relevant work in 1997, by 2004, Mr Deputy, we would have completed any project, be it the Cyberport, Disney theme park, or whatever given the seven years. Even the fourth cross-harbour railway tunnel would also have been completed. However, which is more complex — interconnection or building a cross-harbour railway tunnel? Technologically speaking, which is more difficult — building a cross-harbour railway tunnel or laying the interconnection cable? It is the Government that would like to see the whole matter defer and does not want it to go ahead; it just wants to protect the interests of the consortia. The Democratic Party regrets the whole matter and worries that the electricity tariff on Hong Kong Island, in Kowloon and the New Territories would go up, just because the power companies have increased their investment. How is the Government going to explain this whole matter? I reckon the public grievance definitely will escalate and their confidence in the economy will also be shaken.

Thank you, Mr Deputy.

DEPUTY PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Dr YEUNG Sum, as set out on the Agenda, be passed. Will those in favour please raise your hands?

(Members raised their hands)

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

(Members raised their hands)

Dr YEUNG Sum rose to claim a division.

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

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

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

Functional Constituencies:

Mr Michael HO, Miss Margaret NG, Mr CHEUNG Man-kwong, Mr CHAN Kwok-keung, Mr CHAN Wing-chan, Mr SIN Chung-kai, Mr WONG Yung-kan, Mr LAW Chi-kwong and Dr TANG Siu-tong voted for the motion.

Mr Kenneth TING, Mr James TIEN, Mr Edward HO, Dr Raymond HO, Mr LEE Kai-ming, Dr LUI Ming-wah, Mrs Selina CHOW, Mr HUI Cheung-ching, Mrs Sophie LEUNG, Dr Philip WONG, Mr Howard YOUNG, Mrs Miriam LAU, Mr Timothy FOK and Mr FUNG Chi-kin voted against the motion.

THE PRESIDENT'S DEPUTY, Dr LEONG Che-hung, did not cast any vote.

Geographical Constituencies and Election Committee:

Miss Cyd HO, Mr Albert HO, Mr LEE Wing-tat, Mr Fred LI, Mr James TO, Miss Christine LOH, Miss CHAN Yuen-han, Mr LEUNG Yiu-chung, Mr Gary CHENG, Mr Jasper TSANG, Dr YEUNG Sum, Mr LAU Chin-shek, Mr LAU Kong-wah, Miss Emily LAU, Mr Andrew CHENG, Mr SZETO Wah and Mr CHAN Kam-lam voted for the motion.

Mr TAM Yiu-chung, Mr David CHU, Mr HO Sai-chu and Mr Ambrose LAU voted against the motion.

Miss CHOY So-yuk abstained.

THE PRESIDENT'S DEPUTY announced that among the Members returned by functional constituencies, 24 were present, nine were in favour of the motion and 14 against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 22 were present, 17 were in favour of the motion, four against it and one abstained. Since the question was not agreed by a majority of each of the two groups of Members present, he therefore declared that the motion was negatived.

DEPUTY PRESIDENT (in Cantonese): As the next motion is the last item on the Agenda of the first term of the Legislative Council, I think that it is more appropriate for the President to preside over the meeting herself. I now declare that the meeting be suspended until the President returns to preside over it.

4.10 pm

Meeting suspended.

4.18 pm

Council then resumed.

THE PRESIDENT resumed the Chair.

PRESIDENT (in Cantonese): The third motion: Valedictory motion.

VALEDICTORY MOTION

DR LEONG CHE-HUNG: Madam President, I rise to move this end-of-term motion of the first legislature of the Hong Kong Special Administrative Region (SAR) on behalf of the House. This is the third valedictory motion that I will be moving. Each has its history-making epoch, and this one is no less. The first address was made in the wee hours of 30 June 1997 when the then Council bid farewell to the 150 years of British rule. The second one was at the end of the Provisional Legislative Council, an institution that has no precedent and will never, I hope, have a successor. What is so special about this first Legislative Council? I will elaborate later.

For the time being, let me bring Members through the facts and figures of the humdrum work that you all have contributed to produce fruits. In this two-year term, we have passed a total of 157 Government bills, and a total of 74 bills committees were formed to study 74 bills. Yes, the Government has always hinted that all the bills introduced should be in order and that there really is no need for detailed scrutiny by the bills committees. Yet, as responsible legislators, we stood our ground and bore fruit. Of the 74 bills scrutinized, some 65 were subsequently passed with amendments. Some of the amendments were substantial, resulting in much better laws to reflect the needs of the public. Similarly, we considered some 59 proposed resolutions by the Government and 624 items of subsidiary legislation, of which 149 items were studied in detail through 33 subcommittees.

In spite of burning the midnight oil repeatedly, the House still was unable to complete 14 Government bills and one Members' bill that happened to be my own, which will, therefore, lapse. The Bills Committee to scrutinize the Town

Planning Bill was dissolved as Members did not see the possibility of being able to complete the work. The Second Reading of one bill was not supported by Members, and one bill, having been scrutinized in detail, is still at the bottom of the Government's drawer. It is the undivided wish of Members that these bills be brought back in the early months of the second legislature when workload is usually light, so as to avoid subsequent "bunching" towards the end of term.

What is so special about the first legislature? As a start, it was a two-year term, giving us really no leeway to perform our expected role. Our workload pressure was further hampered by the resignation of one valuable Member and the need to take over the very heavy responsibility previously in the realm of the two now-defunct Municipal Councils. The House had some 19 special meetings to decide on ways and means to help Hong Kong people detained in the Mainland; to meet with deputations, academics, Basic Law Committee members to understand the right of abode issue; and to decide on procedures and the needs to disqualify a serving Member. It was a heart-aching action to disqualify your own kind, yet this law-making body has to abide strictly to the law, with no exceptions.

The first legislature can register a few firsts. We had two motions of "no confidence"; we had a total of six motions moved by the Chairman of the House on behalf of the House, much more than in the past; and we had six motions on constitutional reform.

What does all these mean and what are Members' wishes for a better tomorrow? The "no confidence" call, not just once but twice, may well be of political intent for which few would doubt. Yet there are all the indications that the people of Hong Kong are looking for responsibility and accountability in the high echelon of the Government, a new culture that cannot and should not be stopped, that the SAR would have to adopt with haste.

The same call for accountability is exhibited by the repeated requests from this Council for the Chief Executive, the Chief Secretary for Administration and the Financial Secretary to attend more question and answer sessions with this body as a dialogue with people's elected representatives.

It should come as no surprise, too, that in many of the debates dealing with constitutional reform, the main emphasis has been on how to develop a more accountable government within the framework of the Basic Law to suit Hong

Kong. It is on this basis that some Members have called for a ministerial system or other forms of political appointment for top posts in the Government.

Madam President, whilst it may not be every Honourable Member's wish to set any major changes in the Basic Law, few would disagree that it could be improved, at least to afford and clearly define the rightful role of the legislature. Article 74 of the Basic Law is a typical example. It states that "written consent of the Chief Executive shall be required before bills relating to government policies are introduced". Whilst this Council maintains that this Article is only applicable to introduction of Members' bills, the Government, as expected, insists that it includes even amendments to Government bills. Regrettably, this impasse has been in existence for some three years and there is still a deadlock. The stipulation on bicameral voting on any Members' motion is another example. Such a requirement has often created a mockery of voting, for any Members' motion could easily be defeated in spite of a clear-cut majority.

All these not only stifle the proper role of a legislature, but also hamper the relationship between this body and the executive authorities. Yes, checks and balances must exist between these two bodies, yet they must also work with the best of cordial relationship. Let the Administration realize that this body is not trying to overthrow the concept of an executive-led government. Instead, we are seeking for a tool that any democratic legislature deserves to ensure that it functions properly in representing the populace.

Madam President, as expected, much efforts of this Council have been placed on debates of the pace of democratization and universal suffrage. I have personally spoken on this repeatedly, but as a long-term elected functional constituency Member, I would like to highlight my thoughts again in functional constituency elections.

The concept of functional constituency is an important one in the metamorphosis of a colonial-appointed legislature to a one-man, one-vote type of legislature. It ensures that as many sectors of the public will be involved. It ensures that special sectors' expertise are utilized to the full.

Yet, after more than a decade of their existence, after having fulfilled their historic roles, I submit that the Hong Kong political system should now be approaching the final steps of maturity.

It might be said that the functional constituency representative should act as a perfect bridge between society at large and the sector that he or she represents. This may well be the case, but could the functional constituency representative always function as a bridge over troubled water? As society develops, and as the public at large become more well informed, conflicts appear and mount between society's interests and those of specific sectors. Even within a functional constituency sector, conflicts often occur. The result? A functional constituency representative often finds difficulties in keeping a proper balance walking on the tight rope.

Yet, while functional constituencies last, it must be the duty of the elected representatives to do their best, not just as a mouthpiece of the sector, not just as a technical adviser to the Administration, not just as a bridge with the public, not just as a leader of the sector that he or she represents, but all of these roles together. This, he or she owes it to the people of Hong Kong to do well and be accountable.

Much criticism has been made on this legislature that there is no cohesion (一盤散沙), and we are very divided, dampening our effect on the Administration. This may well be true, for there is no ruling party and pluralism is the name of the game. Yet, signs are obvious that the various political factions are moving towards working together on areas that are essential for the stability and prosperity of Hong Kong. More motions are moved by the House to represent the total membership's views. Joint coalitions are being formed a year ago firstly to help the Government stabilize the Hong Kong economy, and recently to push the Government to improve our very much needed air quality. Let us hope that this is the beginning of a more cohesive legislature in the days to come.

Madam President, a valedictory motion is incomplete without commenting on Honourable Members and our counterparts in the Government. Madam President, Hong Kong boasts a very efficient and clean Civil Service. In spite of the many sagas and issues that have so far happened, I still believe that our civil servants are first rate. Perhaps a separation of political appointment and apolitical Civil Service may even make our Civil Service better.

My weekly work comes very often in contact with the Chief Secretary for Administration. To her, I extend my praise. For five years, I have worked with her acting as a bridge between the Administration and the legislature. The initial feeling is that of an iron lady that could not be moved. I was wrong, for under the no-nonsense look is a devoted civil service head who is willing to listen, firm on her commitments, but more importantly, delivers what she agrees.

But for this Chamber, Madam President, time will not allow me to sing in praise of every colleague, although I would like to do so. Suffice it to say that I have the fullest respect to all. Many have sacrificed their personal work, their family and their health to dedicate to the work of this Council and the public.

Madam President, you deserve our first praise for being fair, firm, clear in your decision, but humane enough to allow Members' requests to waive the predetermined time to submit notices at the expense of your own time.

Madam President, for many possible reasons, five Honourable Members have already indicated that they will not seek re-election. Whilst legislators come and go, the loss of these veteran legislators and their representativeness will be a big blow not only to this Council, but also to the public, especially when Hong Kong is facing so much turmoil, for which there cannot be any equivalent replacement.

The Honourable Michael HO is to me more than a partner, but a brother in the quest of a better health care system. The Council will miss his clear thoughts and analysis.

The Honourable LEE Kai-ming is a very reasonable and liberal unionist indeed. If I am one of those "無良僱主", he will be the best counterpart that I would like to work with. (*Laughter*)

The Honourable CHAN Wing-chan has a love-hate relationship with me, both stem out of the anti-smoking issue in restaurants. No doubt, the catering industry (飲食界) would have lost a staunch voice.

The Honourable Miss Christine LOH is a joy and a delight in this Council, battling unreservedly for a clean environment for the betterment of Hong Kong, if not the world. Regrettably, she is unable to convince a smoker, who is absent today, sitting next to her. (*Laughter*)

What can I say about my classmate, the Honourable Ronald ARCULLI, who is again not here? It is no misnomer to label him "King of Bills", yet his attraction extends much further than the walls of this Chamber. This Council and the public will miss his shrewdness in scrutinizing bills and his wit in the Chair of the Finance Committee and this Chamber.

Madam President, I have been an elected Member of this Council for some 12 years, and have been serving as Chairman of the House for five years, straddling the change of government. It has been a tremendous experience for me. I owe this to the support that members of different political factions have unreservedly afforded me.

Needless to say, the unrelenting advice, legally and otherwise, from the Secretariat and the legal unit, has been something that I cannot do without. Dr the Honourable YEUNG Sum has been the best deputy, calling him "內副(褲)" is not disrespect but rather an indication of fondness of the Members of the House.

There is no doubt, Madam President, and I can speak for all in this Council and the forefathers of this Council, that the glitter of politics is completely irresistible and that there is nothing to match the seduction of an ever-changing political scenario. Yet, few would disagree that the over-zealousness of the Administration in its quest for an executive-led government, coupled with the different areas in the Basic Law, has stifled somewhat the role of this body. This has produced frustration to all, to which myself as Chairman of the House, would feel no less.

On my part, being a long-serving legislator returned by a functional constituency, an institution which should have fulfilled its historical mission, I have to face other frustrations which I have just now elaborated. Because of these and other reasons, Madam President, with a lot of fond memories, I bid farewell to this Council, and will not be standing for the September election. For, as the saying goes in *Ecclesiastes*, "There is time for everything, and a season for every activity under heaven."

With these remarks, Madam President, I do so move.

Dr LEONG Che-hung moved the following motion:

"That this Council concludes its work at the completion of its term of office in accordance with the provision of the Basic Law and wishes for the smooth formation of the second Legislative Council to continue to serve the people of the Hong Kong Special Administrative Region."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the motion moved by Dr LEONG Che-hung, as set out on the Agenda, be passed. We shall now proceed to the debate.

MR TIMOTHY FOK (in Cantonese): Madam President, in three days it will be the third anniversary of the Hong Kong Special Administrative Region (SAR). During the period just passed, Hong Kong has experienced changes of a "roller-coaster" type, dropping from the apex of the peak to the bottom of the pit, and is now slowly picking up. The experience is unprecedented, and our feelings that of vicissitudes and helplessness. Indeed, in the course of such dramatic and rapid changes, the faults of the old policies and systems have amply revealed themselves. Public confidence in the future has suffered, and discontent accumulated. Such discontent has even been brought into this Chamber. So all these problems must be properly resolved, and at an early date. Failing that there could be significant impact on the Administration of the SAR and the interest of society as a whole.

The term of office of the first Legislative Council is about to come to an end, and the next Legislative Council will be elected in September. At this crossroads of the old and the new, I would like to speak about an issue concerning the future, namely, "change" or "no change".

Madam President, the main theme of the "one country, two systems" formula is "no change". However, in the period just past, Hong Kong, Asia and even the whole world have witnessed changes that could be termed upheavals: The financial turmoil that sparked off a "domino effect" among Asian countries and regions, the development of the Internet that is pushing the world towards globalization, the emergence of the "new economy", China's imminent accession to the World Trade Organization, the unravelling of the full sequence of the human genome, as well as the various reforms and demands so brought by such

changes. It can be said that the 21st century is an era of changes, the speed and depth of which are hard to accurately foresee. To adjust to meet the changes of the objective circumstances is something the Government should and must do.

The question remains: What to change? What not to change? And how to change?

The first reform that needs to be done is a complete examination of the existing systems and policies. After the huge damage brought by the financial turmoil in the last two years, relief has finally come, and Hong Kong is on its way to recovery. In forward planning, the Government does really have the need to examine and adjust, across the board, some out-dated and faulty policies and measures in view of the shifts in the objective fundamentals. Experience tells us that the best time for a shake-up is the time of economic recovery and transformation of social structure. Procrastination and indecision will only bring long-term losses. Changes to a certain policy will naturally involve adjustments in other areas. This cannot be avoided, nor should there be any undue worries or discontent about that. If not, are we going to let wrong policies stay? Or do we change merely to suit certain people?

The second reform is to change the means being employed in striving for something, that is, bringing pressure to bear. In the period of time passed, quite a number of organizations and individuals have formed the habit of exerting pressure as a means of expression or to strive for rights and interests. Everyone must understand that while objection and criticism are necessary, over-emphasis or radical actions can in fact hardly produce positive results. "To have criticisms but not constructive suggestions" does not carry any practical meaning.

What should not be changed and indeed cannot be changed are of course the principles of "one country, two systems", "Hong Kong people ruling Hong Kong" and "a high degree of autonomy" as provided for in the Basic Law, because these are the vital basics of Hong Kong. Any change will gravely shake the foundations of the SAR, with unthinkable serious repercussions. The second thing which I think cannot be changed is the executive-led mechanism of the SAR Government and the system of our Civil Service on which all policies and systems of the SAR are based. Any rash changes will bring boundless hidden worries to the SAR.

Madam President, the Legislative Council, as the legislature of the SAR, is a main component of the SAR Government. While the stances and attitudes, as well as the approaches to various issues, of Members may be different, it is their common goal to work for the long-term interest, the well-being of our next generation, the economic prosperity, social stability as well as the quality of life for the citizens of Hong Kong. Take Hong Kong's application to host the Asian Games as an example. When the proposal was first mooted, there were diverse opinions in society, with objections from within this Council. However, when people finally came to understand that the whole endeavour was for the long-term interests of Hong Kong, for raising Hong Kong's international status and the quality of life for Hong Kong citizens, the Legislative Council eventually gave full support to the proposal, with all people concerned joining hands to do their best in preparing the application, to strive for a successful application, and to host a flawless Asian Games. I would again express my heartfelt gratitude to all those Members of Legislative Council and other individuals who have supported the proposal.

The term of office of the first Legislative Council is about to conclude. The next and new Legislative Council is sure to bring in completely new prospects. At this juncture when the old is leaving and the new coming, when we are saying good-bye, I fervently hope that the new Legislative Council will lead Hong Kong into a rich and prosperous era.

I so submit.

MISS CHRISTINE LOH: Madam President, I wish to thank you and the staff of the Secretariat for your unfailing courtesy and support. I wish to thank Members for their conviviality despite our many disagreements.

All the time when I have been here, the Honourable Ronald ARCULLI, the Honourable Michael HO and Dr the Honourable LEONG Che-hung were my companions. I never thought that they would not be seeking re-election this September. Then again, they did not expect me to stand down either.

I love Hong Kong, my home, and I feel very bad when I see regression. This is a particularly bad week for the Administration. The multiple public demonstrations last Sunday showed spreading discontent and disillusionment. I fear that there will be more public expressions of frustration.

Yet, those with real power are still in denial. Hong Kong people's expectation and culture have changed. Yet, they deny that fundamental change is needed. They deny that the crux of the problem is that Hong Kong no longer has a political system that can deal with society today. The "no confidence motion" shows up many of the cracks in this system. The values, assumptions and culture of the Hong Kong model come from a colonial system of administration. This is not a system that Hong Kong people are proud of. Indeed, I am deeply embarrassed by it. It is a system for fools. It is time to find an open process to discuss Hong Kong's future political system. There is no better way than to organize a constitutional convention.

With denial, also comes the reaction to blame others. Officials like to blame Members for grandstanding, for trying to score political points, for wanting to gain votes in the next election. They also blame the public for their ignorance, for their lack of faith in officials, and for their gullibility in being swayed by politicians. They sometimes blame the media for their sensationalism and inaccuracy.

When there is no one else to blame, they then engage in damage control by taking the offensive. They get those who resist change to make public, high profile statements in support.

So we hear ridiculous statements coming from the ultra conservative camp that only taxpayers should have the votes, and that functional constituency system is a marvellous system.

When the damage control does not work, they try to reassert control over a damaged image. I heard that the Administration now has a public relations company touching up its tarnished image, but a public relations company is just that. It cannot provide fundamental change. That must come from within. I worry even more after listening to the responding speeches from the Chief Secretary for Administration and the Secretary for Housing at the vote of no confidence debate earlier today. We may see some half-hearted, piecemeal measures from the Administration to address some of the areas of frustration. But it will still be remedial, and not fundamental. It is no use blaming the colonial experience anymore. The public wants to know what this Administration, those with real power, can do.

So for now, I prefer to be an active member of the public. I prefer to stimulate public interest and a spirit of activism. I believe that there is a full-time job that I can create to promote participatory governance outside this Council. There are many people that I will miss, Madam President. I will miss Mr Ronald ARCULLI's sharp mind and the Honourable Miss Margaret NG's sharp logic. I will miss the Honourable James TO for his tenacity. I will miss the Honourable CHEUNG Man-kwong's speeches, which are always good to listen to even though I disagree with him on many occasions. I will miss the Honourable Miss Emily LAU's acid tongue. I will miss the Honourable LEE Wing-tat's growing stature. I will miss the Honourable Jasper TSANG's robust style of argument. I will miss Dr LEONG Che-hung's parted hair and his youthfulness despite his seniority. I will miss the Honourable James TIEN's honesty in expressing the most right-wing views. I will miss the Honourable Edward HO's dashing white hair. I will miss my two neighbours, the Honourable Andrew WONG and Dr the Honourable Philip WONG for their good nature, I will miss Dr the Honourable David LI for his absence. *(Laughter)* And I will miss you, Madam President, for your impartiality. So thank you and thank you all, till we meet again.

MISS CHAN YUEN-HAN (in Cantonese): Madam President, the two Members speaking before me said that they would not stand for the next Legislative Council Election. I could be the third. However, I will stand firmly by my pledge. Though my term in the present Legislative Council is not without bitter, sour and troubled feelings, there have nevertheless been some sweet memories, and this might encourage me to return to the Legislative Council. Miss Christine LOH, I am a representative of the grassroots; and of course, I believe you are also a representative of the grassroots. But we have each chosen our different directions. I will respect your decision, and I also envy you for your decision.

Before the reunification of Hong Kong with China, we often criticized the Government for its many flaws, and its neglect of the long-term interests of citizens at the grassroots — Madam President, at this moment, I have many thoughts and feelings — the Government did not care about the underprivileged of society who are always neglected. Even today, I cannot see that the SAR Government has any sense of crisis in dealing with the negative consequences of the old establishment and in accepting in a planned way the huge challenge that faces Hong Kong citizens.

In the past two years, that is, the term of the present Legislative Council, the grassroots and the working masses of Hong Kong went through a lot of hardships and sufferings. I was there with them all the way, and the mere mention of that makes me feel really sad. Workers have to face the sluggish employment market and also the endless pressures of living. But the Government has not treated them well. When the labour sector, colleagues in this Council and various quarters in society reacted strongly and exerted pressure, the Government employed "a policy to deal with beggars" — whenever there were criticisms and outcries from us, the Government threw us a "bone". In the area of policies, I think that the Government lacks a clear philosophy for its reforms, all it has done is to make little repairs here and there. The citizens who wear the beggar's outfits given them by the Government have not improved their livelihood, nor have their problems been solved. What I see is that with the implementation of the small government policy, the enhanced productivity programme and the system of outsourcing that has been launched in various government departments, the Government is taking the lead in suppressing the wage levels of basic-rank employees.

Madam President, I participated in the demonstrations yesterday morning. Why did we march to the Chief Executive's Office and shout slogans? Before the reunification, the Regional Council approved some agreements for the contracting-out of some services, but the scheme was not implemented. I believe everybody knows that the job market in Hong Kong before the reunification was better than it is now, so despite our reservations at the time, the decision was eventually supported. However, when the contracting-out arrangements are implemented now, when Hong Kong is in its most difficult time, we can see that the contracting-out of services has directly affected the livelihood of non-civil servants, whose salaries have fallen all the way from the original \$8,000-odd to \$9,000 to the present \$7,000-odd. The Government has recently launched another contracting-out policy whereby staff salaries are limited to half the median wage, that is, \$5,300. After sub-contracting, the figure is finally \$4,000, some even get only \$3,000-odd. This is the salary of the contract staff who join the Government not as civil servants. Nowadays, it is contracting-out, it is enhanced productivity, and what will be the final results of their implementation? Every time I met Mrs LAU with the affected staff, whether they were men or women, they would shed tears. Most of them are in their thirties, what do they need? All they ask for is a job in the basic ranks. Now such reforms are even launched in hospitals, and the affected are also staff of the basic ranks. They also shed tears when they met the management.

Their present monthly salaries are around \$10,000. When their work is contracted out in the future, they will not be employed even if they apply. If we look at society now, we can find work being paid at \$10-odd an hour. I must ask: What is the Government thinking? Does it know our plight? I find it hard to say these words here, words I have been speaking for the past two years. Miss Christine LOH, I admire you greatly. Frankly speaking, I am a bit discouraged. However, I think that if I stay in the Legislative Council, I can still doing something, giving the Government some pressure. Naturally, I do not like it because in the process we could be regarded as "beggars"; but no matter, I will work hard and see if I can get elected and come back to the Legislative Council.

Madam President, the Government has recently announced that the unemployment rate had come down and our gross domestic product gone up by 14% in real terms, giving us an impression that things seemed to have turned for the better. However, what we see is that citizens are still reluctant to spend money. And today's newspapers carry the news that someone committed suicide for not getting a job. Such news appears almost every day. In the face of such a situation, does the Government understand that what we experience now is not unemployment in certain specific sectors, as in the past? Today we — Madam President, my apologies, being somewhat emotional, I forgot to turn on the transmitter and that made it difficult for you to hear me — in the face of such situation, I am very worried. Last month in the motion moved by me in this Council on the social welfare white paper, I mentioned that many people had made complaints through various channels in the face of the waves after waves of reforms, be they the reforms of the Civil Service, or the reforms of public utilities or just any other reforms. Indeed, does the Government know that it is making very important changes? In the last debate, I said that the Government was undoing the series of society-stabilizing policies established in the MacLehose era that aimed to end the social instability of the 1960s? What the Government is doing is to demolish these policies piece by piece. The Government in particular has not listened to our dissenting views, or minority views. This is where the difficulty lies. When we get problems, we do not know who to tell. What is more, when the Government embarked on significant policy changes, very often there was no comprehensive consultation .

I think that such a way cannot go on. On the other hand, do we say that the present SAR Government does not have any merit? That is not true either. Take the development of southeast Kowloon as an example. When the

Legislative Council expressed strong views about the relevant plans, the Government promised to revise the plans and re-submit them to the Legislative Council. The final plans were supported. It is believed that when the Government examines the current situation, it should not continue with the policies that against which citizens have already expressed their discontent through actions and words.

Madam President, it is hoped that everybody would work hard for Hong Kong. Miss Christine LOH, do continue to work hard too. Thank you.

MR SZETO WAH (in Cantonese): Madam President, I have been working here in this Chamber for exactly 14 years, since 1985 when direct popular elections were first introduced into Hong Kong's legislature, with the exception of my forced "alighting" in 1997-98. Before the reunification, I was involved in the gradual development of a democratic political system; and in the past two years, I have also witnessed its gradual retrogression. Not only was progress not made, there was retrogression. It aches our hearts that things have gone against the tide of history.

The present Legislative Council is constrained by the three "supreme restrictions". The first is the functional constituency and proportional representation elections; the second the restriction on the power of Members to move motions; and the third the bicameral voting system dividing Members into two groups according to the way they were returned. This three supreme restrictions together turned the Legislative Council into a Monkey King subject to the constraints of his master, Monk TANG San-zang, thereby losing its power to exercise checks and balances, resulting in the executive-led government turning into executive hegemonist. Every time when a majority vote was defeated by a minority one as a result of the bicameral voting according to the way Members were returned, it was an enormous irony for Hong Kong that aspires to becoming an international major metropolis in the 21st century. Some of my colleagues have thus become disappointed, even despaired, or have thus announced that they would not stand for re-election for the next Legislative Council. Their refusal to run is forceful protest and denouncement.

What are the results of executive hegemony in Administration? The wave of protest processions that shocked the community recently are the most resounding reply. Angry roars have been heard from teachers, doctors, social

workers, students, new immigrants and even middle-class people with negative assets. People are seething with anger, their grievances overflowing. In the Budget debate this year, I pointed out that (1) negating everything will result in oneself also being negated; (2) aggressive actions in all directions will result in dangers from all directions; (3) ordering river crossing without having the boats ready will get people drowned; and (4) turning people against people will eventually turn the people against oneself. That was not merely directed at the Education and Manpower Bureau, but was meant also for other departments. The trend of the overall social situation has unfortunately developed along the line predicted by me. What is even more worrying and infuriating is that "some people have already won their full house before the tiles are even shuffled" and "made a false declaration of winning but continue as the dealer". I repeat, some people have already won their full house before the tiles are even shuffled, and made a false declaration of winning but continue as the dealer. What kind of rules of the game are these? These are rules of the swindler.

I am not disappointed, nor am I despaired, because I never have too much fantasy regarding the representative politics of Hong Kong. Right at the very beginning when I got a seat in this Council in 1985, I already discussed with my friends in the Professional Teachers' Union of Hong Kong and decided our strategy, which is embodied in four phrases: "Have a firm footing outside, enter and get involved inside; maintain close connection between the outside and the inside, foster interaction between the outside and the inside". In the current political situation, I must specially stress "having a firm footing outside" to my friends in the democratic camp. Only with extensive support, "having a firm footing outside" can we "enter and get involved inside", can we maintain close connection and foster interaction between the outside and the inside. "Having a firm footing outside" is to promote social movements, to fully commit to social movements, to share the good and the bad with the masses, and to breathe the same air as they do.

I have decided to run as a candidate for the directly elected Legislative Council seat of Kowloon East in September. I have the confidence of returning to this Chamber, but I will also be equally active in taking part in social movements and street protests. I am close to the ripe age of 70, but I still have sufficient fighting spirit left in me, I am not stepping down from the front line, I am taking to the streets and do my best.

Honourable colleagues, see you later, here in this Chamber!

MR CHAN WING-CHAN (in Cantonese): Madam President, I am fortunate enough to have spoken twice in the valedictory motion in this Chamber. The wording of the present valedictory motion that "this Council concludes its work at the completion of its term of office in accordance with the provision of the Basic Law" refers to the two-year term of office in a narrow sense; in a broad sense, it can encompass the former Legislative Council before reunification and the present Legislative Council.

Before the reunification when we drafted the Basic Law, there were good wishes, that there would be "through train" for the Legislative Council, and that was included in the Basic Law. It is a pity that the limited time prevents me from elaborating the part of the Basic Law in this respect.

However, things happened contrary to such wishes, for the British Government appointed the congenial and yet controversial Chris PATTEN as the last Governor of Hong Kong, vice Sir David WILSON, in 1992. Mr PATTEN initiated the so-called "political reform package" upon taking up office, resulting in heated disputes between China and Britain during the transitional period.

The focus of the dispute was the PATTEN package of turning nine among the 30 functional constituency seats, the so-called "nine new constituencies", into a disguised way of direct elections, to be returned through "one-person, one-vote" elections. Though there were 17 rounds of Sino-British talks about the political and election systems, the British stuck to their way, showed no sincerity, thus harming the negotiations which thus broke up.

After the Sino-British negotiations on the election and political systems broke up, Hong Kong citizens were very much worried that there would be discontinuity and a legislative vacuum during and after the transitional period.

So, the Preparatory Committee and the citizens of Hong Kong used their own wisdom and decided, in accordance with the provisions in the Basic Law that stipulates that the Preparatory Committee shall be responsible for preparing the establishment of the SAR and shall prescribe the specific method for forming the Provisional Legislative Council of the SAR. Though the Hong Kong British Administration and Mr PATTEN conspired to build hurdles for the transition, we actively did our part in ensuring continuity.

For example, over 30 then incumbent Legislative Council Members supported the Provisional Legislative Council and took part in Provisional Legislative Council meetings as well as got elected as Provisional Legislative Council Members. These Members were subsequently elected Members of the first Legislative Council.

I am now thinking, if there were no Provisional Legislative Council, what would have happened to Hong Kong during the transition and after the reunification? For example, how would the first Legislative Council be constituted, and how would Members be returned? We all know very well that the Provisional Legislative Council was responsible for the formulation of the Electoral Provisions Ordinance under which the first Legislative Council was elected. As of today, the constitutional status of Members of this Council is beyond any doubt. I totally agree with the wording of today's valedictory motion, that it is the completion of the term of office in accordance with the provisions of the Basic Law.

Madam President, some friends and reporters asked me if I had any unforgettable things in my five years in the Legislative Council. Really, there are many things to remember. However, as I only have a few minutes left, I can only talk about some.

Take the recent feature article in *Ming Pao* about an interview with me as an example. It was reported that at a gathering in 1998, Mr David LAN, who then newly took over as the Secretary for Home Affairs, sought my advice on ways to raise the turnout rate in the first geographical direct elections. I told him straightaway, "Mr LAN, why do not you give the voters souvenir cards?" Whether the authorities eventually implemented this new initiative because of my spur-of-the-moment suggestion, I do not know.

I can tell Members that at the national day reception in the British Consulate last week, Secretary LAN personally confirmed to me that the Administration had actually taken my suggestion on board and asked Justice WOO to give voters "souvenir elections card" in the elections of the first Legislative Council.

Secretary LAN added, at the same time, that before he returned to Hong Kong from Tokyo to take up his new appointment, many friends in the foreign political circle, including Japanese ones, remarked that the turnout rate in the

first Legislative Council Election in Hong Kong would be an indication whereby the degree of democracy and the success of the "one country, two systems" formula after reunification were to be assessed. The Secretary felt the pressure at that time and he worked hard.

Whether the turnout rate shot up to 53% from the 30-something percent in the past because the Administration had accepted my proposal, there is no telling.

The *Ming Pao* article also pointed out that the last governor tailored-made a seat in the Legislative Council for me, CHAN Wing-chan. The title of that part was "CHAN Wing-chan smilingly said he thanked Chris PATTEN". I did not say those words, but have no objection to the line.

However, on some public occasions I did say, "Chris PATTEN got me involved, and my fellow workers elected me."

Madam President, I have worked in the Legislative Council for five years, doing my best to speak on behalf of the grass-roots working people. I also liked to talk about certain political topics which were also reported in the media. I would like to take this opportunity to thank all my friends inside and outside the Legislative Council for their support for my work in the Council.

I must express my gratitude in particular to the Legislative Council Legal Adviser, all the staff of the Secretariat and other colleagues for their high efficiency in helping me complete my work.

Thank you, everybody.

Thank you very much. Goodbye!

DR YEUNG SUM (in Cantonese): Madam President, after two debates, I am a bit tired, but still I would like to rouse my spirit and take this opportunity to say something.

Madam President, it has been three years since the reunification, and I have quite some mixed feelings. First, there have been many changes in society. In the past, society was relatively tranquil, life more stable, but now there have

been lots of changes; second, the Legislative Council has also seen many changes, particularly in its monitoring of the Government; and third, I will miss those colleagues who have decided to withdraw from the front line. I shall speak on these three areas.

Madam President, it has been three years since Hong Kong reunited with China. It is not a long time, but there have been big changes in society; mainly, there have been widespread public grievances that are not confined to the grassroots, but the middle class as well. Changes to life, in the past, normally brought more pressure to the grassroots, but now, unexpectedly, the life of the middle class has seen big changes. Job security, as most people knew it, has disappeared. In the past, a person with a university degree, who worked hard, got his professional qualifications, could basically lead a very stable life, whatever field he was in. Nowadays, however, it seems that the alarm has sounded over the stable life for most people, be they well-educated or otherwise. This is a great change. It is not merely a matter of negative assets. There are two factors contributing to this.

The first factor is the structural changes of our economy. This, Members know very well. The economic structure of the past was labour-intensive, and capital-intensive, but now we must also be knowledge-intensive. Those people in their forties will not be able to keep abreast of the trend of society, if they do not know information technology. Lawyers, college lecturers and physicians all face this problem. This type of knowledge has brought immense changes, altering society greatly in terms of moral concepts, values, family life, and even the ability to face life.

Another factor is the too many reform policies launched by the Government, and they come in an endless streak. First there is the civil service reform, that includes the linking of performance with pay and the contracting-out system. The tens of thousands of civil servants who used to belong to the more stable class have been experiencing many changes. The policy of lump sum grant has also changed the salary system of some non-governmental organizations. Universities have adopted the contract system when hiring teaching and office staff, and there will no longer be security of tenure. Medical officers now have the so-called "two-rank system", and nursing staff are also confronted by many changes. The intentions of the Government are good. It hopes that through all these reforms efficiency can be enhanced, surplus staff eliminated, and government departments streamlined so that government posts

can be greatly reduced in these few years. The intentions are good. However, such actions have brought instability to the general propertied and stable classes, such as university lecturers, social workers, teachers, medical officers, nurses and lawyers. They used to be people who enjoyed a good degree of stability in life. Now they also face insecurity, with uncertainties in their careers. These are simply inconceivable.

Madam President, reforms initiated by the Government, albeit well-intentioned, following quickly on the heels of the economic restructuring, are launched in too hasty a manner, thus giving rise to all the grievances from various quarters of society. And public grievances do not only come from the grassroots, though their plight is even more miserable. At present, though it is reported that the rate of unemployment has dropped, strangely enough, the survey conducted by the Democratic Party to mark the third anniversary of reunification has found that, despite the economic upturn as claimed by the Financial Secretary, most of the respondents still said they had not experienced any improvement, and what they had seen was another problem, that of the disparity between the rich and the poor. I wish to take this opportunity to talk about the situation; and I also hope that the Government would listen carefully. Many policies are good by themselves, but when they are not implemented properly, or when the way of implementation is faulty, even good policies could cause public grievances. The whole thing is therefore a pity. In the past, government officials used to be very capable, very efficient and could handle things properly. However, for reasons unknown, the same bunch of officials carrying out the same policies, negative results are now produced. The Government should really think about it. There must be many things hidden from the public eye that defy our understanding, but I would not like to make any speculations.

The second point, the changes with the Legislative Council. Madam President, constrained as it is by the Basic Law, this Council must adopt the bicameral voting procedure of requiring a majority vote of each of the two groups of Members returned differently. For example, the result of the voting on my motion just now was 26 Members in favour, and only 18 Member against, but the motion was not carried, because of this bicameral voting procedure. Besides, private Members' bills are hard to get approval for debate in this Council. Dr LEONG Che-hung was fortunate and his bill, as was wisely ruled by the President, could be tabled for debate by this Council. Basically, private Members' bills are difficult to get approval for debate in the Legislative Council.

If the bills involve government policies, they must first obtain the written consent of the Chief Executive before they can be tabled. Come to think about this. What issue does not involve government policies? In fact, a ban on smoking also involves government policy. However, because of the difference of opinions, Dr LEONG's bill got the approval to be tabled. The bicameral voting procedure and the restrictions on private Members' bills have greatly undermined the power of the Legislative Council in monitoring the Government. The Basic Law stipulates that there shall be checks and balances between the executive authorities and the legislature; but regrettably, the restrictions on the Legislative Council have in a way reduced the Legislative Council's function of monitoring the Government on behalf of the citizens. In this respect, some Members might have been disappointed because they feel that they do not have sufficient power. At the same time, citizens are very disappointed with us because while we promised them a lot, we could not even move a motion to introduce some amendments to policies or bills tabled by the Government. The public naturally has great grievances.

I hope that the Government could deliver the following: First, the Chief Executive and the Chief Secretary for Administration could think of ways to improve the relationship between the executive authorities and the legislature, and not to further undermine the powers of the Legislative Council in monitoring the Government; and second, lose no time in searching for ways to establish an accountable government. Many Members have said a lot about this, and I do not want to repeat their views. Third, I would repeat my request, and that is, the Government must seriously plan for and launch as soon as possible a review of the political system in the direction of electing the Chief Executive through universal suffrage.

Miss Christine LOH has decided to call it quits I think it is a pity because she is a pioneer in environmental protection. However, as the subject has received extensive attention, it is believed that many people will devote themselves towards the work in this respect.

Dr LEONG Che-hung is one of my good partners and my senior. I have learned a lot from him. I believe this master surgeon will continue to play a significant role in the medical profession.

Both Mr LEE Kai-ming and Mr CHAN Wing-chan are senior members of trade unions. I believe their work will be capably taken over by their successors.

With Mr Ronald ARCULLI, "the King of Bills", leaving, our work will be greatly affected. However, I believe both the institution and the systems of the Legislative Council will continue to develop.

Thank you, Madam President.

MR CHAN KWOK-KEUNG (in Cantonese): Madam President, after being battered by the financial turmoil, Hong Kong economy recently shows some signs of recovery. The growth of our GDP for the first quarter was 14.3% in real terms and the Government even forecast that the annual growth could reach as high as 6% to 7%. This piece of news, however, has been met by the grassroots with knotted brows and sullen faces; they just cannot find any solace in it. This is because unemployment stays above 5%, with as many as 190 000 people without a job. This, together with the fact that incomes at the grass-roots level have dropped and that the disparity between the rich and the poor has grown bigger, have worried the grassroots gravely. They see no hope in the future.

Hong Kong is undergoing a transformation to knowledge-based economy, and this brings the problem of information poverty. Many low-skilled basic-rank workers aged above 40 are vulnerable because they fail to grasp information technology and are therefore susceptible to elimination in the labour market. These workers account for one third of our working population. Therefore, the Government must not do nothing about this. The Hong Kong Federation of Trade Unions (FTU) has been stressing that the Government should draw up a policy to assist the poor as soon as possible, so that local workers can re-enter the labour market and that through employment support schemes, retraining and projects aiding the environmental protection industries, more security, support and job opportunities can be given to local grass-roots workers.

Earlier this year, I moved a motion in this Council "to create employment opportunities by helping the waste recovering and recycling industries". I pointed out that the labour-intensive recovering and recycling industries could effectively reduce the quantities of waste for landfills on the one hand and create

more job opportunities for grass-roots workers on the other. It is a pity that the Government has not wholly accepted our proposals. At the meeting of the Task Group on Employment last February, the Government agreed to create jobs in the environmental protection industries. But it was only 1 100 new jobs in the next six years. Not only is the number too small, but the new jobs are created in the construction of incinerators and refuse collection points. There is no support for the waste recovery, sorting and recycling industries that can absorb large numbers of workers. The new jobs do not help solve the problem of unemployment. We suggest that the Government should take new initiatives to support local industries, and not stand aside and watch such industries wither.

In the past two years, as a Member representing the labour sector, I have witnessed the collapse of many enterprises, layoffs, and salary and benefits reductions. The biggest impact comes from the civil service reform. Miss CHAN Yuen-han, Mr CHAN Wing-chan and I met civil service organizations on several occasions to gauge their opinions in respect of the reform and reflected their worries many times in this Council. On 9 June last year, I moved a motion regarding the civil service reform, asking the Government to fully and seriously consult the civil servants, pointing out that such reforms must not be carried out from top down by coercing the civil servants to accept them.

Since the civil service reform was launched and the Financial Secretary required government departments to enhance their productivity by 5%, we have received complaints from many civil servants. Examples include many hospitals cutting temporary staff, and the Fire Services Department cutting ambulance staff and the number of ambulances. Further, the corporatization of many departments and the contracting-out of services, such as the Housing Department that has enlisted private companies to provide services, the privatization of the survey and cartographic sections of the Lands Department and the contracting-out of the cleansing services by the Urban Services Department, have threatened the jobs of civil servants.

In the course of dealing with complaints from civil servants, helping them fight for their reasonable rights and interests, we have never stopped telling the Government that the civil service reform could not be implemented in a hasty manner; it had to be launched in a gradual and orderly manner. The views of civil servants and their staff unions must in particular be sought. Failing that, the stability of the Civil Service could be affected to the disbenefit of society at large.

During the term of the present Legislative Council, my only regret is that the Legal Aid (Amendment) Bill 2000 was opposed by the Government on the ground that the bill involved public expenditure and government policy. I proposed the bill because in the course of dealing with labour disputes in the FTU, we had seen that many employees often failed to recover their wage in arrears or long service payments even after they had won their cases in the Labour Tribunal. Deep-pocketed and powerful employers often engaged lawyers to appeal their cases, thus placing the employees in a position of financial disadvantage. The employees must apply for legal aid. But the means test for legal aid is very stringent, thus creating unfairness to the employees seeking remedy for their rights and interests.

My private Members' bill proposed to give the Director of Legal Aid the discretion to waive the ceiling of the financial assets of employee applicants. However, the Government employed the delaying tactic which prevented my bill from going through the First and Second Readings before the closing of the Legislative Council Session. But we will not give up. I hope to table this private Members' bill again in the new Legislative Council, to fight for the rights and interests of employees.

Madam President, I so submit. Thank you.

MR MICHAEL HO (in Cantonese): Madam President, since becoming a Member in 1991, my work in the Legislative Council has added millions of colours to my life.

My work in the Legislative Council has given me much valuable experience as well as very rigorous training. Indeed, I like this job very much and have enjoyed debating issues with colleagues in the Chamber. I also remember how I have shared their immense wisdom and that of government officials through the various discussions.

In the past eight years, I have witnessed changes to this Council in many respects. When I first became a Member, there were many ad hoc committees; now we have the system of Bills Committees. All the closed-door meetings then are now all open to the public. In the process of examining issues in the panels and scrutinizing bills, we have striven for improvements to policies and laws. Though work in this area has not been always smooth, but things very

solid have been done. This is more effective than in the past when nothing but lobbying could be done. It is a pity that after the reunification, the bicameral voting system in the Legislative Council has made it very difficult for amendments proposed by Members. This has also reduced our ability to bring substantial amendments to legislation. This is a great pity and a great regret.

In the many years in this Council, I have met many good officials who heeded good opinions. Of course, I have also seen "bad officials" who, just like a "tape recorder", were short of any responses. It gave me great satisfaction to work with good officials, to rack our brains together to improve laws and solve problems. That was good experience. On the other hand, to work with officials who were not co-operative would get you nowhere. Sometimes, there were even problems in communicating with them. That was very discouraging. I hope that in the future civil service reforms, something could be done in this respect.

Another cause of regret is the present very undesirable relationship between the executive authorities and the legislature. The Government under the leadership of Mr TUNG Chee-hwa has practised executive hegemony under the executive-led banner, basically sticking to a policy of no communication, no co-operation with the Legislative Council. Therefore, I hope that relations between the next Legislative Council and the executive authorities could be improved.

A number of my working partners have announced their decisions not to stand for re-election. Miss Christine LOH has built herself a distinctive image. Her image as a champion for environmental protection and against discrimination has been widely accepted by the public. It is a pity that she pointed out today that the air pollution index at present is much higher than it was several years ago.

Mr CHAN Wing-chan and Mr LEE Kai-ming are trade union stalwarts. To me, they both are nice people. Every time they attended meetings, they would never forget to grasp an opportunity to strive for the biggest interest for the workers. One special impression they gave me is that whenever "unscrupulous employers" were mentioned, one of them would always jump up. Here I would like to wish them all the best, good health and job satisfaction, when they return to their work with the trade unions.

Mr Ronald ARCULLI enjoys the illustrious title of "god of Bills", though many newspapers refer to him as "King of Bills", Mr James TO likes to call him "god of Bills". He is a downright genius in scrutinizing legislation. I learned a lot working with him. I wish him all the successes in his law practice. I also believe many Members who stay with the Legislative Council will in the future see Ronald the lawyer here. Another of my good "partners" is Dr LEONG Che-hung. Though our views were often different, we could always have good discussions and debates. Madam President, one thing he and I share is that we both like early meetings. I believe in the future the Panel on Health Services will not hold its meetings so early, and reporters will not have to come so early in the morning.

Madam President, my work in this Council ends today. I would like to take this opportunity to thank the staff of the Secretariat and our Legal Adviser who have given us much support and advice through the years. I wish them all the best. I also wish all Members who stand for re-election every success.

Thank you, Madam President.

MR DAVID CHU (in Cantonese): Madam President, first of all, I wish to thank my voters for giving me the opportunity to work in this Council. With such an opportunity, I have learned from Honourable colleagues how to handle the work of the Legislative Council, and have enriched my experience in dealing with people and issues.

I noticed that when Miss CHOY So-yuk spoke just now, she mentioned "cha siu" which, I can tell, is a kind of roasted pork. I am not too proficient with the Chinese language, and do not know if "cha siu" means roasting on a skewer. However, the two words "cha siu" remind me of the stand and behaviour of political parties in the past few years. I would like to describe the relations between political parties and "cha siu".

In any meeting of the Legislative Council, it appears to me that government officials attending the Legislative Council are like pork on a skewer, with slow-burning charcoal underneath them. (*Laughter*) In the course of roasting, I see that Members from the Democratic Party, Mr CHEUNG Man-kwong, Mr LEE Wing-tat and also Mr Andrew CHENG in particular, are adding oil, adding kerosene to the fire. (*Laughter*) Miss Emily LAU of the Frontier

is using a long knife to stab holes in the meat, saying that with a few more holes, the meat will be better roasted, and there will be added transparency. (*Laughter*) Over there, Mrs Selina CHOW of the Liberal Party is rushing forward with a big jar of honey, saying that she would cover the officials with honey, that way, they would be more comfortable, and would show a better colour after the roasting. (*Laughter*) At the back, Mr Jasper TSANG of the Democratic Alliance for the Betterment of Hong Kong is shouting, "Do not roast! Do not roast! We in the DAB like it raw." (*Laughter*) Miss Christine LOH is sitting there and says that we need a policy even if it is for roasting meat, we should find out if the front or the back side of the meat should be roasted first. (*Laughter*) Mr Ambrose LAU, Chairman of the Hong Kong Progressive Alliance, is looking everywhere for a fire extinguisher, but to no avail. (*Laughter*) Mr Eric LI speaks seriously, "In principle, we do not eat cha siu. But leave us some for breakfast tomorrow." (*Laughter*) Lastly, Dr David LI leaves a message, saying, "Call me to come and eat when the meat is roasted, but it must be before three o'clock in the afternoon." (*Laughter*)

Thank you, Madam President.

MR EDWARD HO (in Cantonese): Madam President, I am not sure if I should speak now, because many Members may have plans to speak on serious topics like the Basic Law and the political system. I instead would talk about some lighter subjects.

In the first place, valediction is said for farewells. I welcome the large number of officials who are present here this afternoon, particularly after they had such a difficult time this morning. Nevertheless, when they came here, would it appear to them that as our term of office is coming to an end, and "our days are over", so are they here to see how many of us would be re-elected for the next term? Mr David CHU just told some jokes, and you are now quite relaxed, and so am I. I often feel that my own speaking time is always insufficient, while that of other Members is too long, when I listen to their speeches. I hope that those Members whom I am not going to mention do not get mad at me; and the same with those I am going to talk about.

First of all, I think that the President should receive the Award for the Greatest Patience. It is hard to have the patience to listen to other people talk, and also have the patience to sit here. Dr LEONG Che-hung should receive the

"Loud-speaker" Award, because when he speaks, he does not need a speaker to get heard. We have quite a few "loud-speakers" here, and I can list them all. They are, Dr LEONG Che-hung, Mr James TO, Mrs Selina CHOW, Mr CHEUNG Man-kwong and Miss Emily LAU. They all can do without the speaker.

This Council naturally has its share of experts and Dr IQ's, such as Dr Philip WONG and Dr LUI Ming-wah who never presses the wrong button, (*laughter*), and my good partner, Dr Raymond HO representing the construction sector. One Member from the Liberal Party often conveniently helped us out greatly. Whatever we wish to say, or do not wish to say, or are at a loss as to what to say, we can always ask him to speak on our behalf. And he is Mr Howard YOUNG who can always eloquently fill his time slot, be it seven minutes or 15 minutes. We also have a very well-known Member here, I only need to say two words, and you will know whom I am referring to: The two words are "the industry". I believe you all know it is Mrs Miriam LAU that I am talking about. The seat of Mr LAW Chi-kwong is similar to mine, in that they both provide very easy access to, or exit from, this Chamber. What impresses me most is his smiling face and that he would look at his computer every time he spoke.

There are many lawyers in this Council, and naturally they display different styles during debates. They are Mr Martin LEE, Mr Albert HO, Miss Margaret NG and also "Chairman" Ambrose LAU, I leave out for the time being Mr Ronald ARCULLI to whom I shall return later. They are all eloquent debaters. There is one Member who is not a lawyer but I think he merits a place in the practice, and he is Mr Jasper TSANG. Having watched him speak during the debate over the Urban Renewal Authority Bill, I was convinced that he would be more than competent as a lawyer. Again on eloquence, I wish to name two more Members, one of them is Mr LEE Wing-tat who had a lot to say particularly when the Democratic Party or himself became the target of some comments. The other one I admire is Mr CHAN Wing-chan. It is a pity that he is really saying goodbye to us, and will not seek re-election. I like to listen to his speeches because he reminds me of the stories over the radio when I was a kid (*laughter*), such as "The Five Righteous and the Seven Chivalrous". I believe when Mr CHAN leaves the Legislative Council, he could earn some money by telling stories on Radio Television Hong Kong. (*Laughter*)

This Council also has some "fighters", or representatives of the labour sector, such as Mr LEE Cheuk-yan and Mr LEUNG Yiu-chung. Mr LAU Chin-shek cannot be counted as a "fighter" because he is too refined. The democratic camp does have quite a number of Members who are refined, among them Mr SIN Chung-kai is both refined and handsome. However, the English transliteration of his last name, SIN, does not carry a good meaning. On the contrary, in Chinese, SIN is a homonym of "good", which is much better. Mr Fred LI is a "fat boy" and he gives people an impression of being moderate. I do not know if this is a good thing, because it is not known if a moderate in the democratic camp could easily get the boot. It is a pity that Mr Michael HO is also leaving. I think he is a very refined and moderate democrat.

Woman's right is very important. In the Legislative Council, apart from Miss Emily LAU who puts the fear of God into everybody, there are several female Members. Examples are Miss Cyd HO and Mrs Sophie LEUNG who sits in front of me. They are both capable ladies. Miss Christine LOH just said that she would remember my head of white hair. For my part, I will remember her masculine outfit. I would have sung a lot more praises of her had she not gotten a young candidate to compete with me. (*Laughter*) The other lady is Miss CHAN Yuen-han whose speech I also like to listen to, because she shows her true feelings.

I have but one minute left, so I must be quick. Mr YEUNG Yiu-chung now sports a "Chief Executive-style" haircut, I do not know what his ambition is. Mr Gary CHENG tries to emulate me by having a full head of white hair, but his hairdresser has failed to dye his hair as white as mine. Mr Andrew WONG, whenever he spoke, seemed to give us a lecture on the constitution or on the law. Pardon me, but there is a bunch of nice guys out there, I will just name them. They are Mr Kenneth TING, Mr HO Sai-chu, Mr Eric LI, Mr CHAN Kam-lam and Prof NG Ching-fai. They are all nice guys. If Mr Ronald ARCULLI and Dr LEONG Che-hung who were both my schoolmates are really not seeking re-election, I would think it is a great pity. Mr ARCULLI in particular has been very hardworking. If he no longer serves in the Legislative Council, other Members must work harder.

MR ERIC LI (in Cantonese): Madam President, to speak on the valedictory motion is never my strong suit, and I do not wish to talk about lofty subjects today. Generally, the breakfast group is represented by Dr LEONG Che-hung in the motion, but now he is leaving, I must therefore stand in.

I wish to say a few words today to those Members who have decided not to seek re-election. It has been said that the voice of the middle class and professionals in this Council is getting weaker and weaker. When I first joined the Council in 1991, there were five physicians and five accountants in the Legislative Council. They left one after another, and Dr LEONG and me are the last two. Now Dr LEONG is quitting, and Mr Michael HO of the health care sector has also decided not to stand for re-election, it is obvious that the voice of the middle class in this Council is very much diminished. I wonder if the decision of Dr LEONG to quit has anything to do with the doctors "taking to the streets". If accountants do the same, I might have to consider withdrawing from the front line as well. I hope that day would not come soon.

In the past two years, Dr LEONG Che-hung who sits next to me has given me a great sense of safety because he supplied me a lot of advice on health matters as well as free medicine. As the Chairman of the House Committee, he knows the Council inside out. Whatever the issue, if you ask him, he will give you the answer, full and clear. Further, during debates in this Council, when I took the offensive, he would guard my rear. When I chose to play defence, he would take the offensive. We worked with great tacit understanding. I will never forget how well we worked with each other during the "battle" of political reform.

I think it can do no harm if I should recommend to the Government people with real ability and commitment. When we debated the Urban Renewal Authority Bill yesterday, the breakfast group did not give its support to only one clause of the bill. We thought that the Chairman of the Urban Renewal Authority should attend the Legislative Council meeting and meet us. If Dr LEONG Che-hung really assumes the Chairmanship of the Hospital Authority as the press has reported, I believe we shall have the opportunity of meeting him here. But before he does, I can only hope that Mr Timothy FOK, another Member having his hair parting right in the middle, will have breakfast with us more often.

Mr Michael HO became a Member of the Legislative Council in 1991, at the same time I did. At that time, many reporters coming behind me would mistakenly call me "Michael", probably because both Mr HO and I are of similar age and build. Of course, people can simply look at our hair now and tell between us. In the nine years, my hair has turned white, but it still takes great effort to find one strand of white hair in Michael. So, though we worked

together in this Council and we racked our brains, our difference in political views and directions might have done differently to our looks. However, one thing we both share, and that is, our concern for our children. I hope that when he leaves the Legislative Council he will enjoy more time with his family. This was also the factor I took into account when I considered if I should seek re-election. I chose one path, while Mr Michael HO took the other. I hope that we will still have a lot of chances in the future to exchange views.

Mr Ronald ARCULLI is a Member I both fear and like; and he is also one I respect very much. After the financial turmoil, bills regarding financial and monetary matters came in huge volumes. I was already fully committed merely in handling the affairs of the Public Accounts Committee, but there were Bills Committees I must join, so I needed somebody to serve as the chairman in my place. I was glad Mr ARCULLI was around, because every time I asked him to stand in as the chairman, he never refused me. He is sure worth his title "King of Bills". However, there is one drawback with him serving as the chairman: We have to be very well prepared, otherwise, Members could also get a snub on the nose. Therefore we had to be very careful and clear about what we did, thought or said.

I have no idea how the business of the law firm of Mr ARCULLI would be in the future. But I have an idea. Several days ago, we had a soccer match with the government team comprising Bureau Secretaries, and we won by six to one. When I was a kid, a weak team about to play against a strong one would try to find support from the outside. Mr Jonathan DAW, the former "King of Bills" is now in the employ of the Government. Mr ARCULLI is also an outstanding professional, I do not know who will be fortunate enough to secure his service. If the Legislative Council so needs, it would not be a bad choice if we can hire him as the Legal Adviser. I have already floated the idea with the Government, and hope that the Government would consider it. Dr LEONG Che-hung often talked about a ministerial system, Mr ARCULLI in fact is one brilliant candidate.

One expatriate accountant once said to me that Miss Christine LOH was the air refreshing agent of the Legislative Council. I think the location of her seat could be one of the reasons. I am not saying that sitting beside Mr Andrew WONG she is encircled by smoke. What I am saying is that she sits between Mr Andrew WONG and Dr Philip WONG, both of whom are wine-lovers, and convenors of our good-wine group. Mr Andrew WONG is the wine immortal

among us, and Dr Philip WONG the wine overlord; so, sitting between them, Miss LOH has become the "why-not-run" — she used to be the one who left this Chamber more quickly after meetings. Even though she will no longer attend Legislative Council meetings, she is still welcomed to have a glass of wine with us. There are nowadays many ways of communication among young people. They need not meet face to face, instead, they can contact each other through the atmosphere, the electric waves, and e-mail. I look forward to engaging Miss LOH in heated and enlightening debates again.

Mr LEE Kai-ming and Mr CHAN Wing-chan are labour representatives. In the past, Members coming from labour unions normally gave me the impression that they often showed flares of agitation. However, even one of them comes from the Federation of Hong Kong and Kowloon Labour Unions, he has not shown the least of agitation. Mr CHAN Wing-chan is always in control of himself. He very often resorted to reason during debates, sometimes he could also be highly humorous. He provided a sort of delightful refreshment during some of the very serious debates in the Legislative Council, and that cheered Members up. At present, society is getting more and more agitated, and many people are taking to the streets, and their relations with the Government are getting more and more strained. This prompts us to ask if such agitation is really necessary. When my wife was about to lose an argument with me at home, she would query my attitude. I believe that when Members debate with the Government, if both parties could speak less about matters of the system, could instead display friendly attitudes, problems would be solved more easily.

Limited by my speaking time, I cannot touch upon other matters. There are however many memorable things with the Legislative Council. For example, however diligent and efficient Miss Emily LAU is, she is always overwhelmed by the affairs of the Public Accounts Committee. Our soccer team, our breakfast gatherings and our good-wine club, all are things to be remembered. I hope that I can see the many Members here again in the next term.

MR JAMES TIEN (in Cantonese): Madam President, my apologies, the speech of Mr David CHU almost made me forget what I had intended to say. It is rare that we can have such joyous moments within the Legislative Council. I almost applauded, and nearly forgot I was inside the Chamber of the Legislative Council.

Madam President, the present Legislative Council is the first one after the reunification. As it is still in a sort of transition, we experienced much difficulty in our work. More unfortunate is that the financial turmoil brought problems to Hong Kong economy. In the past two years, unemployment kept creeping up, and the value of people's assets plunged. The retail business is in the doldrums. The situation has caused a lot of public discontent. Of course we hope that citizens would understand that these are the consequences of a free economy, and the Government has done its best. This Council also did all it could to help. But all this might not be able to meet their expectations. However, compared with other areas in Southeast Asia or some other countries around the world, Hong Kong has suffered less from the financial crisis. Miss CHAN Yuen-han displayed her true emotions just now when she spoke. Employers do know the plight of the wage earners, because employers are having very poor business, particularly those of small and medium enterprises. Many who used to be employers are now employees themselves. Therefore, they well know how things are at present. Many big companies are carrying loads of debts and holding even the so-called negative assets. But banks are reluctant to demand repayment because doing so would aggravate the situation in view of the size of their loans. So everybody has to be patient for the time being. It is hoped that our economy will keep improving in the few years ahead, so that everybody can enjoy a better life.

Madam President, in the few years since the establishment of the Government of the Special Administrative Region (SAR), quite a number of social reforms have been proposed, which we fully support. For example, we have reforms to our health care system, our education system, social welfare and the Civil Service. All these reforms are exactly what society needs. Unfortunately, the newly established SAR Government, probably wishing to do a lot of things all at the same time, has failed to get quick results; and now problems arise in many areas, causing widespread public discontent. The morale of civil servants has also suffered. Though we talked about this during the debate in the morning, I wish to mention this again and would like to urge civil servants to continue to do better.

On the other hand, the Liberal Party has always thought that the relations between the executive authorities and the legislature must be strengthened, and principal officials must be made accountable. In our opinion, even though the ministerial system cannot be adopted right now, if officials are accountable, lots can actually be done. This was discussed in a motion debate this morning.

From the perspective of the business sector, Hong Kong can be regarded as a board of directors that has hired a number of executives. If staff at lower ranks feel that these executives are not to be held accountable, they would think that they themselves could also take things easy. Take my own experience. I remember that when I first returned to Hong Kong, I assisted my father in managing his garment factory. If a customer was hard to please, my father, myself and the factory manager would take his order seriously, and the workers would also work seriously. If a customer was more easy-going, then goods would simply be delivered in the normal way. I believe that among the civil servants, certain Bureau Secretaries or heads of departments might have such a mentality. When they are posted to a certain department, they might make their staff think that they would only be there two to three years. In that case, why bother to do so much?

The result of this morning's debate is not something the Government is pleased to see. But I hope that Bureau Secretaries and heads of departments could do their best to encourage their subordinates, and say to them, "Though I may be heading the department for two or three years, I still hope to get the full support of the staff. All the staff of the department will collectively assume the responsibility for any blunder we might make that results in the Legislative Council casting a vote of no confidence." It is hoped that senior officials would encourage the civil servants with positive words so that the latter would not become disheartened in their work because of the passage of the motion this morning. It is hoped that they would continue to work hard for Hong Kong.

Madam President, I would now like to say a few words to those Members who will not seek re-election. I have to speak carefully, because I have not prepared speaking notes, and it is easy to say the wrong things. However, even if I do say something wrong, it does not matter. Mr David CHU has done that just now. (*Laughter*)

Miss Christine LOH is particularly concerned about environmental protection. I note that in the Legislative Council, she has not attended too many meetings. But many citizens agree with her and she enjoys great public support. I have frequently thought that she is like a wisp of cloud, beautiful and high above. The public might not know what she is doing, but they support her. Mr Michael HO is a moderate within the Democratic Party. Several years ago when he was responsible for labour matters within the Party, talking with him then was much easier than with Mr Andrew CHENG now. (*Laughter*)

Therefore, I am going to miss him after his departure. Mr LEE Kai-ming and Mr CHAN Wing-chan, I think, are more neutral ones among labour representatives, Mr LEE Kai-ming in particular. I have had heated debates with Mr LEE Cheuk-yan, Mr LEUNG Yiu-chung and Miss CHAN Yuen-han — Mr LAU Chin-shek does not come into the equation now, for he is too old and can be ignored (*Laughter*) — when they blamed "unscrupulous employers", I countered with "unscrupulous employees", very often sparks would fly. However, Mr LEE Kai-ming and Mr CHAN Wing-chan are the more pragmatic of the labour representatives. When they are no longer in the Legislative Council, what will happen if labour issues are discussed in the future? Well, we shall know when the time comes. As Mr Eric LI said, it is widely speculated that Dr LEONG Che-hung will take over the chairmanship of the Hospital Authority. If that is true, he will attend meetings of the Legislative Council and by that time, we are going to ask him questions. (*Laughter*) Though the ministerial system is not yet adopted, the Chairman of the Hospital Authority should also be responsible to the Legislative Council. So, Dr LEONG, please come prepared, we will not spare you our questions. Last but not least is my colleague, Mr Ronald ARCULLI. We are going to miss him very much. I leave him to the last because I am still persuading him to stand for re-election. He has no reason to let Mr FUNG Leung-no, the fifth candidate, get the benefit so easily. (*Laughter*) If Mr ARCULLI now decides to seek re-election, whether he does so as a member of the Liberal Party or not, I will give him my full support. A Legislative Council without Mr ARCULLI will lose some of its glamour in its work because he is the Member who take on the most business in the Council. I hope he would continue to think about my words. Thank you, Madam President.

MISS CHOY SO-YUK (in Cantonese): Madam President, Mr David CHU said that he saw the two words "cha siu (roasted pork)" in my speech. In fact what he saw was another article. This present speech of mine might be a bit of a bore which I shall deliver later. The speech of Mr CHU's just now is the most impressive in the two years during which I have been a Member of this Council.

Madam President, the term of office of the first Legislative Council is gone, almost in a blink of an eye. Now the term is drawing to a close, as a more sentimental mortal, I really hate to see the end. Looking back at the past two years, I have mixed feelings. In this Chamber, like other colleagues, I have had my emotional ups and downs. There were happy moments, and there were

frustrating times. I shall first talk about the happy things. The two years of work as a Member has enabled me to further experience the operation of the Legislative Council; it is mightily meaningful in overseeing government administration, reflecting public opinion and helping citizens fight for the rights and interests they are entitled to. I am glad that I have been fortunate enough to be able to participate in such meaningful and challenging tasks. In the past two years, I can say that I was very much committed to the work of the Legislative Council, and I think it is worth all my efforts, even in doing so I had to give up most of my own business. As I am so committed, whenever the Government made changes to its policies or measures as a result of Members' efforts, I would be immensely jubilant, feeling that I was duly rewarded for my work.

On the other hand, when our work was not duly respected by, and got no reasonable response from, the Government, we would feel disheartened. Very often, despite an unanimous view of this Council, the Government still would not listen, would not heed our demands. Examples are the fight for the child support agency, sewage treatment, and the issue of pre-primary education for children. Though we fought for years, we failed to get any substantial response and action from the Government. The indifference of the Government really made us disappointed and frustrated.

Madam President, I also wish to take this opportunity to talk about some issues I have noted in my work in this Council.

Firstly, the relations between the executive authorities and the legislature has actually become more and more strained in the past two years. The reason for this, I think, is the extremely inadequate communication between the two. At present, the Executive Council and the Legislative Council do not have any formal channel of communication. When Members of the Executive Council draw up policies, they may not be able to adequately take account of the views of the Legislative Council. It is when the Government wishes to pass a piece of legislation that Members of the Legislative Council are lobbied. When troubles arise, government officials are sent to handle them. With such a way of operation, how can the relations between the executive authorities and the legislature be harmonious? Though we are prepared to work hard, to do our part well, the disharmony between the executive authorities and the legislature often makes us feel discouraged.

Secondly, another drawback in Hong Kong's political system is that government officials have the power, but not the responsibility. In the past two years, there were blunders in administration and policies that gave rise to increasing public discontent. However, the civil servants who made the policies and decisions need not assume responsibility for such blunders, nor do they need to resign. This has put even greater pressure on the Chief Executive. This problem was expounded in some detail in the motion debate this morning. In the long term, this must be changed. Whether we should adopt the ministerial system, a quasi-ministerial system or appointing Bureau Secretaries on contract, it comes down to changes to our political system, and must be carefully studied. The problem must not be allowed to drag on.

Thirdly, the bicameral voting system of the Legislative Council has made it difficult for Members' motions or amendments proposed to government motions to be approved. This restriction in the system has created difficulties for many Members, myself included, in their work in the Legislative Council.

Madam President, I would also like to take this opportunity to commend Hong Kong's civil servants. In the course of my work in the Legislative Council, I have come to appreciate that many civil servants are indeed working loyally and wholeheartedly to serve the citizens of Hong Kong, the senior officials in particular are the elite of Hong Kong. They are the cornerstone of Hong Kong's stability. We should be proud of them.

Further, I must express my gratitude to all Honourable colleagues, particularly those who are not seeking re-election, namely, Mr LEE Kai-ming, Mr CHAN Wing-chan, Mr Michael HO, Miss Christine LOH, Mr Ronald ARCULLI, and Dr LEONG Che-hung who just announced his withdrawal from the next elections. I will miss them all. I hope that when Dr LEONG Che-hung comes to the Legislative Council next time as Chairman of the Hospital Authority, he would continue to bring along with him his chicken essence and bird's nest soup. Though my friendship with them varies, I am sure to miss them all, and would like to wish them all success and happy families. Madam President, I hope I will have the opportunity to meet you and other Members here again. I also believe everyone in this Chamber will work together for Hong Kong; we will never regret even the reward is a head of white hair. (Mr Edward HO and Mr Gary CHENG are sporting full heads of white hair now, but I believe we all are going to have our hair white soon enough.)

Madam President, I so submit.

MR ANDREW CHENG (in Cantonese): Madam President, I have prepared a written speech three pages long. But now it appears that the issues I wanted to talk about were already covered by other Members, and my prepared speech also will sound too solemn. Seeing that the speeches of many Members are humorous and lively, and some sentimental, I think I would rather not read from my script, because my solemn speech is too full of criticisms against the Government (*laughter*). I think that it is not too good to the officials if I criticize the Government too severely, particularly to good old Secretary David LAN who is about to retire.

Many Members have addressed those colleagues who are not seeking re-election. I would also like to try to do the same. Recently I told some children stories with my nickname I got as a kid. Many Members might think that my nick-name is "X Kar Foo", a curse often shouted by the old guys in Victoria Park. Actually, it is "Cheung Kan Foo" (Rubber-band Pants). I quite like the nickname "Rubber-band Pants" because it signifies elasticity. I think that in the eyes of my colleagues, Mr David CHU in particular, I appear to be an agitator, a very radical and impulsive young man. So I have a sentimental story for Members, particularly for Mr Michael HO, Mr Ronald ARCULLI, and the several male Members who are leaving this Council for good, and of course, also for Miss Christine LOH.

This is a story about an outstanding rowing athlete of the United States in the '50s. This is a true story. This brilliant rowing athlete was about to represent the United States in the Olympic Games of that year. You all know that a athlete representing the United States is sure to fetch a gold medal, so he was greatly delighted. (Secretary LAN is working on the application to host the Asian Games, and I believe he also knows this.) Another piece of good news for him was that his wife was pregnant, same good news Mr Bernard CHAN got and whose wife later gave him a strong and beautiful baby. This athlete reckoned that in 10 months' time, it would be the Olympic Games and his baby was expected. So what then? Should he go and compete in the Games, to get honour for his country? Or should he stay by his wife, keep her company, so that she could be a happy new mother? That was the dilemma of his life, an important choice. He was at the time torn between the two options. Just like what many Members experienced, as we sometimes had to choose between attending a meeting in the district, or having dinner with our wives. Should we meet our voters, or picnic with our children? We faced a lot of such dilemmas.

You may ask how the hero of my story decided. He decided to stay with his wife. His wife was certainly very happy. In the years that followed, whenever his son made him angry, he would feel greatly unhappy. In his mind he would scold his son, "You good-for-nothing. How I regret that you were born. For you I forfeited a gold medal. And now you are always making me angry." He kept brooding over such a thought, until 24 years later when it finally vanished completely. Twenty-four years later, he received a parcel, in which there was a letter from his son, which read, "Dear Dad, you lost the chance to win a gold medal 24 years ago because of me. In these 24 years, you have never stopped teaching me how to conduct myself in society, how to face the world, and you have also taught me the techniques of rowing. I have won a gold medal for America in rowing this year. I now present you this gold medal, hoping you will know that your time and effort have not been wasted."

I was deeply moved by this story. As the father of two children, I sometimes also faced the dilemma of having to choose attending meetings in this Council, in the district, or staying at home. Mr ARCULLI and Mr Michael HO both have children. Now that they have decided to quit this Council to give more time to their families, the reward they might get could be beyond our imagination.

In the past, I used to be very strict with my work and my speeches delivered in this Council, an example is the speech I drafted for the present occasion. Sometimes I was also very radical. However, though on occasions I might have offended government officials or colleagues with my words, or I could become too emotional, I can tell you now that all my offending words and emotions were directed at the issues under debate at that time, and not any people. Sometimes, because of our different roles, and my strong feelings about certain issues, we might stick to difference principles, but I believe we all worked for the future of Hong Kong.

I also hope that in the next Legislative Council I will again have the opportunity to wear the uniform of the Legislative Council soccer team and to play against the team of senior officials. I also hope that I can again score three goals. Though sometimes I could not win the Government with my speech, my tactic or the number of votes I got, I can tell you that in the past two years, we did beat the senior officials by 6 to 1. This is the only thing that made me feel I still have a little contribution to this Council. (*Laughter*)

I think that the Government must give up certain of its powers over many issues, because the restrictions on us are too much. If the Government never gives up some power, this Council will be like a rubber stamp, and many colleagues will follow the footsteps of those who are now quitting. This, indeed, will do Hong Kong people no good.

Madam President, I so submit.

MR HUI CHEUNG-CHING (in Cantonese): Madam President, my apologies. This is the first time I speak in a valedictory motion, not knowing that the speeches could be so amusing. I shall speak from my script, if my speech sounds a bit dull, please bear with me.

Madam President, the import and export business is the lifeblood of Hong Kong economy. This industry plays a pivotal role in maintaining Hong Kong's prosperity, or in pulling Hong Kong out of a recession. Therefore I would thank the import and export sector for giving me the valuable opportunity of representing them in the Legislative Council.

In the past two years, the development of our import and export business turned out to have a happy ending after the earlier sufferings. At the beginning, there was the competitive pressure arising from the huge currency devaluation in neighbouring areas; then there was the paralysis of the air cargo terminal of the new airport. Lastly, there was the threat of the rare but serious deflation. Fortunately, the performance of the import and export industry has been doing very well since the start of 2000; the strong rebound in exports has brought economic recovery to Hong Kong. Compared with other components of the Hong Kong economy, the import and export industry has been faring better. This naturally is related to the turning-around of the overall world economy since the 1997 financial turmoil. However, one factor must not be overlooked and that is, the Government of the Special Administrative Region (SAR) appreciates more and more the importance of the import and export industry to Hong Kong.

In the past two years in the Legislative Council, I have proposed a number of measures for improvements to the import and export industry. Among my proposals, the Government has accepted those for setting up the Special Finance Scheme for small and medium enterprises, lowering the customs declaration fees for re-export goods, setting up a department to attract inward investment, and

attracting more countries that have not recognized the SAR passport or have not established diplomatic relations with China to provide visa service in Hong Kong. That the Government has accepted good proposals does not mean it no longer needs to strengthen its support for the import and export business. Indeed, with China's accession to the World Trade Organization (WTO), and the gradual realization of the "three links" between the Mainland and Taiwan, our import and export industry will be facing increasingly strong competition. One obvious case is that small and medium sized trading firms and "merchandisers" like those in Hong Kong have now appeared in the Mainland. Some of them have already severed their reliance on Hong Kong firms. Instead they are assisting overseas clients in a direct way in searching for merchandise all over the country, or to directly approach mainland factories to undertake production.

In view of this, I will continue to lobby the Government to accept the industry's demands to enhance its competitive power, by, among others, lowering the handling charges of Hong Kong port facilities and air cargo terminals, strengthening the support to small and medium enterprises, setting up official trade liaison offices in various provinces and cities on the Mainland, and assisting the Hong Kong import and export industry in acquiring the cargo business from southern and western China. I further hope that the Government would give full support to the import and export industry in its transformation to high valued-added operation, in areas like transportation, consultancy, financing, insurance, logistics management, technological processing as well quality accreditation, so as to reinforce Hong Kong's function as an entrepot and an intermediary with a view to better grasping the business opportunities following China's accession to the WTO and promoting the formation of a Greater China Free Trade Area comprising Hong Kong, China, Macao and Taiwan that complies with WTO regulations.

Madam President, in this two-year term of office, my friends in the industry and in the various business organizations and chambers of commerce have frequently exchanged views with me, enabling me to understand the difficulties confronting the industry, so that I could handle the problems of the industry more effectively. Thanks to them, I have managed to turn from a greenhorn in the political arena into one who can shoulder the serious responsibility of overseeing the Government. In this respect, I must say thank you also to the Legislative Council Secretariat. I would have worked twice as hard and gotten half the effect had I not had the highly efficient support from the Secretariat.

Though my two-year term is coming to a close, I pledge that I will continue to do my best in a pragmatic, moderate and reasonable manner in overseeing the Government and in actively participating in the discussion and formulation of policies that are closely related to the development of Hong Kong, so that the import and export industry as well as the overall economy of Hong Kong can enjoy sustained development in a harmonious and stable environment.

Madam President, I so submit.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, the Hong Kong community is recently getting more and more dissatisfied with the SAR Government, and with Mr TUNG Chee-hwa in particular. There have lately been demonstrations against government policies organized by the middle class, the professionals and the grass-roots citizens. And this could only be the beginning. Things could get progressively worse. If Mr TUNG does not learn his lesson, give up the policies that do not enjoy public support, I believe the situation will deteriorate. By that time, more policemen and more powerful weapons will not be able to suppress the voices of objection from society. As a citizen of Hong Kong and a popularly elected Member of the Legislative Council, I absolutely do not want to see widespread and boiling public discontent. Instead, I hope the Government will initiate policies that will benefit the public. It is a pity that things have gone against my wish. Since the reunification, the SAR Government has been blindly launching various reforms that have gravely affected people's livelihood and damaged the established institutions, resulting in continuous lowering of people's quality of life. As a member of the legislature, I should have played a part in checking the bad moves of the Government. But under the present polity, we can only lament that "we are powerless".

Madam President, since taking office, Mr TUNG has initiated reforms in all policy areas. However, in respect of the political reforms we have long striven to achieve, there has on the contrary been retrogression. Since the reunification, the Legislative Council, as constrained under the Basic Law, has its powers greatly stripped and is now powerless in stopping the various misdeeds of the Government. After one year "off the train", we were returned to the Legislative Council on 24 May 1998. But while the Chamber remained the same, the system was changed beyond recognition. The introduction of the "coteria" election system of the Election Committee has reduced the democratic element in the Council; on the other hand, the influence of the loyalists keeps

increasing, resulting in the diminution of checks and balances on the Government which thus gets a free hand in doing whatever it wishes. Furthermore, before the reunification, the Council could initiate amendments to bad laws by way of private Members' bills, or propose bills beneficial to the public that the Government itself was not willing to introduce. Unfortunately, Article 74 of the Basic Law imposes multiple restrictions on the introduction of such bills, virtually taking away all probabilities for us to be able to do so. Mr LEE Cheuk-yan, Mr LAU Chin-shek and I had made several attempts, but all were thwarted by the President or by the Chief Executive. I moved a resolution for an amendment to Article 74, but it was negated. I would point out that the erosion in the power to introduce bills is not my personal loss, but that of the whole society which has thus lost the ability to institute checks and balances. What is more ridiculous are the voting procedures prescribed in Annex II to the Basic Law that divide Legislative Council Members into two groups, resulting in the defeat of most Members' motions that carried an overall majority vote, but not in both groups. This has distorted public opinion. Even when Members' amendments to government bills are supported, the Government still has a last resort, that of withdrawing the bills, resulting in nobody being the winner. In such cases, the Government would rather see a retrogression in policies, let the problems concerned continue, than accept Members' proposals. All these seriously weakens the legislature's power to check and balance the executive authorities.

The authorities might have thought that through such measures to constrain the Legislative Council, all obstructions to its implementation of policies would be removed, and administrative efficiency could thus be achieved. However, the result of having the SAR Government subject to no checks and balances these three years is the present widespread public discontent. I hope that the Government will now understand the crux of the problem lies in too little, and not too much, resistance to the reforms, because without resistance the Government had not cared to think carefully before doing anything. I expect the new Legislative Council can reach a consensus about the political reforms, and work together to press for a revamp of and amendments to the Basic Law so as to restore the lost powers to this Council in order to check and balance the executive authorities.

Madam President, the Legislative Council did in fact examine quite a number of important motions in the past two years. Unfortunately, the outcome in most cases was known even before the voting, and such outcome often went in

the direction opposite to public opinion. Unexpected scenes however still appeared. One example was the voting on the no-confidence motion against the Secretary for Justice. That motion was the first of its kind in demanding accountability in the executive authorities, though it was negated under the huge pressure from the Government. That incident also let us identify who are the defenders of the rule of law in Hong Kong, who are willing to pay a price for maintaining the "one system" of Hong Kong. The debate on the District Councils Election (Amendment) Bill 1998 on the same day was a test of Members' adherence to the principle of democracy as well as a test of their physique and "filibustering" tactic. The all-night debate was really something. Similarly related to the retrogression in democracy was the scheme to "scrap the Municipal Councils" when we watched a few good shows. Some Members "swerved", some disappeared, went to tea, and therefore were absent from voting. In fact they all revealed their stance, publicly showing if they were accountable to the Government or to the general public. It is gratifying that in today's debate on the Housing Authority, we finally saw that public opinion did have an influence on some of the Members. But I very much hope that this is not something temporary before elections, nor would it be a mere flash in the pan.

Lastly, Madam President, I hope that in the next Legislative Council, there will not be "sudden changes of stance" and "mysterious disappearances"; there will be greater insistence on democracy, on the rule of law and on the interests of the grass-roots people; there will be greater labour protection as well as better attention to the vulnerable groups in society.

Madam President, I so submit.

MRS SELINA CHOW (in Cantonese): Madam President, I have spent 19 years of my life in the Legislative Council. I have been asked about its difference after the reunification. Everybody knows, of course, that we now have the Basic Law, the "one country, two systems", and the voting procedures of having Members divided into two groups according to the method they were returned. We used to be very worried that if the Legislative Council could manage to achieve the new culture mentioned by the Government. I think we have done that, and I also think that we can still maintain our independence and professionalism.

That has been possible due to the effort of all the Members, and credit must also be given to the President, here I run the risk of being regarded as "toadying to the President". Indeed, I believe all of us clearly appreciate the leadership of the President. The staff of the Secretariat are also well respected by Members because they have shown professionalism in carrying out their duties. So is the Legal Adviser to the Legislative Council who advises us on matters of the law. At the beginning, there were worries about the presidency of Mrs Rita FAN. Now, Madam President, you have been blamed by the Members as frequently as by the Government, so, you must have got it right. *(Laughter)*

On the relations between the executive authorities and the legislature, are they as bad as some people allege? I do not think so. In the course of a lot of our work, in the panels and committees for example, there has been pleasant co-operation most of the time, and the results of such work are there for all to see. However, from where I stand as a Member, I would offer a piece of advice to certain government officials: The Legislative Council is not a scourge. Though some people are very eloquent, and I was told that certain senior officials made records of those Members who were particularly harsh in their words, we have been very much refined compared to similar assemblies.

Further, I hope that when Members take a contrariant stand, or when we speak on behalf of the public, fight for their interests, or when our views and actions are not what the Government wishes to see, government officials would not again accuse us of politicizing issues. At a matter of fact, this Council is a political forum. If they think we are politicizing issues, would it be the result of their failing to keep abreast of the trend and the needs of society? Would it be that they have failed to consider the views of the community over many of the issues? In fact, the so-called politicization is just looking at certain things from different angles. Whenever our views are different from theirs, government officials would blame us for politicizing the issues. Put it bluntly, I think in fact they are saying that we wish to seek benefit from the issues, that is, if the Member was returned through direct elections, he wanted to win votes; if the Member came from functional constituency, he might have countless connections with the related sectors, such as the real estate sector, the construction sector or other sectors. *(Laughter)*

In my opinion, we as Members of the legislature must fight for the interests of the public. As this Council is a pluralistic one, we often need to balance various interests. We must put the interests on the table so that there can be adequate discussions, and let the public pass the judgment. I think this is necessary. And at the same time, the Government must explain things. Therefore, I hope that government officials would not ever again make frequent and derogatory comments about us, accusing us of politicizing issues, or of self-seeking. Every time I hear such words, I become quite angry. We are after all doing what our position as Members of the Legislative Council demands of us.

Whether a government is formed through popular elections, the most important thing, I think, is that it must be accepted and supported by the people. I always hold the belief that a government is not necessarily formed through direct elections to enjoy popular support. Indeed, to win public support, a government must, besides doing its best (while I trust the great majority of our civil servants are loyal and hardworking, but is being loyal and hardworking sufficient? I do not think so), listen more to and accept other people's opinions, and be objective and prepared to compromise. This is because government officers might not be the most competent, most knowledgeable people.

When I first got a seat in the legislature, that is, 19 years ago, my views regarding some directly-elected Members might be similar to those now held by government officials, because I did not know what could be learned through contact with the grass-roots people. I now know a little bit more, though not as much as they do. I think that what the people need is not a government that claims to make no mistakes, or claims to be one having the most prestige and credibility. What the people need is a government that is prepared to admit its faults. If a government, for all its good intentions and hard work, has made mistakes, it must admit such mistakes, and must be brave enough to face and assume the responsibility. Further, we hope that the government could be tolerant, could draw on the wisdom of the talent in different fields, could listen to dissenting views before doing its work. Only such a government can enjoy public support.

I wish to salute Mr Ronald ARCULLI, the "King of Bills" of the Legislative Council. I am very much worried, with Mr ARCULLI gone, what are we going to do in the next term? There is no one as competent in legal matters as he is, as quick-witted as he is, and has as many ideas as he does.

This is not my personal view, but it is shared by many government officials. His decision not to seek re-election is our big loss.

I would also salute some Members who have political views different from mine. Miss Emily LAU is the most hardworking one among us; Mr James TO sticks to his views most firmly; Miss Margaret NG is the most outspoken and Mrs Miriam LAU works most diligently for the industry. (*Laughter*)

Thank you, Madam President.

DR TANG SIU-TONG (in Cantonese): Madam President, time really flies, and the term of the first Legislative Council is drawing to a close. I recall that, speaking on the valedictory motion in the Provisional Legislative Council, I quoted the stanza "impervious to rain or shire" to describe my feelings in the two years as a Member of the Provisional Legislative Council. But for the present term, it seems that I cannot be so light-hearted.

A valedictory motion is usually tinted with a little melancholy and some warmth. As the first, and also the last, representative of the Provisional Regional Council in the Legislative Council, I must, before completing my historical mission, express the strong resentment and regret of the Regional Council that SAR Government had ignored public opinions and stuck to its plan to dissolve the two Municipal Councils, thus depriving public participation in municipal affairs.

Before the authorities "scrapped the Municipal Councils", it promised to enhance the functions and status of the district boards, streamline the old structure, simplify the licensing system and review the hawker policy. After the Municipal Councils were disbanded, funding for the District Councils no doubt increased by a few ten thousand or a hundred thousand dollars a year. But as a District Council Chairman myself, I have not sensed any difference in the status of the District Council before and after the "scrapping of the Municipal Councils". As to streamlining the structure and reforming municipal services, Members who care to read the report of the subcommittee that studied matters relating to the environment and hygiene matters will only find all the post-dated cheques, promising "a new review". Whether such cheques will be honoured, we can only wait and see. From this it can be seen that "scrapping the Municipal Councils" was a wholly hasty decision. The two Municipal Councils

died too quick a death, and died for no clear reasons. With the passage of the no-confidence motion against the Housing Authority (HA) today, I hope that the HA would not go the same way one day.

Apart from "scraping the Municipal Councils", this Council saw heated debates in the present term, from the right of abode to the interpretation of the Basic Law by the National People's Congress (NPC); from the Cyberport to the Disney theme park; from the chaos of the new airport to the series of scandals involving public housing; from the no-confidence motion against the Secretary for Justice to the one against the Chairman of the HA and the Director of Housing. In all these issues, who were right and who were wrong, only time can tell. But the Legislative Council already declared its stand, and made its decision.

It has been one year since the NPC interpreted the Basic Law, and there has not been any sign that the judicial independence of Hong Kong has suffered. The Court of Final Appeal is still handling judicial reviews regarding the right of abode, and no judge resigned because of the NPC interpretation. All these show that our judicial system operates as usual under the "one country, two systems" arrangement. This is something to be happy about, and is also the biggest impetus for the stability and prosperity of Hong Kong. As to all the other happenings, just leave them to history to judge their merits and demerits, and what was right and what was wrong.

Heated arguments and divergent views are the manifestation of democracy; consultation and consensus are the energy for progress. In the present term, this Council reached consensus on a number of occasions about matters relating to people's livelihood, such as the motions condemning the NATO bombing and claiming compensation from Japan, as well as proposals aimed to relieve people's hardship, objection to increase of government fees and charges, and for the improvement to air quality. These were supported by all parties in the Council and received positive response from the Government. It is hoped that in the next term, the various parties and groupings of the Legislative Council could resort to consultation and seeking consensus over more issues. Only by working together with the well-being of Hong Kong people at heart can the Legislative Council forge forward to create a harmonious social atmosphere in which Hong Kong enjoys stability and prosperity after economic recovery.

Now we are parting, I wish those who seek re-election all the success in their campaigns; I wish those who are getting off the rapids fulfillment of their ambitions in whatever fields they may choose; I wish those who have decided to withdraw from public life good health and easy life. The decision to quit of my fellow professionals, namely, Dr LEONG Che-hung and Mr Michael HO of the nursing sector, has posed a great attraction for me to follow suit. But impulse is just impulse, there are still social affairs that need people to handle. Lastly, I thank the President for her brilliant leadership. I also thank all my colleagues for their views over the years, and the staff of the Secretariat for their support and assistance.

Madam President, I so submit.

MR GARY CHENG (in Cantonese): Madam President, I do not wish to dig into the issues of the past two years and debate them all over again. As to telling jokes, I believe nobody would dare make such attempts after Mr David CHU because he is unlikely to be surpassed. Many Members talked about other Members, I on the other hand would like to speak about my own feelings.

As the convenor of the parliamentary group of the Democratic Alliance for the Betterment of Hong Kong (DAB), there are a few things I have not been able to put aside. The first is that many Members from the DAB, being novices with insufficient experience in the work of the Council, have not been as fully competent with speeches, debates, amendments or rules of procedures as many of our counterparts other Honourable colleagues. We hope that we could have more time to make improvements in these respects. However, we have learned that, within the Council, we must stick to our course whenever we believe reason is on our side, whether in dealing with government officials or colleagues. As to politicization as one Member just mentioned, we also learned to seek common ground while retaining our differences. This is the first thing that has been nagging at me. At a historical seminar of the DAB last year, we agreed that, in view of our long-term commitment to Hong Kong, we need to make good use of our time while we have seats in the Council, to win more public support outside the Council, to be more open-minded within the Council and to know our capabilities so as to enhance our ability in politics to honour our commitment to Hong Kong.

The next thing that I have not been able to put aside is the relations between the executive authorities and the legislature, as Members have already talked about. The trouble here is that we all know where the problem lies, we all pointed out where the problem lies, but there has not been any solution. As long as there is no solution, no new measures, or new schemes, the old system will continue to exert its influence. In the past two years, with such relations between the executive authorities and the legislature, emerged something I call a "political ecological environment". In such political ecological environment, there are many issues that the executive authorities and the legislature should have dealt with are left outstanding, and things nobody wanted just kept happening. This is the second thing that nags at me. We hope that in the next term we will have more time to deal with these problems. I think this is not simply an issue for the executive authorities, as the legislature also has the duty to examine it. Only this is a truly responsible attitude for the good of Hong Kong.

Six Members have decided not to seek re-election, they are sure not working with us within this Council again. Many Members have talked about them one by one. I am not going to do so. I do not have a serious sense of farewell, because I believe these six Members will not hereafter withdraw from public life. We are sure to meet again in the course of dealing with our public business. That is why I do not have any strong feeling of farewell.

The third thing that I have not been able to put aside is quite personal. I just passed my fiftieth birthday. A little earlier, I had pains in the shoulders, and was told that it could be frozen shoulders, the so-called "age 50 shoulders". I did not expect there were so many chances of playing soccer after joining the Legislative Council. What nags at me is that I am going to get older by one year next year, can I still play soccer? Mr Andrew CHENG is still young, and has elasticity, but not me. During the match with government officials, I already could not jump up to catch the ball. I hope to have the time to eliminate such worries, to maintain a healthy body so as to play soccer with you all.

We are coming back to the Legislative Council. The DAB has the confidence. We shall return. When we do, we will be more sincere, have raised standards and better quality to take part in the work of Hong Kong's legislature.

MR HO SAI-CHU (in Cantonese): Madam President, I am having a similar trouble as Mr Andrew CHENG. I have also prepared a speech, not a three-page one, only half as many, and that one-and-a-half pages are not all harsh words against the Government. However, I am not going to read the full text, because serious words were already spoken by the President, light-hearted words and jokes by Mr Edward HO. I wish to speak in a relaxed manner. But before that, I would take the "middle road". First of all, I wish to seriously thank you, our good old President, for your tolerance of and thus permission for our occasional repetitions when we asked our supplementary questions, you even put up with us when we strayed away from the original issues. Thank you very much.

Many words of farewell have been spoken to the six Members who are not seeking re-election, and I am not repeating such words. I only wish to mention two of them, namely, Mr LEE Kai-ming and Mr CHAN Wing-chan, whom we normally referred to as Uncle Kai-ming and Uncle Chan. We Members from the Liberal Party or representatives of employers have had lots of dealing with them. Though we have different views and we strive for different causes, I really think it a big pity that they are quitting the Legislative Council. The reason is that, generally speaking, they are the ones who have had a better understanding of the difficulties of employers. Indeed they appreciate that employers are also members of the general public as in Hong Kong employers in small and medium enterprises are no different from ordinary citizens; they do not employ too many workers, nor are their assets anything too big. In many cases, Mr LEE and Mr CHAN could understand the hardships of employers, and this made it easier to work with them. However, I am not afraid of working with Mr LEE Cheuk-yan, Mr LAU Chin-shek or Mr LEUNG Yiu-chung because they are all rational men. I believe that if we can keep on handling matters in a rational manner, the next Legislative Council will be equally successful.

Further, I would like to thank members of the Public Works Panel which I chair. Our meetings normally got a quorum, albeit not before waiting a minute or two sometimes. What is more, more members would frequently turn up in the course of meetings. This is because most of our meetings begin at 8.30 in the morning. On a few occasions, when I expressed my doubt about the feasibility of some of the topics on the agenda, the clerk would tell me that there would not be any problem because Miss Emily would not be present. Generally, if Miss LAU was absent from a meeting, the time of that particular meeting would be halved. When I mention this I am not saying that other members did

not read the papers and asked no questions, only that they would not repeat the questions. There was no need for so many questions even if the papers were read.

Many Members talked about some light topics, and I really would like to do the same, particularly about our soccer team. As the team leader, I believe team members will not cast a vote of no confidence against me because we sure did well this year. For this I would like to thank them all. Though we had our share of very heated arguments and debates because of our different views, we would give up all our divergences when we entered a match on Sunday, when Members of all parties and groups became one in fighting for team honour. As a result, we lost only two matches since last November. One was lost when the Members were not too lucky with the penalty kicks after the match ended in a draw. The other one was lost in a seven-a-side match which did not suit us. We normally play the eleven-a-side matches, and on that occasion we also did not play in our home field and lost the advantage of venue, so we could not blame ourselves for losing the game. What is more, I was not present at the match. With the team leader absent, nobody was to be blamed for the loss. Furthermore, what I think most memorable, apart from the opportunities that have allowed me to learn something from other Members in this Chamber, to have meetings and to argue with them, is the fun we had on the soccer field. I hope we can still form a good soccer team in the future. Luckily, the six Members not seeking re-election have not been frequent players. So, rest assured that the Legislative Council soccer team will still get pretty good players.

The most memorable things about the soccer team is the match against the senior officials not long ago. Our original tactics were quite strict, but after the match was re-scheduled because of rain, we had instead an enjoyable match. My original plan was that we must not lose. You would recall that Mr TUNG said on that day that the senior officials might win, and the victory might not necessarily go to Legislative Council Members. Therefore we had to win, so as not to lose face. I thus told the team that our primary objective was not to lose. And all my players knew they must not lose. Consequently we really did not lose. Our secondary objective was that we must not win by too big a margin, otherwise, the officials would not be willing to play with us again. So we decided it would be best if we could score one or two goals, most preferably three goals, and then lose one, a result of 3:1 would be best. To get such a result, we had to pass the ball more often to a Member who generally failed to score any goal. If this particular Member could not score, then we would not

win by too great a margin. Well, no other Member was as qualified for this honour as Mr Andrew CHENG who retained a record of missing the goal eight times, with the ball either going over the top or passing a long way to either side of the goal, in short, anywhere but the goal. Unfortunately, it turned out he was not his usual self that day, for he kicked the ball into the goal all the three times when the ball was passed to him. This was way out of our plan, resulting in the final scores of 6:1. I hope that the officials team would still play with us. Soccer matches are a good thing because after the last match, Mr Andrew CHENG just threw into the waste bin his three-page speech full of harsh words on the Government. This is the real effect. I hope all Members will not forget that.

Lastly, I thank all Members for bringing me all the joy. Thank you, everybody.

MR NG LEUNG-SING (in Cantonese): Madam President, we might not be aware of it, but it is now three years since Hong Kong reunited with the Motherland, and the Legislative Council of the Hong Kong Special Administrative Region (SAR) is coming to a close in accordance with Article 69 of the Basic Law. I feel very much honoured to be able to have taken part in the scrutiny of major and minor bills and motions with Honourable colleagues in my two-year term.

First of all, I would like to extend my gratitude to the 800 members of the Election Committee who were elected by members of the 38 sectors and trades, including the business sector, the financial services sector, the professional sector, the labour sector, the social service sector, the religion sector and various political groupings. These members include Members of Legislative Council in this Chamber. As all the committee members are dedicated participants in public affairs, are always concerned about major issues involving society and the various sectors, they often shared with me their concerns and views regarding various matters; this has helped me immensely in my work in this Council. I would like to take this opportunity to say a warm thank you to the members of the Election Committee for their support and encouragement in the past two years which enabled me to conclude my work successfully in this Council where Members returned by functional constituencies and through direct elections worked both individually and in co-operation.

Secondly, I wish to thank the various quarters in society for their support for the first Legislative Council of the SAR that shoulders significant historical responsibilities, so that it can complete its mission. In the past two years, the Legislative Council discharged its duties as prescribed in the Basic Law, including legislative work, scrutinizing public expenditure, supervising the implementation of various government policies as well as receiving complaints from members of the public. These duties have been performed in a smooth manner, thanks to the support of and active participation by people from various quarters in society. For example, when the Legislative Council examined the various important bills, the relevant trades and industries, professionals, friends from the academia and the various organizations would actively voice their views and put forward their proposals through the arrangement of the Bills Committees. At the same time, the government officers responsible also did their best in co-operating with the Legislative Council; sometimes even there were differences of principles and stands, both parties could, in a spirit of harmony and of tolerating divergences, work together to enable the timely completion of the scrutiny of the bills for the full Council's approval and timely implementation.

Madam President, since the reunification, the international community has witnessed the successful implementation of the "one country, two systems" and "Hong Kong people ruling Hong Kong with a high degree of autonomy" in accordance with the Basic Law. The first Legislative Council of the SAR is about to complete its historical mission, thus laying a solid foundation for the operation of future Legislative Councils.

I still remember that two years ago Members pledged in this Chamber their support of the Basic Law. Now, in accordance with the pace of development of Hong Kong's political system as prescribed in the Basic Law, the number of Legislative Council Members to be returned by the Election Committee will be reduced from the present 10 to six in the next term. The Election Committee is a constitutional institution provided in the Basic Law under Annex II and is broadly representative. As a member of the various sectors, we must fulfill our statutory obligations, and act according to the law. Therefore, I would use this opportunity of saying farewell in the Legislative Council to perform a duty, feeling now like a loyalist, in helping the executive authorities to ask members of the public to support the next Legislative Council Election. The 168 000 registered voters of the different sectors, in particular, please turn out to cast your vote on 9 July to elect the 800 members of the Election Committee from whom six will later be returned to the second Legislative Council.

In my work in the present Legislative Council, I have been fortunate to be able to co-operate pleasantly with Honourable colleagues in the various panels and the Public Accounts Committee; we have had healthy interactions that are conducive to progress and new ideas. I hope I can continue to have the opportunity to work in this Council to serve the public, to oversee public administration in an independent, unbiased and practical manner, and to strive to maintain and balance the overall interests of Hong Kong. I expect to continue to draw on my 30-odd years of experience in the financial and banking sector as well as in my many years of public service, to serve my sector, society and the public.

Lastly, I wish the second Legislative Council a smooth formation and wish all colleagues who seek re-election every success so that they can serve the community with their expertise. I also wish all my colleagues both within and outside the political arena happiness, good health and all the best.

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

MR LAW CHI-KWONG (in Cantonese): Madam President, I am afraid I do not have jokes to tell. I only wish to talk about my experience and feelings in these two years as a Member of the Legislative Council. I regard these two years as the continuation of my term that broke in 1997 because I did not get on the "through train"; so in my mind, I have only been a Legislative Council Member for one term. As to the legislative functions of the Legislative Council and the restraints on Legislative Council Members, I knew early that they would be so, before I was elected again to this Council. However, what troubled me most has been the very high expectations of the public, much higher than the Legislative Council is able to deliver in the role it is allowed to play. In the Legislative Council, only a minority of Members were elected by the general public through geographical direct elections, and they have not been able to effectively fight for the rights and interests of the citizens. As a result, when the approval rating the Government gets for its administration falls, the approval Legislative Council and many political parties get also drops.

Therefore, in the past two years, when the Democratic Party and I failed to prevent the Government from implementing some unreasonable policies, I was always asked why I should continue to be a Legislative Council Member. Work has been much busier in the past two years than the two years from 1995 to 1997.

There are two main reasons for this. One is that the changes in policies in the public sector, the public framework and social welfare simply made me exhausted.

The first of such changes is the Enhanced Productivity Programme, followed by the review of the Comprehensive Social Security Assistance (CSSA) Scheme in social welfare, the review of the basic expenditure on youth services, the 70% salary, the provision of services via competitive tendering, and the lump sum grant. From 1995 to 1997, I initiated actions mainly in two areas, namely the scheme to assist new arrivals in Hong Kong to deal with the adaptation problem, and the promotion of the establishment of a Child Support Agency. There has been a little progress with the former, and none whatsoever so far with the latter. Though some improvements have been made by the Government in procedures, it is still a very long way from our goal. At the beginning of the present Legislative Council, I had plans to work on two areas, namely, the formulation of a family policy and the employment problem of the underprivileged. It is a pity that because of the many matters arising in the social welfare area, the plans in those two areas only progressed half way and are still not put into motion.

The second reason that has kept me very busy has been the work on environmental protection. Members may remember that the first spokesman on environmental protection of the Democratic Party, or rather, more correctly, the spokesman of the former United Democrats of Hong Kong, was Rev FUNG Chi-wood. The second one was Mr TSE Wing-ling. Both of them served as Legislative Council Members for only one term. So, when I first took over this duty, I secretly smiled to myself, thinking that I could stand down after one term. I believe environmental protection is a very important issue to Hong Kong, it is arguably the "Number One" issue; we must work hard to improve Hong Kong's environment. However, work in the first year was very difficult. I remember that when Mr Martin LEE and I held a press conference one day, only one radio reporter and one newspaper reporter were present. I believe it could be the press conference of Martin that was attended by the fewest reporters. Several months later when there were words circulating to the effect that the Chief Executive would talk about environmental protection in his policy address, things greatly improved, at least eight to 10 reporters would be present whenever there were press conferences on environmental protection. The latest one, on only the small issue of styrofoam, drew a full house. What we did was merely an opinion poll. Perhaps this could be a reflection of the bandwagon effect.

When the Government attaches importance to environmental protection, the matter will correspondingly get better media attention. Therefore, in the past two years, I have actually done a lot of work on environmental protection, covering quite an extensive area. So my volume of work increased as a result.

Through inter-party effort and co-operation with the Government, there is now at least some result in our environmental protection work. But what is left to be done is simply too numerous. This is the valedictory motion, and as I have not formally said I will stand for re-election, so as I now speak, I still do not know if I am also going to say goodbye to the Legislative Council for good. I have not decided for two reasons. Firstly, though the work of the Legislative Council is important, I still like research work best. Secondly, it is the trust placed in me by the social service sector. In this morning's debate, Mr James TO quoted the words of Ms Rosanna WONG when she stepped down as Chairman of the Housing Authority. I share one of her remarks, that is, there must be trust behind reforms. I agree that our social welfare system needs reforms, and the greatest difference between my views and the Government's is the pace and approach of the reforms.

Too many things have happened to the social welfare sector in the last two years, and morale is now pretty low. Since I have not been able to effectively stop the Government from making certain changes, my voters have naturally been disappointed with me. Mistrust is rife in the social welfare sector today: the organizations mistrust the Government, the staff mistrust the organizations. This is the biggest hurdle to reforms. If I no longer have the confidence of my voters, I cannot effectively assist the social welfare sector in making any reform. This is the reason why I have been hesitant in seeking re-election. However, time is running out, if I am to seek re-election, I will have to apply by 20 July. And the Democratic Party will also decide if I am to stand for re-election in mid-July. Perhaps at the end of the day, it is the ballots of the voters that will be the best test.

Madam President, I maintained a record in the present term, and I do not wish to lose it, and that is, I have always been able to finish my speech within my time limit. It should not be an exception today. Whether I shall seek re-election or not, or if I do, whether I get re-elected or not, I am bidding farewell to the Legislative Council for now. Thank you, Madam President.

MR YEUNG YIU-CHUNG (in Cantonese): Madam President, I originally had also prepared a two-page speech, which, as I think it is not suitable to be read here, will be published in the newspaper instead. If Members are interested, they may read it in the newspaper.

I shall then start from the "head". After I have changed to this hairstyle, which Mr SIN Chung-kai likes so much that every time he sees me, he would give me a pat on the head, saying it is very good. Mr Edward HO said just now that I must be running for the post of the "Chief Executive" that I have cut this hairstyle. However, though not running for the post of the "Chief Executive", I have become the "special head". From cutting this "special head", I have learned a painful lesson, which I shall share with you now.

It all began in April when I was on a study visit to the United States to learn about the education there. I felt that my hair was too long and I went to the barber's for a haircut. I told a barber there that I wanted my hair to be cut low. He asked me if I wanted a low cut, to which I said yes. If I had not dozed off, the situation could have been remedied. However, as I was very tired that day, I closed my eyes and slept away. When I opened my eyes again, my hair was already cut like this. I asked the barber that, as I wanted my hair to be cut low, how it became like this. His reply was that I said I wanted a low cut. From this you can see that there was some problem in our communication.

Yesterday I dined with Miss Emily LAU, and she said that my hairstyle was getting more and more trendy. I told her it was the result of communication. While travelling in China last week, I had a haircut to prepare for today's "graduation ceremony". This time I told the barber that my hair was already pretty short and what I needed was just a little trimming. The barber said he knew how to trim a crew cut, only at an additional \$5. I said that it did not matter with an additional \$5 and I sat down for the haircut. However, beyond my expectation, he mowed off my hair and said that the hair had to be cut high so that my cut would look flat on top. Despite my protest, no remedy could be made then.

From these two experiences with my haircut, I have come to the conclusion that communication is very important. Even though I have given my instructions, what is of the greatest importance is whether the recipient can properly receive my message. Just like when we are teaching as teachers, thinking that we have conducted the lesson properly, why cannot they understand

what we taught? The key is that when the students cannot receive the message, they would not understand and that will result in problems. Moreover, we have different understanding about the same thing. What the people in China understand as a crew cut would become a cyber look to us. I hope that in the next term, there will be better communication between the legislature and the executive. When the political parties and the Members can effect communication, then many of the confusions can be avoided.

DR LUI MING-WAH (in Cantonese): Madam President, I must apologize that I do not know how to tell jokes, and I am also not a person of humour, but I can say something true.

At first I did not intend to talk, but with the senior officials and Secretaries around, I would like to talk about the thoughts I have of the first Legislative Council. I hope that after listening to my talk, they would assist me in my work if I were returned for another term.

My purpose of joining this term of the Legislative Council is very clear. I want to see revitalization of Hong Kong's industries and to work for the interest of the industrial sector. My philosophy in politics is very simple, and that is, I am a "progressive conservative", seeking progress while maintaining the stability. It is because instead of being a revolutionary, I am a reformist. When I vote, therefore, I would consider the overall interest of Hong Kong, the industrial sector and the majority of people in Hong Kong. The purpose of my work in the assembly is very clear: I work for Hong Kong and the industrial sector. The two motions put forward by me had the support of and passed by the majority of Members, to whom I would like to express once again my heartfelt thanks.

Though I feel that it is easier to carry out work within the establishment, I also feel that the senior officials in the Government always fall behind the pace of the time and cannot work in sync with Members from the functional sectors, making us feel that we are talking on different wavelengths from them and that it is hard to communicate with them. They always resort to "the policy of active non-intervention" to block all new suggestions, which is very frustrating. May I suggest to the senior officials that they study what "the policy of positive non-intervention" actually means, because at the end of the day, the implementation of any policy has to be put forth and carried out by the responsible officials.

Having worked in this Council for two years, I have come to recognize one fact: in politics, there is neither eternal foe nor eternal friend. Within this Chamber, each Member, while working for the interests and ideals of the sector he or she belongs, would point his or her finger at each other and make the debates very explosive; however, we would joke with each other in the common room, drink red wine in the dining room and listen to Dr Philip WONG telling saucy jokes. I think this is the culture of Hong Kong's representative assembly.

Since returning to Hong Kong and engaging in social service in 1976, I have a deep feeling that the majority of the officials in the Hong Kong Government are the elites of society and are very capable in management work. However, I also feel that many officials lack vision in the government of Hong Kong. After Hong Kong's reunification with China, all government officials should govern Hong Kong with the spirit of being the master of the house. There is the old saying, "If one is not far-sighted enough, one is bound to encounter difficulties in the near future", so please, all government officials, take Hong Kong's future into serious consideration.

This is the last meeting of the first Legislative Council; I would like to take this opportunity to congratulate the senior officials of the Government on their performance in the Legislative Council. Often being subject to the barrage of sharp words and allegations of Members, they can still maintain their composure and respond accordingly. Such ability makes me envy.

I would also like to congratulate all Members here. They are all elites of society, having their own character: some are ardent youths, some are thinkers, some have great debating skills, some tend to be verbose in their speeches, and some are "loud speakers". It is because we have Members of such varied character that we see sparks and life in the Legislative Council. With Members complementing each other, they make their contribution, through their debates, to the well-being of Hong Kong.

Moreover, I would also like to thank the Legislative Council Secretariat. Under the fine leadership of the Secretary General, the Secretariat has been working very hard and producing bilingual documents for us and taking care of our meals. It should be to their credit that only with their contribution could the Legislative Council operate so smoothly.

Finally, Madam President, in the Legislative Council, you are the one person having the most of my admiration, especially your ability in sitting for so long. You can sit for 24 hours, still keeping your head cool and making fair judgment. If I could be returned for another term, please teach me a few of your tricks in this.

Finally, wish you all good luck.

MR MARTIN LEE (in Cantonese): Madam President, I always like to tell jokes, but this time Mr David CHU has the better of me and I have nothing better to say. After thinking for a while, I find that I have not written any poem for quite some time, so why not write one this time. My poem is adapted from a sonnet by Shakespeare, who, in the sonnet, talked about the sentimental thoughts he had of the past. He talked, for example, of friends who were no more with him; they were friends who were not with him. However, when we say that friends are no more with us, we do not mean that they have passed away, but rather they do not run for election any more. Finally, Shakespeare thought of a good friend who made him happy again. It was said that that friend was a homosexual. I do not have such a tendency, so I made an adaptation of this poem. Members can all easily spot that the beautifully worded lines are those of Shakespeare, whereas those related to Hong Kong are mine.

MR MARTIN LEE:

When to the sessions of the sweet silent thought
I summon up remembrance of things past,
I sigh the lack of many a thing I sought,
The rule of law is not going to last.
Then can I drown an eye, unus'd to flow,
For honourable friends go out of sight,
And weep afresh for democratic blow,
And moan this Council's ever losing fight.
I grieve the saga o'er the Basic Law
And heavily from woe to woe tell o'er
The sad account of Standard's Sally Aw
Which I lament as I ne'er did before.
But when I travel to my motherland,
All losses are restor'd and sorrows end.

MR LEE WING-TAT (in Cantonese): Madam President, my English is not good, so I cannot completely understand what my party leader said.

Madam President, since I have had the experience of the "farewell speech" in 1995 and the valedictory motion in 1997, and now this is my third time, my mood is comparatively even. If I were asked what I have to say, first, I think the most regrettable thing is that the officials are not allowed to speak. If they were allowed to pour out their hearts during the valedictory motion, I would very much like to hear. Very often, anything deep in their heart can only be heard over a cup of coffee or a meal. Although I am not a senior Member, I have been a Member for nine years and have become friend with many of the officials here. It is true that we often engage in heated debates and hold views that are diametrically opposite. However, we do have feelings, and no matter how much I dislike an official, after working together for nine years, my ears have got used to their views. Some reporters asked me recently why my voice is getting smaller and smaller. That is because I do not want to be as fiery as when I was in my thirties.

Referring to our Secretaries, I truly think that they are the best talents in Hong Kong. The problem is whether our system can really let their strengths in administrative management and promoting policies come into full play. Among the people I know, they are, I think, the best in Hong Kong. Of course, unlike Mr Ronald ARCULLI and Mrs Selina CHOW, who come from the business circle and may have met many great talents in their businesses, my sphere of work is pretty narrow. But frankly, I do have seen some business talents, but as to how good they are, it is all a matter of opinion.

Second, after years of promoting the platform of my party, I always think that Hong Kong must establish a sound framework, culture and practice of representative assembly. In terms of GDP, we rank among the top 10 in the world. Looking at it in a certain way, those of us who speak here are all people of some importance. If we were a country, our status would be that of members of parliament, responsible for formulating national policies. However, since this is only the Legislative Council of a territory, we are not such members. Nevertheless, many of our policies have important impact. Our assembly only had truly elected Members in 1991, in addition to the so-called *ex official* Members, whose number was one or two, and the President was the third. I always feel that our number is relatively small, which, I believe, Members would also agree. It is therefore very hard for us to devote ourselves completely to

making the operation, practice and culture of this assembly even better. I am very interested in this area of work personally. I always say to Mr Andrew WONG that he is as much my friend as a teacher, despite that very often I do not know what he is talking about. Mr WONG has great interest in this area of work, but he often feels lonely after his drinks. In the past, Mr Zachary WONG, who has already left this Council, and I always liked to chat with Mr Andrew WONG over a drink. I can hardly drink, maybe only a little, but in our talk, I understood that he had put much of himself into this area of work.

I feel that some of the practices and culture of this assembly must be observed by every one of us. Today, two Members that are the targets of my criticism are not here. One of them is Mr LEUNG Yiu-chung and the other Mr LEE Cheuk-yan. They are my democrat friends, but they have a practice that I do not like. They always criticize the judgment of the President outside the Chamber. I do not want to speak in defence of the President, but as a Legislative Council Member, I think, this is something that we should stick to. If I think that the judgment of the President is unfair, I would move a motion of no confidence against the President. I think that the common view or practice of the assembly should command the defence of the Members as a whole so that this assembly can have the respect of everyone. This is a very important point, despite that we may hold different views.

Moreover, I have been thinking of getting Mr Andrew WONG to write a book on the Legislative Council for children and young readers. I already had this idea back in 1995, but it has yet to become a reality.

Finally, I really want to talk about six of my friends. The first one is Dr LEONG Che-hung. He did not take part in elections, but it is hard to find another person to be as impartial a chairman of a House Committee as reflected by his hairstyle and heart. The second one is Mr Ronald ARCULLI, who may be the first one ever who can make me cry in the Legislative Council. That was something that took place in a motion debate last year. He is not only the "King of Bills", he is also one of my best friends. Sometimes, at nighttime, I would wonder how can he, representing the real estate constituency, and I, representing the grass-roots level and talking only about housing policies, be so in tune with each other? I cannot think of a reason. He is to open a new law firm, and I think he must be very rich. He can afford to own a horse called "Hong Kong Winner". We feel happy for him. Mr Michael HO is a friend in my Party. I am not going to talk about him as I shall have something special to discuss with

him later. Another of my friends is Mr LEE Kai-ming, who is not here. I have known him for more than 20 years when I was still very young and doing union work and working as volunteer with Mr LAU Chin-shek under him. I was a member in the student union at that time and he required that if we were to do an half-hour interview of him, we had to do half an hour volunteer work. I think this is a good system worthy of promotion. I would also like to talk about Mr CHAN Wing-chan, who is also not here. One incident I remember most vividly is when he was half way through his speech on a motion debate, he said, "I would like to have some water." Not many of you may have recollection of this. Finally, I would like to thank those people who have been working very hard inside and outside of the Council. Many of them are people I do not know, but they certainly have played their part well in ensuring the smooth running of this assembly. Of course, I should also have a mention of you, Madam President.

Finally, I wish you all — including the Chief Secretary for Administration and all Secretaries — a quiet, healthy and long vacation.

MR AMBROSE LAU (in Cantonese): Madam President, I originally intended to talk about something light-hearted, but having heard Mr David CHU's theory on making roast pork, Mr Andrew CHENG's story and Mr HO Sai-chu's soccer commentary, I fear that the public would think that this motion is just kid's play. I therefore have to be more serious about this.

Dr LUI Ming-wah was too modest to say that he did not know how to tell jokes and did not have any sense of humour. It is too modest of him. However, he expressed that he would say something from deep down, and I would also like to speak from my heart. I know how to tell jokes, and I do have a little sense of humour, but unlike Mr Martin LEE, I do not know how to write a limerick that even Mr LEE Wing-tat cannot understand.

Now back to business. Madam President, with the current term of the Legislative Council about to end, the Hong Kong Special Administrative Region (SAR) has also gone through three years.

The road that the SAR has walked through is not a smooth one. Fortunately, during the tumultuous days when Hong Kong was hit by the Asian financial crisis, Members of this Council and the public could work hand in hand

to face up to the stern challenge. Together, we have ridden through the crisis and revived the economy.

When Hong Kong was buffeted by the turbulence of the Asian financial crisis, this Council proposed motions to urge the Government to perfect the regulation of the market, and through reforming the financial system, to consolidate Hong Kong's status as a financial centre so as to prevent further attacks from international speculators. Suffering from setbacks unleashed by the financial crisis, Hong Kong economy slumped into a trough. The public had to face great hardship and pain. In view of this, this Council again urged the Government to put in place policies, and to take measures, to relieve the hardship and stimulate the economy and to accelerate the revival of the economy and to encourage the public to be more self-reliant. From the second and third policy addresses of the Chief Executive, Mr TUNG Chee-hwa, and the second and third Budgets of the Financial Secretary, and the policy measures taken by the various Bureaux, we can see that many of the suggestions made by this Council had been adopted. Such suggestions were formulated after extensive consultations with the public and the various sectors of the society by many of our colleagues here. This Legislative Council therefore has played its part in representing public opinions.

In a democratic society where any opinion or viewpoint may find an expression, there will be all sorts of aspirations and demands. For Members, being the representatives of public opinions, the most important of all is to take the interests of the people of Hong Kong as the premise of their work, thus allowing for the existence of difference while working towards the same goal.

In face of the challenges of the 21st century, Hong Kong must, true to its well-kept tradition, remain steadfast in face of all hardship and be self-reliant and work together to fend off any challenge. At the same time, Hong Kong must also show that it can accommodate differences and all sorts of values, a virtue that will keep Hong Kong as vibrant and united as ever. May such a nice tradition see further development in Hong Kong.

Madam President, I so submit.

MR RONALD ARCULLI: Madam President, thank God the Honourable Martin LEE does not have to be a poet to make a living! (*Laughter*) But for sure, the Honourable David CHU can be a comedian to make a living.

Madam President, someone mentioned about your being extremely humane in your rulings. Well, you might be humane to the person seeking your ruling, but the consequences of your ruling makes it inhumane on yourself and the rest of us because sometimes we tend to go on and on.

I would like to go on to several more serious subjects before I come back to the lighter side of life. Firstly, I would like to talk about accountable government, and I will not labour the point. I think we have all had a good airing today on that. There are many reforms that are being undertaken by the Government — environment, health, education, housing, welfare, civil service, and probably many more reforms. And these reforms need to be tackled for Hong Kong's medium or long-term future with determination and with the support of this Council. The support of this Council is very important.

The point that I really want to make is that, instead of turning us into opposition in these efforts, the Government can embrace ideas that come out from Members of this Council. The Government will then find it much easier to jointly sell reforms to the public which, in today's economy and unemployment rate, are not going to be welcomed with open arms because what it will mean is that there will be sacrifice on everybody's part. For our own long-term future, that is very important. I think selling your message in times of peace, in times of goodwill and not just in times of crisis is critical to persuasion to the public, to this Council, to accept those reforms.

I would now like to say a few words about the Legislative Council as an institution. I have been here from 1988 onwards. Of course, some of us have gone through the process of changing the Secretariat from what was then a civil service seconded staff to an independent Secretariat. I think a lot of Members here today have made a lot of efforts, put in a lot of time outside of their normal legislative duties, headed, of course, by the President of Legislative Council, as the head of the Legislative Council Commission, together with the Secretary General, to bring the Secretariat to what it is today. Without the Secretariat today, the effectiveness of the Legislative Council would be all the poorer and all the less. Thus, for the legal team, for the simultaneous interpreters, for all the support staff, it is not just an issue of thanking you for working hours above and beyond the call of duty. Our families have sacrificed, your families have as well, so hats off to them. That is on the support/infrastructure side.

On the more critical side, we talk about democratic development and constitutional reform. What have we reformed in the Legislative Council other than the support staff? Yes, maybe we have Rules of Procedure which we look at ourselves and so on. That is all very important. But I think that we need to look at the committee system and the panel system. Right now, because of the number of independents, it is rather difficult to actually have decisions of committees or panels having a binding effect on the House, or on this Council. I think one should look at that. I am not advocating that that should be the way or it has to be that way. But it certainly warrants looking at to see whether there is in fact more of a structured system. Because if we say to the Government, "You need a ministerial system", how are they going to deal with committees? How are they going to deal with panels? They come down. It just becomes a talking shop.

I think one has to be fair, that when you ask the Government to look at reforms, we have to look to ourselves in this Council as well. Of course, Madam President, the office of President brings a lot of prestige and importance to this Council. I am happy to say that, so long as I have been in the Legislative Council, none of the presidents have ever caused me concern or caused me any disappointment. I began to work with you, Madam President, when you were a senior Member and I was an upstart in 1988, and you took a leave of absence which I admire you greatly for and we know all the rest. From that point of view, I think that the Legislative Council has, in fact, strengthened a lot as an institution in the last 12 years. And I suspect that the move in the last 12 years has been in quantum leaps in terms of the importance and the magnitude of the work of this Council.

I keep saying, of course, that 60 Members are not enough. We should have 600 Members so that we can only do one tenth of the work. (*Laughter*) But to my colleagues who are not returning like myself, namely Dr the Honourable LEONG Che-hung, the Honourable Miss Christine LOH, the Honourable Michael HO, the Honourable LEE Kai-ming and the Honourable CHAN Wing-chan, I am quite sure that in our own ways outside of this Council, we still have too much to give than just to go away without doing more. So you will see us again, guys.

MR FUNG CHI-KIN (in Cantonese): Madam President, I think I am the last on the list. Though technically, Dr TANG Siu-tong may be behind me, I am in fact the last on the list. I therefore dare not press the button first.

I swore my oath and joined the work of this assembly in October 1998 when the international speculators were beaten away. There is some language problem with this statement and I think I need to take the language test. It was purely a coincidence in time that I joined the Legislative Council in October 1998. It is also something I regret because before the Government entered the market, I could not express some of my thoughts, as well as put forth some questions or suggestions to the Council. To me, October 1998 was also a milestone in my life. After having engaged in financial work for more than 30 years, this was the first time I entered politics. My term was in fact quite short, only for one year and a bit more than eight months. I am a "newcomer" in this Council. After joining the Council, I learned a lot from the President and other colleagues — especially Mr Ronald ARCULLI and Mr Albert HO and our Chairman of the Hong Kong Progressive Alliance, Mr Ambrose LAU. I am very grateful to the Legislative Council Secretariat, the legal advisers and other staff, who has given me a lot of assistance and support.

Though I am new in this Council, I have handled a number of bills that are related to the constituency I represent. On the reform of the stocks and futures market, a lot have been done in the past year and some results have been achieved. The shares of the Hong Kong Stock Exchange have been on the market for the past two days; the price has already risen to \$10.90. Both the shareholders and the small brokers are very happy. This indicates that investors have very strong buying power, which drives the price up steeply. This of course means that they see good prospect in Hong Kong's stocks and futures market and our status as a financial centre. As a representative of this functional constituency, I have been given the name "lucky star" by some people because after my joining the Council, they can all make money.

When I met with the Chief Executive last week, he said that among the many reforms, the reform of the financial market was the most successful. However, as a participant in the market, I said that this is not yet a success, as the real show will come in two years when we have to face the important legislative process of the composite Securities and Futures Bill. I told him that the trade still has worries — I am not referring only to the small and medium brokerages, even the large broker firms worry how the debate will unfold.

While discussing the Securities and Futures Legislation (Provision of False Information) Bill 2000, Mr SIN Chung-kai also mentioned that there should be more communication with the trade.

In the year just past, I have worked on a number of bills relating to margin, merger, short selling and false information. In the whole process, I have to learn first as I am really a newcomer in law making and I must admit that I have little to contribute. I hope that in the future, the Government would enhance the communication with the trade, the political parties and people in the markets so that every reform can progress smoothly like the stocks and futures market. When we can see the good coming out of it, we would not feel that we are in a crisis. This is very important.

Though I am a "newcomer", in the past year, I have taken part in a number of heated debates. I did not speak much but sometimes I felt that I had overstepped the line. For example, in the discussion on the right of abode, I said to Mr Martin LEE, "Why, if you want to die, are you afraid of death?" This made the DAB also wonder why I had become a "bombardier"? Similar situation was also seen in the debates on the two Budgets. In the last Budget debate, I said that the Financial Secretary was exchanging shares for administrative rights so as to assume control over the whole Exchange, not even missing a director, who would all be selected by him. In the latest debate, I said that he might not know how expensive or cheap the commission was, as he had not bought any shares before. On these two occasions, I might have offended the Financial Secretary, and some would even tell jokes referring to the Hang Seng Index as the "L Index". Friends from the Democratic Party have also warned me not to "go too far". This really makes me feel very surprised.

On the part of myself or even my colleagues in the Hong Kong Progressive Alliance, we always stick to our patriotic, benign and pragmatic stance, and we would express our position and cast our vote based on a balanced, fair and forward-looking stance. I think that the Legislative Council is not only a political forum reflecting the public opinion and monitoring the Government, it is also a place for us to work together to build Hong Kong into an international metropolis of the 21st century. This is my sincere hope of the Council.

Though I am a "newcomer" in this Council, I do not want to see the fun so "short-lived" and hope that I can be returned for another term to work with you.

MRS SOPHIE LEUNG (in Cantonese): Madam President, it is already past seven o'clock, perhaps I should not speak for too long. I was also returned by the functional constituency. Many Members may have forgotten from which functional constituency I came. Unlike the "big sister" in my Party, who makes it clear to all for whose interests she is working, I stick to my job. Many Members have asked if we should all be returned through direct elections. From every Member here, we can see that each one of us who is returned by our functional constituencies works with the objective of serving the interests of 7 million people and society as a whole in every matter we handle.

Some Members expressed today that they would not run again, which would make us feel sad. Notwithstanding that we come from different political parties, or may hold political views very different from each other, they have qualities that are worthy of our appreciation and respect.

There is an old saying: When three walk together, there must be one who can teach me. On the departure of a number of us, with whom we have been working for a number of years, I feel that I have lost a number of teachers. For example, Mr LEE Kai-ming and Mr CHAN Wing-chan are Members I respect very much. They represent the labour constituency. We have been working together for a number of years. I hope that Members respectively representing the employers and the labour can come to an amicable view; I also hope that on returning to their own unions, they can help promote better employer-labour relationship so that we do not see so many "fiery" scenes between the two sides.

Another Member is Miss Christine LOH. I seldom have the opportunity to talk with her. Other than on environmental issues, we seldom work together, let alone any personal contact. When I first joined this Council, I felt that she advocated women's rights, which was different from my approach. I therefore had a little fear of her. Over these years, she always tops the list of popular Members. However, I feel that she is not as hardworking as other Members, which really baffles me. I think I got the answer recently. She can look at Hong Kong's social problems from a more macro perspective. If you would like to top the popular list, perhaps you should consider her ways. If we only work on the minute details, we may not be able to look at the development of society from a macro perspective. I have a lot to learn from her in this regard. I hope that after her departure, we can have more opportunities of communication.

The other two Members are Mr Michael HO and Dr LEONG Che-hung. We three had worked in the Hospital Authority for a number of years, and Dr LEONG even worked with me at the Provisional Hospital Authority from day one. At that time, I had put forth some views, but when Dr LEONG said "Life is to be saved at all costs", I dared not say anything as he come from the medical profession. From then on, I learn hard what angle to adopt when looking at the reform of the medical system. I look forward to the opportunity in the future to continue the reform work with Mr Michael HO and Dr LEONG Che-hung at the Hospital Authority.

I have great respect for the wisdom shown by Mr Ronald ARCULLI. I have been wondering why I have never thought of studying law. But I do understand that even if I had taken this subject, I would never catch up with them because they display such great eloquence in their speeches. I think I do have a quick mind, but if I were to put my thoughts into words, I am definitely not their match. I understand why I have never thought of taking law. I believe Mr ARCULLI must have his reasons when he made the decision. Now, if I do not have the opportunity to learn from him in the Council, I hope that there would be just as many opportunities out there for me to learn from him. Mr ARCULLI, you cannot run away. I would find you out in your office.

Mr LAW Chi-kwong pointed out that reform definitely would come. I would also like to talk about this. Reform is a fact. We can only pray that in the coming four years, each Member would display the highest of ideals and a responsibility towards society. If after the election we can work together again, we should use the four years to understand what major reform should be carried out in every strata of our society. We should make it a commitment of ourselves to promote social reform. To the various government departments, I hope that they can draw up a more comprehensive programme of reform so that we can work with them and open up a new vista for Hong Kong.

MISS MARGARET NG (in Cantonese): Madam President, it is said that fees charged by lawyers are very high, so I will try to make my speech as short as possible. I just wish to use to this opportunity to briefly talk about my expectation of this Legislative Council. Put simply, it should be the building of a good system. Madam President, we are just passers-by in history. No matter how clever or how ordinary, how able or how dumb we are, we will all pass away. However, when we become past tense, this assembly will still exist.

We must establish a good system that will benefit the posterity. All this must be established bit by bit.

Madam President, we have been talking about continuity before and after 1997. I would like to talk about the impression I have of this assembly pre-97 and post-97, which have been very different to me. Before 1997, what were we busy about? We tried to retain what was good in the system then, hoping that it would not pass away with the change of sovereignty. After 1997, with the Basic Law, we have focused our work on establishing a new constitutional system. Our work is built upon this new system. We all know of the imperfections of the Basic Law. As a democrat I feel that there are many places in it that I do not feel comfortable with. Despite these imperfections, we on the one hand try to find ways to amend it, and on the other exploit any room that is within the Basic Law and expand it as far as possible. Even if no amendment can be made, we should try to develop as far as possible the greatest degree of democracy. This is our responsibility. What do I mean when I talk of establishing a culture for our assembly? I mean quality, tradition, practices, orders, or even style, which all add up to be the so-called "system".

On quality, we should start off with the minor areas. Simply put, when can a document be ready for release? If we agree today that our meeting will continue tomorrow at 9.30, then when we complete our work and return to our office, and receive a document notifying us that the President has indicated that tomorrow's meeting begins at 9.30, this is efficiency and quality. It has to be of that order before there is any quality. Other minor areas like the cleanliness of the Legislative Council Building, the order of everything, all count towards quality. We have to be meticulous in these small areas to establish our standard.

On tradition, the scope is even bigger. Of course we only work according to the Rules of Procedure, and I am happy to have worked on the Committee on Rules of Procedure in the past one or two years. However, besides the rules, we have also the tradition. How do we conduct our work? How do the panels conduct their work? How do the Bills Committees work? After the departure of Mr Ronald ARCULLI, are we coming to a halt? If that is the case, then Mr ARCULLI has failed in his job to establish a system that would not pass away with the departure of a person. If that is the case, what contribution has he made to the Council?

I do not believe that is the case. I believe that even after Mr ARCULLI's departure, we would still stick to many of the systems, and not only us, they would also continue with the system. What about the orders? Our assembly has also established many practices to regulate the conduct of business. In fact, in this assembly, I think not only have the Members made their contribution, the officials have also made their contribution, and a most important part, that is, the staff at the Secretariat, has also made their contribution. These people would not leave, and they will continue to work here. I always study our budget, and query why we only have so few legal advisers. Why is the Legal Services Division so under-staffed? Can we have more staff? The Library is for us to gather information and do research, can we develop an even faster system? This is the legislature of the Special Administrative Region, and our way of working should engender public confidence in this place. No matter whether it is the Secretariat, the Legal Services Division, or even the Interpretation, Simultaneous Interpretation and Translation service, we must let the public see that we maintain such a high standard.

We must go beyond the individual and make the system our basis. In front of the government officials, I know that we often openly show our dissatisfaction with them, sometimes level criticisms at them without any reservation or even "grill" them. I believe that the officials also have a lot of grumble about the Members. However, they cannot be as free in their speech as we are, but in the process, we both have made our contribution. Just like the passage of the motion of no confidence this afternoon, perhaps not many officials would feel at ease. But the passage of such a no-confidence motion is to gain the trust of the public in the system, just like Nixon's Watergate incident in the '70s. At that time, I was studying in the United States. I feel that the Americans were very strange. Why did they have to watch news about the incident every day? However, they thought that even the President could not be above the law, which made them have confidence in the system. While we cast our vote of no confidence, we want the public to have greater confidence in the stability of the system. This is how a system is established.

Madam President, I think that a speech without charge should end here. I wish Members all the best in their work next year, and I express the same wish to the officials. Thank you, Madam President.

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

MISS EMILY LAU (in Cantonese): Madam President, I do not intend to speak because much of what I want to say has been said by Mr SZETO Wah and other Members, and I have also made a lot of criticisms against the Government and would not like to say again.

Madam President, those who want to go would go, and those who want to stay would stay. We respect the wish of everyone. There is, however, a Member who, I believe, would not like to go. This is the reason for my speech. That Member is Mr Ronald ARCULLI. A few months ago, when I learnt that Mr ARCULLI would not run in the functional constituency election, I began to try to persuade him to run in the direct elections. I believe I am not the first one trying to convince him. Many people may have also talked to him. Madam President, why did I do this? I have tried to persuade many people previously, including you, Madam President, only to no success. Just now, I also tried to persuade Mrs Miriam LAU. Why? It is because she really works very hard for her functional constituency, and we all know about it. (*Laughter*) I think it is very good of her to be working so hard for her functional constituency, but it would be much better if she can work also for her geographical constituency. However, within any geographical constituency, there are more than one functional constituency. It is very difficult to balance every sector. I hope that Mrs LAU would take up this challenge.

If Mr Ronald ARCULLI is not to take part in functional constituency election, then that would not be a problem, as Mrs LAU will run in that constituency and I have not succeeded in my persuasion with her. However, she can be changed, and she can run in New Territories East or New Territories West, or even in any geographical constituency. Now, since Mr ARCULLI is not to run in the functional constituency, that would then not be a problem anymore. However, he would still like to be a Member, and this is not something I impose on him. I believe many of us here have great respect for Mr ARCULLI. My political views definitely are different from his, especially because he represents the real estate developers. It is hard for us to come to terms with each other in politics. However, I believe no one would doubt his ability, and he is very willing to devote his time to public service. I therefore think that Members like Mr ARCULLI should remain in the Council, and we should have more Members of his type. Most of us would like to see him stay.

I think even the Government would have a love-hate relationship with him; some senior officials may want to see Mr ARCULLI stay in the Council.

I therefore find it hard to understand why Mr ARCULLI should suddenly (actually this is nothing sudden as he must have made very thorough consideration) say that he would not run for another term. I feel very disappointed, but I am not surprised at all. Though I find it hard to understand, it is clear. However, I think his decision is wrong. From what he just said, it is clear that he had made the wrong decision. I have talked to him, saying that if you have already decided not to run, and then said that you want to run again, that is a change of stance. Of course, "change" may not be too good, but I also said to him in English that that does not mean "I am salvageable". Of course, the voters would not like to see people changing all the time. This is a fact, that is if he has expressed that he does not want to run, but then said that he would like to run again, that would not be so good.

Despite all this, I would still try to persuade Mr ARCULLI to stay and ask him to reconsider running again. I think it is important for anyone to remember one thing, "Everyone for himself and the devil take the hindmost." If being a Member is what he likes most, why does he not consider it? If this is not what he likes, then no matter how hard you persuade, it is still fruitless. However, I can see through him, like having a pair of x-ray eyes (*laughter*). Hope your wife would not mind. I can see through him. I think Mr ARCULLI likes the work here very much. Many of us are very happy to work with him. Though government officials like him as much as they hate him, I believe they like him more. After all, Mr ARCULLI would speak for them, would he not? Do you like him? The Secretary is now nodding his head. If he himself likes the work and many people would like him to stay, then why does he have to leave? Is it really because he wishes to start a new law firm? This is the question.

Frankly speaking, I do not know how wealthy Mr ARCULLI is, but he is definitely richer than many of us here, and he is rich in his own independent way. Many people, like Mr LEE Wing-tat or Mr Andrew CHENG, have to sell their flats to take part in politics. It makes one feel very sad to learn that they have to sell their flats to run in an election. Mr ARCULLI does not have to do that; money is not a problem to him. His taking this moment to say that he has to start a law firm, I believe, is not a very appropriate matter. It is in fact an awkward matter. Mr ARCULLI does not need to start that law firm. What is at issue is what he thinks is the most important thing to do. He is no more of a

young age, and at this stage, he should do something that he thinks is important and interesting. Frankly speaking, if Mr ARCULLI is to run in an election, he could take either Hong Kong East or Hong Kong Island (in the same constituency as Dr YEUNG Sum and Miss Cyd HO who would now be in great fright). He may not win for sure, but I think it is worth his while to try. If he wins, I think he would be the happiest man in Hong Kong.

Madam President, though I did not intend to speak, seeing how emotional he had become when he spoke just now, I cannot help but ask, "What is the point of all this?" (*Laughter*)

I so submit.

MR CHAN KAM-LAM (in Cantonese): Madam President, I see that Miss Emily LAU is very eager to see Mr Ronald ARCULLI running for election in Island East. I would like to give her a suggestion. It is better for her to support Mr ARCULLI instead of Miss Cyd HO. I believe this can attract more votes for Mr ARCULLI.

Madam President, this is my third time speaking on a valedictory motion in this Chamber. After this meeting today, the first Legislative Council of the Special Administrative Region (SAR) will officially come to an end. It is fortunate that under your leadership, adjustment was made to the meeting arrangements so that we do not have to have meetings late into the night like what we did in the past. I remember in 1997, before the speeches on the valedictory motion, several Members were either sleeping or watching matches in the Ante-Chamber. Today I am very happy. I believe no debate has had such a high attendance rate as today's. Madam President, the credit should go to you.

In the three valedictory motion debates I have participated, my feelings are all the same. I remember at the time of the closing of the previous Legislative Council, we were all very excited because we could say goodbye to the colonial Legislative Council and we were looking forward to returning to China. At that time, we had been having meetings for a number of days continuously, and would like to see the meetings finish as soon as possible. The Provisional Legislative Council after the reunification was a unique product. We would like to see its term come to an end the earlier the better. Of course, given that

we had been together only for a short time, there was little sadness in saying goodbye.

Madam President, the first Legislative Council began its work when the Asian financial crisis was raging in Hong Kong. Though the situation in Hong Kong at that time was not as bad as a complete slump, many of the problems that had been lying latent earlier began to emerge one after another. Experiencing the economic downturn brought about by the Asian financial crisis, the public naturally would have high expectations of the SAR Government and Members of this Council.

After the reunification, I think that the promotion of economic development and improving people's livelihood will be important issues that the Government and this Council have to deal with. We in the DAB will focus our efforts in work that will promote the economy. I have made extensive contacts with the businesses, small and medium enterprises and the financial sector. I believe Dr David LI is very clear about this. We have also discussed with him a number of times about the development of the banking industry and listened to his views and tried to understand the economic hardship they face during the financial crisis. Over these two years, there were a number of incidents that I cannot forget, for example, in August 1998, the DAB was very supportive of the Government's taking action in the financial market to beat away those international funds trying to manipulate the market. The DAB was also very supportive of the Government's Cyberport plan, Disney theme park and the finance scheme for small and medium enterprises.

Madam President, the first motion debate of the Legislative Council was proposed by me. The motion was that the Government should, having reference to the economic situation, take measures to relieve the hardship of the public. It had the support of, and was passed by, Members.

Recently there have been voices of dissatisfaction about the performance of the SAR Government. Some of these voices came from the middle class, which used to be the silent majority in the past. Though their fingers are not pointing at the Legislative Council, as Members of this Council, we are not exempt from any responsibility as to such grumble among the public. I think that because our society has suffered under the unprecedented attack of the financial crisis and that there are problems lying latent in society, the SAR Government cannot help but implement reform policies. We should do our

utmost to support such reforms and improve all reform-related measures and reduce any impact brought about by such policies. I think the Legislative Council is duty-bound to lead the public and the Government to go through this period of hardship and overcome all obstacles.

Madam President, in recent months, a number of Members have decided not to run in the next Legislative Council Election. It is expected that the next Legislative Council will sport a new face. I hope that if I were returned to this Council, we can continue to work like what we did in the past. By working in a realistic and practical away, we perform our duties and monitor the work of the Government and the implementation of policies. I would like to wish those who have decided to leave this Council all the best in their future endeavours! Thank you, Madam President.

DR RAYMOND HO (in Cantonese): Madam President, the term of the first Legislative Council of the Hong Kong Special Administrative Region is about to end. In the past two years, my colleagues in this Council and I have worked hard to ensure Hong Kong's prosperity and stability under the "one country, two systems" model. In performing our duties, however, we have encountered obstacles, especially when we are still at the exploratory stage with the relations between the legislature and the executive, and there are hurdles to be overcome.

In examining and passing bills that are submitted to this Council, Members would put forth constructive views on issues that are the concern of the public so that when passed, the bills can meet the needs of society. Within these two short years, this Council has examined more than 160 bills and numerous subsidiary legislation. It is a very efficient legislature.

On the other hand, by putting oral questions to the Government, Members perform their monitoring function on the Government. Besides putting oral and written questions to the Government, I have also made as much use as possible of every opportunity for supplementary questions. The scope of my questions is not limited to areas that are directly related to the engineering profession. I have put questions to the Government on any matter that is related to the people of Hong Kong. I become the Member having made the most supplementary questions. I would therefore like to take this opportunity to give my sincerest thanks to all the officials who have patiently answered my questions.

One thing that is worth mentioning is that I greatly appreciate the spirit of co-operation as shown by Honourable colleagues, especially in the work of various committees, despite that they may hold views very different from each other. Recently on the problem of improving air quality, colleagues from different political parties formed an alliance within a very short time, and the membership included Members from different parties and independent Members. They worked together to put forth constructive suggestions to the Government.

On the inquiry into the problems related to the new airport, I was the deputy chairman. Since the scope of the inquiry was so great and many people and organizations were involved, I benefited a lot from the inquiry. I found that Members from different political parties could work very closely on a meaningful project. I am also greatly moved by the great efficiency shown by the Secretariat.

As a representative of the Engineering Constituency in the Legislative Council, I have also done my best to reflect views of the trade to the Administration in relation to infrastructure works, environmental works, information technology and industrial policies. The controversial Strategic Sewage Disposal Scheme, being of a massive scale, was one of the items that I paid particular attention to. It was opportune of the Government to have accepted my suggestion and invited representatives from the Hong Kong Institute of Engineers to form an expert group, to conduct studies and assessment so that a direction could be mapped out for the second, third and fourth stages of the Scheme. This is very important because we still have to spend tens of billions of dollars to complete the whole Scheme.

The problem of public housing quality has been troubling the public recently. Engineers who understand the operation of the Housing Authority and the Housing Department and I have also put forth our views on the management and supervision of public housing projects. However, the authority concerned has not truly hit the problem on the head and carried out appropriate reforms. Neither has it admitted that there are fundamental issues in the management structure and system that require improvement. This could be the result of the situation where experts are led by people having limited knowledge in the trade. I hope that this situation can be improved as soon as possible.

With regard to the civil service reform launched by the Government after the reunification, I have also taken part in much of the work involved, as the reform will have direct impact on more than 2 000 engineers in the Housing Department, Water Supplies Department and even the new recruits and those young engineers under training within the Civil Service. I have suggested that engineers should be given the opportunity to become Administrative Officers so that their promotion prospects can attain a reasonable balance with that of the Administrative Officers. In relation to work in this area, I have also met with the Chief Executive and the Secretary for the Civil Service, Mr LAM Woon Kwong, a number of times.

Madam President, during these two years when I am in office, I especially admire the clear judgment of you, Madam President, the eloquence of my colleagues, the great efficiency of the Secretariat and the legal advisers, and the outstanding performance of the officials. I have benefited a lot from working with you. May I wish you a happy vacation and all the best in your future work and good health! Thank you, Madam President.

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

(No Member responded)

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, it is an honour to respond to this motion marking the last meeting of this Legislative Council term. Looking back over the past two years, Honourable Members have spent a great deal of time and effort on Legislative Council affairs, both inside and outside the Council Chamber. On behalf of the Government, I would like to take this opportunity to pay tribute to the hard work of the Legislative Council President and Honourable Members.

Over the past two years, the Administration has always worked closely with the Legislative Council. Since the beginning of this Legislative Council term in July 1998, the Administration has introduced 171 bills, 158 financial proposals and more than 670 pieces of subsidiary legislation for scrutiny and approval. With the hard work and co-operation of Members, 157 bills have been passed, including 21 in this meeting. Among those items passed have been some complicated pieces of legislation or major legislative changes with far-reaching implications. Examples are the Mass Transit Railway Bill, the Chinese Medicine Bill, the Electronic Transactions Bill and the Broadcasting Bill.

In the past two years, the Administration has responded to more than 3 600 oral, supplementary and written questions raised by Honourable Members. At the invitation of Honourable Members, government officials have attended more than 530 panel meetings to discuss and exchange views on issues of concern to Members. Almost every week, I have met with the House Committee Chairman Dr The Honourable LEONG Che-hung and Deputy Chairman Dr The Honourable YEUNG Sum to discuss issues of concern to Members. Personally, I feel that both sides have exchanged views and have worked together happily during these meetings, and I am glad to hear that Dr LEONG Che-hung also shares this view. All of this demonstrates the Administration's eagerness and efforts to work together with the Legislative Council.

I am mindful that the relationship between the executive and the legislature has been an issue of concern to Honourable Members over the past two years. I and my colleagues in the Administration are keenly aware of the importance of a constructive partnership with the legislature, and have made every effort to strengthen our co-operation with the Legislative Council. Indeed, the common goal of the executive and the legislature is to build up a good working relationship and to work for the overall interests of the SAR.

The Basic Law has put in place a new constitutional framework for the SAR. It sets out the division of power between, and responsibilities of, the executive and the legislature. As well as checks and balances, this framework requires the two bodies to co-ordinate and work together. It is understandable that the Administration and Honourable Members may not see eye to eye on each and every issue. That should not, however, overshadow our common desire to obtain the best for the people of Hong Kong. This is how it has been in the past. This is how it is now, and will be in the future.

To ensure our proposals meet public needs and obtain the support of Honourable Members, the Administration has, wherever possible, put forward legislative and financial proposals at relevant panel meetings before formally introducing them into the Legislative Council. We also consult Members when drawing up the Budget to ensure we are aware of Honourable Members' views on revenue and expenditure proposals. Whenever differences of opinion arise in respect of certain proposals or motions, the Administration has always been careful to consider Members' views and, more often than not, to make appropriate amendments in response to the requests of Honourable Members. On the other hand, I hope Members will appreciate that when considering, on balance, the overall interests of the community, we may not always be able to accept all of their suggestions.

In addition to the relationship between the executive and the legislature, Members have also expressed concern over the accountability of government officials. We have debated this issue at great length and I see no benefit in going over the same ground again. But I would just like to repeat that it will do none of us any good — the legislature, the executive, the public at large and certainly not the Civil Service — if we are to politicize the Civil Service. Whether and how government officials should bear political responsibility is an extremely complicated subject that needs careful consideration. We should not act hastily in handling such an important matter. The questions about accountability, and deciding the best way forward, will only be answered by the community reaching a consensus after a calm, well-informed and tolerant debate within the context of Hong Kong's overall political development.

Finally, on behalf of the Government, I would like to place on record my thanks for the work of the six Honourable Members who will not seek re-election to the next Legislative Council. Over the past two years, Members have made a tremendous contribution and sacrifice to this Council and in serving the public. I am sure that this spirit of public service will continue whether some Members participate or not in September's Legislative Council elections.

I wish all Honourable Members the very best for the future.

Thank you, Madame President.

PRESIDENT (in Cantonese): Dr LEONG Che-hung, you may speak in reply, and you still have two minutes.

DR LEONG CHE-HUNG (in Cantonese): Madam President, after listening to that limerick of Mr Martin LEE's, which cannot earn him any money, Miss Emily LAU's story of seeing through one's heart, Mr David CHU's story of roasted pork and Mrs Selina CHOW's speech on her having wasted 19 years of her youth here, I would like to say, in my capacity as the Chairman of the House Committee, a few more serious words in summing up.

Madam President

MRS SELINA CHOW (in Cantonese): I would like to clarify one thing. I have not said "wasted", I only said "contributed". (*Laughter*)

DR LEONG CHE-HUNG (in Cantonese): Madam President, let bygone be bygone, and every day will see the coming of new things. This is an indisputable fact. To those of us who have made it clear that they would not take part in any election, I would like to say a few parting words to them.

Madam President, in *Gongsun Chou Part I, The Works of Mencius*, there is the saying, "A man may have wisdom and discernment, but it is wiser to embrace the favourable opportunity. A man may have instruments of husbandry, but it is wiser to wait for the farming season."

To those who are actively preparing for election, I would also like to say, "Keep up the good work and wish you luck!"

To the 59 Members (including myself) and government officials, I would like to say, "There is still work out there waiting for us."

Madam President, I so submit. I hope that you all can support this motion and do not claim a division. (*Laughter*)

Thank you.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion of Dr LEONG Che-hung, as set out on the Agenda, be passed. Will those in favour please raise their hands?

(Members raised their hands)

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

(No hands raised)

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

PRESIDENT (in Cantonese): Members and officials of the Administration, usually it is not for the President to express any personal opinion, but today, before the end of the first Legislative Council, I hope I can have your indulgence to talk a little of my experience over these two years.

First of all, I would like to thank both Members and officials for their co-operation that enable the meetings to proceed smoothly. I am fortunate enough to be able to work with you all, and in these two years, I have learnt the ropes of presiding at meetings and also have the prompting of you along the way. In particular, I have to thank colleagues of the Secretariat, including the Secretary General, the Legal Advisers and the Clerks, for their support. I would also like to thank specially Dr LEONG Che-hung, without him, I certainly could have missed many of my meals. Without the assistance of Dr LEONG Che-hung and Dr YEUNG Sum, this old folk in me would not be able to live her life to the full. (*Laughter*)

In this assembly, my role is apolitical and completely impartial. I do not express any views or cast any votes. I am therefore more like a "bystander". In these two years, from standing on the side, I have observed two things.

First, the political culture in Hong Kong is changing. After the reunification, the public, in face of economic hardship, eagerly hope that the legislature and the executive can lead them out of the doldrums, if not, at least help relieve the pressure on them. When they cannot see any improvement in the situation, they naturally would grumble. Sometimes, they would turn their criticism against Members, and some people even think that Members know nothing but speak or criticize. In fact, the Members have the concern of the public at heart and react promptly. However, the issues involved may be so enormous and break out with such suddenness that, given the limited resources and support, Members are also subject to enormous pressure. They would sometimes hastily put together all the materials from sources they may have access to, but there is a limit to one's ability to make sense of the materials in a

very short time. Their suggestions therefore may have been made without taking all the factors into consideration, but I think that is understandable. However, it is foreseeable that the public's expectation of the Legislative Council, and the demand for accountability, are increasing. They want to see substance in Members' speeches, which, besides exerting pressure on the executive, must also carry practical suggestions. Members not only have to work hard, but also have to be seen and understood by the public that they are actually working hard. In the future, Members, which may include a large part of those present, must do their homework. They must do more in-depth analysis on a range of issues, and to win the support of the public and the trade, they may have to be more knowledgeable than the Policy Secretaries themselves on the issues involved so that they can actively provide constructive opinions. (*Laughter*) If Members of the Legislative Council can work like that, despite the limitations of the system, they would exert greater influence on the administration of the Government for the support they have garnered from the public.

Second, the life of a Member is not an easy one, while that of the President is a bit better. (*Laughter*) Besides attending meetings inside the Legislative Council Building every day, from eight in the morning till seven in the evening, they have to be present at various activities, including residents' meetings and meet-the-public, in the evening and on weekends. Deep at night, they may still have to face stacks of papers, hoping that they can read as much as possible. These papers may even be companions in their sleep. Generally, Members do not have enough sleep and have very little time for their families. Some Members even find that they spend more time talking to reporters than their families. Frankly speaking, there can hardly be any quality of living in the life of a Member. But why can the public read in the press that some of the senior officials complain about how hard their life is, but hearing the Members yelling for help? The reason is simple. Members see all this as an inseparable part of their work, which they must do. Since they have already committed to being elected as Members, they have not expected that it would be an easy life. Despite that they may hold different political views, and may engage in heated debates over certain motions, Members often show respect to each other as they know that they are all working for their ideals.

Members of the first Legislative Council have come from different political parties, representing different strata of society and political aspirations. Members' difference in background, or even in the way of thinking, has not hindered any communication, discussion and co-ordination among themselves.

Members can still stick to their principles, giving expression to different opinions and considering views from different perspectives. This is an important pillar in democratic politics. The hard work of Members in the past two years has written a very meaningful and important chapter in the history of the Hong Kong legislature, linking the past with the future. We can vacate our offices with our minds at ease as we have done the best we can in the performance of our duties.

However, there are also things that we regret. I feel most sorry to learn that six Members have already expressed that they would not run for another term. They have 49 years of experience in the parliamentary assembly among them, accumulated bit by bit and through stormy times. Their departure is a loss to the Legislative Council. Just as the moon has times of brightness and darkness, fullness and waning, so do men have their weal and woe, parting and meeting. The only comfort is that they will continue with their respective pursuits and make their contribution to Hong Kong.

Finally, I would like to take this opportunity to thank the government officials for the co-operation and assistance they have rendered to the Legislative Council. Though at times there may be sparks between the Members and the officials, but is not life more interesting with sparks? This is all a matter of point of view. I hope that you would not mind my saying so. No matter what argument we may get into with each other in this Chamber, we are still friends and can still be on speaking terms.

May I wish all Members, officials, colleagues of the Secretariat and friends from the press who very often stay with us day and night good health and all the best!

I now adjourn the Council and hope to see you again.

Adjourned accordingly at six minutes past Eight o'clock.