

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 12 October 2000

The Council met at Three o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

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

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

THE HONOURABLE DAVID CHU YU-LIN

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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

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

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

THE HONOURABLE NG LEUNG-SING

PROF THE HONOURABLE NG CHING-FAI

THE HONOURABLE MARGARET NG

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

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE HUI CHEUNG-CHING

THE HONOURABLE CHAN KWOK-KEUNG

THE HONOURABLE CHAN YUEN-HAN

THE HONOURABLE BERNARD CHAN

THE HONOURABLE CHAN KAM-LAM

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

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI

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

DR THE HONOURABLE PHILIP WONG YU-HONG

THE HONOURABLE WONG YUNG-KAN

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

THE HONOURABLE HOWARD YOUNG, J.P.

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.

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

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

THE HONOURABLE LI FUNG-YING, J.P.

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

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

THE HONOURABLE MICHAEL MAK KWOK-FUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

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

DR THE HONOURABLE LO WING-LOK

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE IP KWOK-HIM, J.P.

THE HONOURABLE LAU PING-CHEUNG

MEMBERS ABSENT:

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

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE WONG SING-CHI

PUBLIC OFFICERS ATTENDING:

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

THE HONOURABLE DONALD TSANG YAM-KUEN, 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 COMMERCE AND INDUSTRY

MR GORDON SIU KWING-CHUE, J.P.
SECRETARY FOR PLANNING AND LANDS

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

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

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

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

MR LAM WOON-KWONG, G.B.S., J.P.
SECRETARY FOR HOME AFFAIRS

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

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 FANNY LAW FAN CHIU-FUN, J.P.
SECRETARY FOR EDUCATION AND MANPOWER

MS SANDRA LEE SUK-YEE, J.P.
SECRETARY FOR ECONOMIC SERVICES

MR WONG HUNG-KIN, J.P.
SECRETARY FOR WORKS

MR RAYMOND WONG HUNG-CHIU, J.P.
SECRETARY FOR SECURITY

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

CLERK IN ATTENDANCE:

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

PURSUANT TO RULE 8 OF THE RULES OF PROCEDURE, THE CHIEF EXECUTIVE, THE HONOURABLE TUNG CHEE-HWA, ATTENDED TO RECEIVE QUESTIONS.

PRESIDENT (in Cantonese): Will Members please remain standing while the Chief Executive enters this Chamber.

PRESIDENT (in Cantonese): The Chief Executive will first address this Council.

CHIEF EXECUTIVE (in Cantonese): Madam President, Honourable Members, I spoke for one hour and 45 minutes yesterday, so I am here today to listen to your views as well as answer your questions. I am ready now.

PRESIDENT (in Cantonese): The Chief Executive will answer questions on the policy address raised by Members. A Member whose question has been answered may, if necessary and for the purpose of elucidation only on the answer given by the Chief Executive, ask a short follow-up question.

PRESIDENT (in Cantonese): Would Members who wish to ask questions please press the "Request-to-Speak" button and wait for their turn.

MR JAMES TIEN (in Cantonese): *Madam President, the Chief Executive used to take our questions seated, so we also remained seated as we asked questions. Today, he is standing to take our questions, so I think we should stand up too in asking our questions.*

PRESIDENT (in Cantonese): You are perfectly right. *(Laughter)*

MR JAMES TIEN (in Cantonese): *In his policy address yesterday, the Chief Executive spoke about policies to help the poor*

CHIEF EXECUTIVE (in Cantonese): Sorry, I could not hear it. What was the question?

PRESIDENT (in Cantonese): Mr TIEN was asking about policies to help the poor.

CHIEF EXECUTIVE (in Cantonese): I see. Helping the poor.

PRESIDENT (in Cantonese): Mr Chief Executive, would you please put on this earphone.

CHIEF EXECUTIVE (in Cantonese): Sure. Mr TIEN, please continue.

MR JAMES TIEN (in Cantonese): *Alright. Let me start again. Yesterday, the Chief Executive spoke at length about employment and policies on helping the poor in Hong Kong. The Liberal Party absolutely agrees that small and medium enterprises (SMEs) are pivotal to redressing the employment problem in Hong Kong. In paragraph 44 of the policy address, the Chief Executive said that there are over 290 000 SMEs in Hong Kong, employing more than 1.39 million people. If their operating conditions improve and if they recruit more employees, I believe that it would definitely be more effective than creating temporary posts to clean Hong Kong as proposed by the Chief Executive.*

I would like to ask whether the Chief Executive would strengthen the status of the new term of the SME Committee and widen its representation? We are concerned that the SME Committee, which has existed for the past couple of years, was chaired by a member of the business sector, while its Vice Chairman, who shall be a government official, was the former Director-General of Trade. I think the problems confronting SMEs are not entirely confined to the industrial sector. There are also many SMEs in various other sectors such as transportation, retail and even finance. Would the Chief Executive consider escalating the Committee to a higher level? Of course, I do not mean that the Chief Executive should personally chair the Committee, but will consideration be given to appointing the Financial Secretary as its Chairman or other Bureau Secretaries as its members? Only in this way can genuine assistance be provided to SMEs and a correct policy drawn up within the next few years.

CHIEF EXECUTIVE (in Cantonese): Mr TIEN, the future development of SMEs is of great concern to me, the Financial Secretary as well as other colleagues in the Government such as Secretary CHAU Tak-hay. In the forthcoming appointment of members for a new term of office to the SME Committee, we will aim at raising the Committee to a higher level and widening its representation so that it can further reflect the views of the SMEs. We will work in this direction. The top echelon of the Government and I are very concerned about this issue.

Furthermore, as I have stressed before, there is still about \$2 billion of the funding available. We will listen to the views of the SMEs in future to see how we can provide support for the SMEs with this \$2 billion. We will listen to the views of the Committee with a view to really helping the SMEs.

PRESIDENT (in Cantonese): Mr TIEN, please state your follow-up question.

MR JAMES TIEN (in Cantonese): *I will ask a short follow-up. In paragraph 44 of the policy address, it was said that another six months would be allowed for the SME Committee to put forward new recommendations to the Chief Executive. We do not think that the SMEs and all those who are seeking employment would wish to see the Committee only making recommendations to the Chief Executive six months later and to wait for several years before the recommendations are implemented. Could the Chief Executive appoint the new term of this Committee as soon as possible so as to implement the specific recommendations made by the Committee earlier?*

CHIEF EXECUTIVE (in Cantonese): Mr TIEN, you are right. We will act as soon as we can. *(Laughter)*

MR MARTIN LEE (in Cantonese): *Madam President, would you please help the Chief Executive put on the earphone properly.*

CHIEF EXECUTIVE (in Cantonese): It is properly put on now.

MR MARTIN LEE (in Cantonese): *Mr Chief Executive, I would like to ask a question on political accountability. Before the end of the last Session, the Legislative Council passed a no-confidence motion against the Director of Housing, Mr Tony MILLER, and it was passed by a big margin. Meanwhile, an independent committee of inquiry commissioned by the University of Hong Kong has found Mr Andrew LO, the Chief Executive's Senior Special Assistant, an untruthful witness. Nevertheless, so far these two persons are still holding their original public office. May I ask the Chief Executive how he can convince the public that he is being sincere with all his talk about political accountability?*

CHIEF EXECUTIVE (in Cantonese): Mr LEE, the system of executive accountability for senior officials I spoke about yesterday was basically a response to some views expressed by the community. These views hold that since our officials at Secretaries and Directors of Bureaux rank play a very important and special role in formulating and implementing policies, they should be held accountable for the outcome of their policies. We will undertake a thorough review of the issue.

I should like to take this opportunity to make it clear that the system of accountability is aimed at achieving better results, rather than "persecuting people". The purpose of the system is mainly to achieve better results.

Regarding Mr MILLER, actually I made my stance and my opinion about him clearly in this Chamber on the last occasion. In taking forward the current reforms, Mr MILLER has worked very hard to bring into play the best of his abilities. I need to stress that whether I was dealing with the case of Mr MILLER or that of Mr LO, there was no question of favouritism. The interests of the public will always come before everything else.

As to the dismissal or otherwise of Mr LO, I have in fact made my position clear on a number of occasions. In the case of Mr LO, I have several observations. To begin with, I have looked into the proceedings of the hearing and I understand what has transpired. I do not think Mr LO has made any mistakes. I can tell Mr LEE that if anyone has done anything wrong, he or she must bear the consequences.

MR MARTIN LEE (in Cantonese): *I would like to thank the Chief Executive for his detailed answer. Indeed, I do agree with the Chief Executive in that it is also our hope to achieve better results, and that the interests of the public should come before everything else. It is exactly because of these two major principles that if the Legislative Council has indicated that it has no confidence in a certain official, the official concerned should at least be removed from the relevant post. We are of course not asking the Chief Executive to dismiss that official, but how can he communicate with us if we have indicated that we have no confidence in him?*

Furthermore, in the case of Mr LO, I wonder if the Chief Executive could see the difference between a servant in his house and a civil servant.

CHIEF EXECUTIVE (in Cantonese): Regarding the second question, I can definitely see the difference. As a matter of fact, it is imperative that we, every one of us, be unbiased in doing our work. We must not show favouritism to anybody.

MR NG LEUNG-SING (in Cantonese): *Madam President, I should like to raise a question on paragraph 29 of the policy address. In summing up past experience, the Chief Executive said yesterday that there were criticisms in our society because of several reasons, namely, first, some measures might not have been prepared or implemented in the best possible way; and second, the Government might not have explained clearly enough the need for the reforms, the processes involved or the benefits flowing from them. In this connection, may I ask the Chief Executive how the Government is going to do a better job in the future to enable the public to have a clear idea of the need for the reforms, the processes involved and the benefits flowing from them?*

CHIEF EXECUTIVE (in Cantonese): Mr NG, I would like to first say that, in retrospect, we can actually see success in our many reform packages in a number of areas. Besides, as I also said before, the Government has succeeded in further consolidating for Hong Kong its foundation for future development in such aspects as finance, care for the elderly, housing and the Civil Service.

Indeed, which areas or countries in Asia have really shown determination to implement reforms in the wake of the regional financial turmoil? I think the determination of Hong Kong is comparatively stronger in this respect. I believe Hong Kong has a better foundation now but we are capable of doing even better. The most important thing is that we must listen more carefully to dissenting voices, look closely at the reasons for opposition, and find out ways to assimilate those reasons into our plans. Further still, it is also very important that we explain clearly to the public what would happen if we do not undergo reform, and what results would we get if we do. We will be persevering with our work in this direction.

PRESIDENT (in Cantonese): A follow-up, Mr NG?

MR NG LEUNG-SING (in Cantonese): *I should like to be more specific. Just now I was asking about what exactly the Government would do. During the election campaigns we came into contact with some members of the public. Their opinion was that since the Government was financing a certain radio station with public money, should that radio station not have a duty or obligation to help the Government — or "complement" the Government if "help" is not the right word — by explaining or elucidating over the airwaves government policies that had not been sufficiently made clear to the public?*

CHIEF EXECUTIVE (in Cantonese): Mr NG, I agree with your point. On the one hand, I do hope that Radio Television Hong Kong can give the Government some help in this respect, yet on the other I also expect the Government to shoulder its responsibilities and do a better job by itself. Both are feasible approaches.

MISS EMILY LAU (in Cantonese): *Madam President, I have a question for the Chief Executive on constitutional development. In fact, we talked a lot with the Chief Executive about this during our meeting with him. I believe he is aware of the reaction of many people (including academics), who have pointed out that the policy address has failed to address this issue, since it has not come up with anything. The Chief Executive said that we needed to create the appropriate conditions and environment before there could be any development. This is a*

very important point. He also mentioned that he was pleased to see that the identification of Hong Kong people with their cultural and historical roots had been enhanced over the past few years, and that this would provide a basis for developing our future political structure. Madam President, may I ask the Chief Executive to explain what the basis for constitutional development is? Does it entail enhancing the educational level and having media freedom to facilitate the flow of information that we have been hearing about? Now, the Chief Executive has put in identification with the cultural and historical roots. Is he saying that Hong Kong people must identify with their cultural and historical roots before he could agree to the constitutional development in Hong Kong? Furthermore, how can it be measured?

CHIEF EXECUTIVE (in Cantonese): Miss LAU, I will answer your question from various respects. Before discussing constitutional development, I wish to stress first that the Government of the Special Administrative Region (SAR) is most concerned about three things: first, we must ensure that everyone is equal before the law, and judicial independence; second, we must ensure that the freedoms we enjoy are upheld; and third, we must ensure a high degree of transparency and accountability in the operation of the SAR Government. Only by doing so can we create a democratic structure. In fact, I am very pleased to tell you that Hong Kong has done very well in these three aspects over the past three years. We have upheld these aspects in accordance with the Basic Law and we will continue to do our best to do so.

Second, with regard to the future democratic and electoral development, the Basic Law gives us 10 years' time to accumulate experience and explore the best way forward. It has been some three years since the reunification and we still have plenty of time to explore, learn and accumulate experience. I hope that we will find the most desirable direction that is acceptable to all.

Third, Miss LAU mentioned the fact that I had said I was pleased to see that the identification of Hong Kong people with our cultural and historical roots had been enhanced and that this would provide a good basis for the development of our political structure in future. In my view, we must accept one thing. With regard to our democratic development, the road we take in future or electoral development, we must remember two points. First, we are an inseparable part of China. Second, we have close ties with the Mainland in terms of economic relations and trade as well as the people. As I always say,

"If Hong Kong does well, our Motherland will do well; if our Motherland does well, Hong Kong will do even better". In view of this, no matter how we develop our political structure, we must safeguard the interests of Hong Kong and our Motherland. I have explained the matter from this point of departure.

MISS EMILY LAU (in Cantonese): *Madam President, the Chief Executive did not really give any explanation. He had introduced a new factor, that is, identification with our cultural and historical roots as a prerequisite for constitutional development. However, he had not specified the extent of identification. Can the Chief Executive discuss in detail whether Hong Kong people have failed to identify with their cultural and historical roots according to his standards, thus, democratic development cannot be achieved in another 10 or 20 years? Moreover, what proof does the Chief Executive have that the identification of Hong Kong people with their cultural and historical roots has been enhanced over the past few years? Does he think so because the Democratic Alliance for Betterment of Hong Kong got more votes in the last election? What scientific proof does the Chief Executive have?*

CHIEF EXECUTIVE (in Cantonese): I do not have any scientific proof but I have my own feelings and they are not just my personal feelings. I am sure many people feel the same. I wish to stress that the future of Hong Kong is closely related to the future of our Motherland. For this reason, we have to take into account the need to safeguard the interests of our Motherland in the course of our democratic development.

(When the President indicated to Mr LAU Kong-wah that it was his turn to ask a question, there was a clamour in the public gallery.)

PRESIDENT (in Cantonese): Will the people in the public gallery stop clamouring? *(Several men in the public gallery continued to clamour)*

PRESIDENT (in Cantonese): Security staff, take them away. Security staff, please take them away. *(Several security staff advanced and tried to stop the men from clamouring, but they continued to stand there and clamour.)*

PRESIDENT (in Cantonese): If you refuse to leave the Chamber, we will be forced to suspend the meeting. *(The men were taken away from the public gallery)*

PRESIDENT (in Cantonese): I am sorry. Mr LAU Kong-wah, please ask your question.

MR LAU KONG-WAH (in Cantonese): *It does not matter, Madam President. I think both the Chief Executive and I are accustomed to this sort of scenes.*

I wish to raise a question on a point in the policy address that has far-reaching implications and that is, the plan to double the number of tertiary places in the next 10 years as highlighted by the Chief Executive. As this is not an easy task and there was not any indication of this proposal beforehand, members of the public have misgivings about whether there are sufficient resources after the Chief Executive announced this proposal. We have seen many 10-year programmes before, but they were not materialized in the end. My question is this: Apart from those concepts underscored in the policy address, what makes the Chief Executive feel confident that the target of doubling the number of places can be truly met in the next decade?

CHIEF EXECUTIVE (in Cantonese): Mr LAU, first of all, this issue concerns the overall healthy development of Hong Kong in the long term. If we look around us worldwide, we will find that in many advanced countries, territories or even in the neighbouring countries, territories or cities, the number of people who have received tertiary education is mostly above 60%. In the course of development towards a knowledge-based economy, and in view of the globalization of world economy, the development of our entire society will gradually lag behind others if our education fails to catch up for we are actually competing with other cities and territories. So, it is imperative that we catch up.

Secondly, this target is indeed an enormous challenge. For instance, 18% of our students can study in universities now, but as far as I know, the actual number of students who can enter universities falls short of 18%. Then, how can we achieve the target of 60%? Moreover, there are views that while

18% of our students can enter universities now, the secondary school leavers are not up to standard, so how can the number of places in tertiary institutions be further increased in future? All of these are problems pertaining to this issue so we must proceed with a step-by-step approach. The first thing to do is to ensure quality primary and secondary education so that future graduates can study in universities and tertiary institutions. Therefore, we consider that 10 years are a more reasonable timeframe. It would not be possible to hit the target in three or five years.

Thirdly, it entails land resources and financial arrangements, and we must carefully consider all aspects. In respect of land, we have clearly stated that we will try our best to identify suitable sites and one-off grants will be provided for the construction of school premises. As for the provision of other resources, obviously it depends on how far the entire community is committed to attaining this goal. But to sum up, if we failed to reach the target of 60% within 10 years, everyone present here and I should feel worried about the future of Hong Kong.

MR LAU KONG-WAH (in Cantonese): *I believe that no one will query the need for this increase, but the question is whether this can really be achieved. I do not have any preconceived idea as to how this initiative should proceed, and in the policy address the Chief Executive has not told us specifically how this will be implemented. Even in his reply just now, the Chief Executive did not give us a concrete answer. A decade is basically a very short period. Just now the Chief Executive said that land may be granted to some institutions. May I ask whether this initiative has already been launched?*

CHIEF EXECUTIVE (in Cantonese): If we adopt a step-by-step approach and increase 2 500 students each year, there will be an increase of 250 000 students after 10 years. The question really lies in whether we have the ability to increase 2 500 students each year. In this connection, I think we are capable of doing that.

MR HUI CHEUNG-CHING (in Cantonese): *Madam President, paragraph 37 of Mr TUNG's policy address mentioned that with China's entry into the World Trade Organization (WTO), local businessmen will face greater challenges in competing for business in the Mainland. In view of this, has the SAR*

Government any specific measures to assist local businessmen to enter the mainland market; and when will these measures be announced?

CHIEF EXECUTIVE (in Cantonese): Mr HUI, as regards measures in respect of the Mainland, the Mainland is a vast market with lots of opportunities. Generally speaking, the local industrial and commercial sector is very smart. They keep abreast of the latest developments and take prompt actions. They know where opportunities lie and will work things out by themselves. All that the Government can do is to help them remove all the obstacles, especially those on the policy level. Should there be any policy unfavourable to Hong Kong, we will try our best to work out a solution. As to how products can be designed to meet a higher standard or how they will be promoted or to where they will be exported, and so on, I think the industrial and commercial sector knows better than the Government does.

MR HUI CHEUNG-CHING (in Cantonese): *Madam President, China's accession to the WTO will provide enormous business opportunities for Hong Kong. But information is crucial for businessmen to grasp these opportunities. However, the SAR Government does not have any permanent body in the Mainland to gather such information. May I ask Mr TUNG if he has considered setting up a permanent trade and commerce agency in the Mainland to keep abreast of such information, thereby helping Hong Kong people overcome the specific difficulties they faced when investing in the Mainland?*

CHIEF EXECUTIVE (in Cantonese): Mr HUI mentioned information *vis-a-vis* opportunities on the one hand and the difficulties involved in investment on the other. I think insofar as information is concerned, liaison between the group headed by the Financial Secretary and the Ministry of Foreign Trade and Economic Co-operation is underway. I trust that information will be passed onto the industrial and commercial sector consistently to keep them informed.

As regards the difficulties involved, I have indeed heard a lot about the various kinds of difficulties. As to whether the Government can intervene in certain areas, I have looked into a myriad of circumstances but I consider that intervention cannot be made casually for commercial disputes are often involved. Of course, there are cases that involve policy and for these cases, government

intervention may be possible. I have personally intervened in one case before and as Members may know, the case was finally resolved satisfactorily. It was about customs duty. However, if disputes between businessmen are involved, government intervention will be more difficult.

MRS SELINA CHOW (in Cantonese): *Madam President, with regard to the point mentioned by the Chief Executive in paragraph 84 of the policy address, I believe that the Liberal Party absolutely agrees with it. That is, the problem of poverty should be tackled by holistic and integrated social and economic policies. We cannot agree with it more for that is the way to tackle the problem at root.*

Mr Chief Executive, I am the representative of the wholesale and retail sector. During a Chief Executive's Question and Answer Session in the Legislative Council early this year (during the last term of the Legislative Council), I put to the Chief Executive a question which was not only of concern to my constituents, but also to the community as a whole. It was about the levying of sales tax. Speaking of a sales tax, it appears to us that its introduction would be disastrous to Hong Kong, which enjoys the reputation and status as the shopping paradise second to none.

In this year's policy address, I am glad to see that there is no mention of this tax. So, may I ask the Chief Executive if the Government has already given up the idea to levy this tax? It is because members of the public obviously hope that the Government will give up this tax.

CHIEF EXECUTIVE (in Cantonese): Mrs Selina CHOW has indeed worked very hard for this cause. She raised questions in this connection almost on all the occasions when we met. We appreciate that this tax would have far-reaching impacts on Hong Kong. But overall speaking, a committee led by the Financial Secretary is specifically looking into such issues as how our taxation regime will develop, how it should be broadened, and so on. We are still in the course of studies. We will explain the conclusions as appropriate in due course, and certainly, we will listen to all views very carefully.

MRS SELINA CHOW (in Cantonese): *Madam President, it is precisely this committee that worries us. It is because if this committee keeps on studying and studying, comes up with one proposal after another shortly afterwards, and then proceeds to rounds and rounds of consultation, and if the approval of the Executive Council is sought after a short while, nothing can then be done even if we cry our eyes out.*

In fact, there is basically no need for this tax at present. The Government is awash with money and we have seen the successful listing of the Mass Transit Railway Corporation Limited. Therefore, I hope the Chief Executive can seriously consider refraining from pursuing this matter so that we can eventually save plenty of time.

CHIEF EXECUTIVE (in Cantonese): *Mrs Selina CHOW, we keep on holding meetings after meetings, whilst you keep on saying and saying. (Laughter) Anyhow, we will study this issue seriously. (Laughter)*

MR FRED LI (in Cantonese): *Madam President, I would like to ask the Chief Executive a question about Helping the Poor and the Needy in section C of part IV. In paragraph 83 of the policy address, the Chief Executive mentioned the question of the wealth gap, saying that "Unfortunately, the wealth gap is an inevitable phenomenon in the course of economic development. It is not unique to Hong Kong". Nevertheless, I was surprised to learn that our wealth gap problem is more serious than that of the other countries making up the Four Little Dragons of Asia.*

In the paragraphs that follow, the Chief Executive talked about the poor and the needy and proposed a series of measures. However, the most fundamental question is: Who are considered the needy? Mr Chief Executive, what is poverty? Who are considered poor and needy and in need of our help? There is no mention of this in the whole policy address. Non-government organizations have been urging the Government to draw a poverty line to define the kind of people we should help. However, the Government has evaded this all along. Will the Chief Executive inform this Council how the poverty line is drawn? How does the Hong Kong Government determine who are poor and in need of help?

CHIEF EXECUTIVE (in Cantonese): Mr LI also asked me this question during our last meeting and we have looked into the matter carefully since. With regard to the term "poverty line", there are many definitions. Some are relative and some are absolute. For instance, the United Nations uses 50% of the median income as a benchmark. According to this formula, the poverty line in Hong Kong should be drawn at \$5,000. But is this correct? Have services such as public housing and health care been taken into account?

Another criterion uses the amount of money actually required for a reasonable living to draw the line. The Comprehensive Social Security Assistance (CSSA) in Hong Kong is based on this criterion. If you ask me whether there is a poverty line in Hong Kong, I might say that the CSSA criterion in Hong Kong is established on that basis. With CSSA and assistance in health care, public housing and other aspects, in fact, the safety net for helping the needy already exists.

Mr LI, the problem we are now facing is that such assistance has not yet reached every corner in Hong Kong. This is certainly a problem. The Government hopes that through future outreaching activities, especially through co-operation with the District Councils and non-governmental organizations (NGOs), the assistance will penetrate to every corner and reach every needy household. We must find out how we can help them before we can achieve the target of helping the needy. Actually, we have already drawn such a line in Hong Kong.

MR FRED LI (in Cantonese): *I am glad that the Chief Executive has come prepared in anticipation of our question. However, I still wish to follow up. There is a line for CSSA and there is also a Waiting List income ceiling for public housing. However, many countries, such as the United States that the Chief Executive is familiar with, have drawn a poverty line. Having drawn the line, the governments will study their social policies and explore how they can help people below the poverty line. But the Hong Kong Government has not drawn a poverty line so far. Does the Chief Executive consider that it is not necessary to draw a poverty line, or that there is no need to bother about this because of the lack of objective standards? Please follow up this question.*

CHIEF EXECUTIVE (in Cantonese): We should show concern for the poor regardless of whether there is a poverty line. The United States has drawn such a line, but according to the definition of the United States, there are 30 million people living below the poverty line and they have to do a lot. Therefore, every country has its own way of dealing with the problem. However, I wish to stress that we have to help the poor by practical means.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, on the issue of solving the unemployment problem, Mr TUNG pointed out in paragraph 91 of the policy address yesterday that the Government would create 7 000 new jobs through various channels. These posts, together with the posts created in the Government itself, will make up a total of 15 000 new posts. The Hong Kong Federation of Trade Unions (FTU) welcomes this, for we think that the most pressing task at the moment is to create new job opportunities. This is very important. However, after studying the details, I would like to ask Mr TUNG a question about the Enhanced Productivity Programme (EPP) and the contracting-out of jobs. In the case of municipal and hospital services, quite a number of posts were deleted in the past two years, and Mr TUNG must be aware of this. Today, when we talk about creating jobs, I would like to ask this question: While the Government seeks to create 7 000 posts, will the relevant government departments cease the EPP and contracting-out projects relating to basic rank civil service posts? If the answer is "no", how can the unemployment problem be solved as the Government creates new posts on the one hand and cuts existing ones on the other?*

CHIEF EXECUTIVE (in Cantonese): The EPP will have to continue for two more years. As I pointed out yesterday, the EPP will continue into the next year and the year after next. In this way, the Government can save about \$2 billion every year. Basically, the savings on government expenditure will come from reduced staff establishment, voluntary retirement or other areas. On the other hand, as regards the 7 000 jobs to be created, some of them will of course be government posts, but most of them will be created in the Hospital Authority, while others will be created in non-governmental social service organizations. Therefore, there will be an increase in the number of jobs. When it comes to the Government, I understand that many contracting-out exercises have already been launched, and I do not think that there will be many more large-scale contracting-out exercises. Overall, there will be 7 000 posts, and there are

other 8 000 posts; the total will be 15 000 posts. However, we must not forget that in addition to these 15 000 posts, tens of thousands of new jobs may also be created as a result of our substantial investments in infrastructure.

MISS CHAN YUEN-HAN (in Cantonese): *Madam President, I said just now that we welcomed the new job opportunities created by the SAR Government, and I must say that this is like injecting new blood into us; but on the other hand, the Government continues to "bleed". That is, while creating new jobs on the one hand, it goes on making people jobless on the other. Therefore, I think that the Government should adopt a consistent policy. Will all government departments adopt the same standards in making decisions, and will the Government cease making people jobless or cutting down their wages while it is striving to create new jobs? Does the Government have an integrated policy in this respect?*

CHIEF EXECUTIVE (in Cantonese): In this connection, the Government will look at the overall picture rather than individual cases.

DR RAYMOND HO (in Cantonese): *Madam President, in paragraph 90 of his policy address, Mr TUNG said that "..... has also recommended speeding up the start of government construction projects and the implementation of infrastructure projects has opened up many long-term and short-term job opportunities." Mr TUNG has actually said similar things many times before. However, as far as the industry can see, although Mr TUNG said two or three years ago that as much as \$240 billion would be spent on infrastructure in the following five years, and although it has been said that such projects would be expedited, the progress has instead become increasingly slow in practice. That is why tender prices have become increasingly low, and so many problems have emerged. I think if we do not make any serious efforts to streamline the current administrative and land resumption procedures, it will be very difficult to speed up the infrastructure projects. In that case, it will be better for us to implement more repairs and maintenance projects instead. We recommend that since many infrastructure facilities are ageing, we may in fact spend \$30 billion at intervals of five years on repairing such facilities as bridges, buildings, infrastructure facilities and slopes that are ageing. All these projects can be undertaken by local companies, professionals and workers. Will Mr TUNG consider this proposal?*

CHIEF EXECUTIVE (in Cantonese): Madam President, we have indeed done a lot of work. To begin with, in the next few years, we will invest \$100 billion in railway construction, and the construction works of six railways are already underway. Then, as I said yesterday, there are also the school premises renovation projects for 358 secondary and primary schools. Pending the completion of assessments, these renovation projects are scheduled for completion between 2004 and 2005. As far as I can recall, the investment in these projects will be as high as \$10 billion. I think it is worthwhile to invest this sum of money in education. In addition, we will also invest \$11 billion in the Disney theme park, \$1.1 billion in the Cyberport and \$3.3 billion in the Science Park. All these are huge investment projects, and they are already underway.

I have also brought along some information about various projects relating to housing and road construction, school improvement (which I mentioned a moment ago), hospitals and clinics, sewage treatment and discharge of stormwater. There are 378 such projects, with a total investment of \$260 billion. All these projects are in progress, and the size of investment is actually very great. Certainly, I understand that from the perspective of the professional sectors, these investment projects do not seem to have created many job opportunities for them. I thus really do not know how to answer the question of Dr HO. However, I do wish to say to him that many projects are already underway, and I hope that the professional sectors can take part in them. Recently, we have been discussing quite a number of issues. How are we, for example, going to stimulate the creativity of Hong Kong architects? Is it really necessary to adopt a standard design for all schools in Hong Kong? Is it possible to adopt different designs for them, so that Hong Kong as a whole can become more creative? I think all these are very good proposals, and we are right now giving thoughts to them.

DR RAYMOND HO (in Cantonese): *Madam President, I wish to tell Mr TUNG that I totally agree that our schools must be properly maintained, and that we must construct railways because they are a highly efficient and environmentally friendly means of transport. However, despite our huge spending on these projects, the companies and people of Hong Kong have so far benefited very little. A good part of the money has been spent on purchasing train cars and signalling systems; as for reclamation works, very often, machines can already do the work. And, in the case of tunnel construction, even operators of drilling machines are*

very often imported workers. Therefore, not many job opportunities have been created. I hope Mr TUNG can realize that the projects mentioned by him have not actually created many jobs. However, as I said just now, if we can make more investment in the repairs and maintenance of ageing infrastructure facilities, we may well achieve higher cost efficiency and bring more benefits.

CHIEF EXECUTIVE (in Cantonese): Madam President, I see the point of Dr HO. We will look further into his proposal.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, it seemed that Mr TUNG did not wish to draw a poverty line for Hong Kong when answering a question on this subject raised by the Honourable Fred LI just now. Nevertheless, as indicated in the statistics prepared by the Census and Statistics Department, 1.24 million people of Hong Kong, of whom 300 000-odd being children, are living below the poverty line by the International Poverty Line Standard. Among these 1.24 million people, 60% in fact belong to low-income working households; these people do have a job, only that the income they earn is too low.*

While low-income working households are faced with increasingly low wages but increasingly long working hours, there is no mention of the problem in Mr TUNG's policy address. May I ask Mr TUNG whether he really considers that he has advocated helping the poor in his policy address? What should these low-income working households do? Why did Mr TUNG not put forward any positive initiatives in this connection?

CHIEF EXECUTIVE (in Cantonese): Mr LEE, I am afraid the actual job of helping the poor is not about drawing a poverty line; we need to provide people with real assistance. As regards whether there are really 1.24 million people living below the poverty line in Hong Kong, I believe the figure could be calculated in many different ways depending on the definition of "poverty line". But some figures might perhaps be on the low side, since we have to take into account factors such as public housing and health care services.

On the issue of helping the poor and the needy, we have indeed taken great pains in the policy address to put forward measures to help the less fortunate

members of our community as far as possible. In addition to creating more jobs, we also seek to address their needs with focused assistance. For instance, in order to ensure that the younger generations of low-income families will not lag behind other children in terms of "digital knowledge", we have put in place measures to make sure that needy students have access to notebook computers. With regard to the poor elderly, at present there are still 17 000 people living in housing of deplorable conditions, so we will make every effort to provide them with public rental housing as soon as possible. These are the areas that we are particularly concerned with. Moreover, we will also make our best effort to help them through the creation of job opportunities.

So, we have indeed been doing our job in this respect all along. As to the question of whether or not there is any need for us to adopt the measure favoured by Mr LEE, or to provide the poor with monetary assistance, my answer is in the negative. In my opinion, we should do what we can for the local community in Hong Kong to the best of our ability. Yet we also adhere to our principle, which is to give due respect to all the less fortunate members of our community on the one hand, and encourage them to make earnest efforts to stand on their own feet on the other. I understand that some members of the community consider we have not made enough efforts in this respect; but then again, there are naturally other people who believe that we have already done too much. In fact, we will keep in view the relevant situations and at the same time persevere with our work. I hope we can really do a better job this time.

MR LEE CHEUK-YAN (in Cantonese): *Just now Mr TUNG Chee-hwa said the work of helping the poor was not about drawing a poverty line but about providing the poor with real assistance. However, my point is that there are families which have only one single breadwinner, and it would be extremely difficult for these families to make ends meet if those breadwinners having a family of four to keep could earn only \$5,000 monthly. The Government has been staying aloof from the issue that the average wage has all along maintained at a low level of slightly more than \$5,000 while wage levels have kept on falling. I cannot but wonder whether the Government is really doing its job of helping the poor. May I ask Mr TUNG what practical measures will be taken to help those people who earn only \$5,000 monthly but have a family of four to keep? I am afraid Mr TUNG has failed to address their needs.*

CHIEF EXECUTIVE (in Cantonese): I think we can help these people in a number of ways. Firstly, provision of public housing; and secondly, education for their children. As for the third, we hope the local economy could soon improve, thereby stabilizing the employment situation. We would strive to do more in these aspects.

MR LEE CHEUK-YAN (in Cantonese): *How about the existing problem of daily meals?*

PRESIDENT (in Cantonese): Mr LEE, please observe the Rules. *(Laughter)*
Mr Chief Executive, do you wish to reply?

CHIEF EXECUTIVE (in Cantonese): I think I have already answered that.

MISS MARGARET NG (in Cantonese): *Madam President, as the Basic Law protects academic freedom, the Legislative Council is therefore duty-bound to find out whether the executive authorities have taken the lead in interfering with academic freedom.*

The investigation panel of the University of Hong Kong has thoroughly investigated the incident on campus, but it has failed to sufficiently investigate what happened exactly among the Vice-Chancellor of the university, the Chief Executive and Mr Andrew LO, as admitted in the panel report. Mr TUNG, are you prepared to give the Legislative Council a further account of this incident? For instance, if the Legislative Council sets up a commission of inquiry to investigate the incident, will the Chief Executive come here to receive Members' questions?

CHIEF EXECUTIVE (in Cantonese): Miss NG, in my view, "the opinion poll incident" is related to the internal operation of the university, academic freedom and academic research, and it is best and most suitable for the university to handle the incident and judge the rights and wrongs. Certainly, it is up to the Legislative Council to decide whether it is necessary for it to intervene in the incident. As regards academic freedom, I would like to take this opportunity to

elucidate one point to you and the general public, that is, my colleagues and I consider it necessary to contact and communicate with people from all walks of life in Hong Kong and listen to their views as well as exchange views. There should not be a gap between "officials" and "the public" as this will not be conducive to increasing the transparency of the Government. It is also not good for us if we cannot listen more to people's views in the course of policy formulation, and this is indeed unfavourable to the overall development of democracy in Hong Kong.

Free and high-standard academic research is the pillar of a modern society and the most fundamental factor contributing to our success, and it also helps elevate the policy-making standard of the Government. Independent and free academic pursuits are very important and they should be free from political intervention. All the freedoms, including academic freedom, we have are important assets of Hong Kong and we would not tolerate their damage by anybody. Personally, I hope that government departments will continue to establish stronger ties with universities and that there will also be stronger ties between universities and the Government since we attach great importance to the fruits of academic research. These fruits will help the Government understand the social conditions and become more innovative in making policies that suit social needs better. I assure Members we will do better in this aspect in the future.

MISS MARGARET NG (in Cantonese): *Madam President, I am grateful to the Chief Executive for mentioning transparency. Insofar as this incident is concerned, innumerable people have reflected their views to us during these few months. They queried why the Chief Executive did not answer questions and they had no idea what had happened among the Chief Executive, Mr Andrew LO and the Vice-Chancellor of the university. We expect a more transparent answer.*

Mr Chief Executive, if we are to set up a commission of inquiry, we must get the co-operation of the Chief Executive because setting up such a commission will involve a lot of public money and resources. Thus, I would like to ask once again: If we set up a commission of inquiry, will the Chief Executive attend our meetings to receive questions? Will the Chief Executive give the public a chance to know more? As far as this incident is concerned, the Chief Executive needs to attend our meetings to receive questions so that we will be in the know.

However, if the Chief Executive insists on not answering questions, the Legislative Council will have to make its own determination and judgment.

CHIEF EXECUTIVE (in Cantonese): I have explained the role played by me in this incident several times and I do not think I need to give Members a further account. It is up to the Legislative Council to decide how it is going to handle the matter.

DR LUI MING-WAH (in Cantonese): *Mr Chief Executive, despite numerous conflicts and profound hostility in society, the bold education reforms, long-term investment in society and measures to help the poor outlined in your fourth policy address focusing on "Serving the Community" are well supported by members of the community. However, I am worried that all these measures will only lead to spending instead of creating wealth (at least in the short-to-medium term). The manufacturing industries of Hong Kong used to be the biggest earner of foreign exchange. Most of them have now moved out of Hong Kong. This has resulted in a loss of not only foreign exchange but also job opportunities. To thoroughly resolve the poverty and unemployment problems, we must revive Hong Kong's manufacturing industries. Earlier, we pinned our hope on the semi-conductor industry and hoped that the relevant industrialists would set up factories in Hong Kong. Now we realize that our hope is dashed for they have all moved to Shanghai to set up their factories. Will the Chief Executive inform this Council whether other industrial groups (not just a single enterprise) will set up factories in Hong Kong so as to drive our economic development in motion?*

CHIEF EXECUTIVE (in Cantonese): I have this personal view. Industrial development requires many conditions, including wages, land, finance, human resources, and so on. I think we have the necessary conditions in such areas as human resources and finance, but we are inferior to the Mainland in terms of land and wages. This is a fact we must accept. However, that does not mean we will not develop our industries in the future. Actually, many industries have chosen to set up their headquarters in Hong Kong. A lot of work, such as that related to overall development, finance, marketing and publicity, planning, technological research, and so on, can be done in head offices, whereas production might be carried out elsewhere. Actually, Hong Kong is now heading in this direction. From a certain angle, development in this direction

has been unfortunate in that some labour-intensive industries in Hong Kong are gradually declining. At the same time, the economic restructuring has brought us challenges. Hong Kong has been undergoing such a transformation over the past decade.

On the other hand, we are fortunate that many industries have kept their head offices functioning in Hong Kong, thus enabling it to retain its status as a business hub in Asia. As for the types of business suitable for development in Hong Kong, we will listen to the views of the business community. We will certainly give consideration to industries having limited demands for land or demands for top calibre personnel in respect of resources. I hope Members can take a more active role in putting forward their views.

Insofar as the chip industry is concerned, as I have previously discussed with Dr LUI, Taiwan has moved its chip industry to Shanghai for the terms offered by Shanghai are indeed much better than ours. However, we have still not given up. We are still awaiting other similar opportunities. Unfortunately, we have not seen one yet.

DR LUI MING-WAH (in Cantonese): *Mr Chief Executive, you mentioned earlier that the costs of skills, wages, finance and land in Hong Kong are relatively high and that Hong Kong basically lack the conditions for industrial development, but is this really true? We can compare Hong Kong with Singapore, which has been able to maintain its industries at 25%. This is why I think Hong Kong's ability to develop industries will all depend on the Government's determination and initiatives.*

CHIEF EXECUTIVE (in Cantonese): Singapore has indeed made a lot of efforts in developing its chemical and chip industries. While it made investment in this area many years ago, we did not do so. In that case, should Hong Kong invest in this area? I am not sure whether Dr LUI has noted recently that the share prices of Intel have fallen sharply as the chip industry has developed to excessive proportions. Nevertheless, I cannot still figure out whether this is really the case.

MR KENNETH TING (in Cantonese): *Madam President, the financing problem, as mentioned by the Chief Executive just now, is one of the biggest problems faced by the small and medium enterprises (SMEs) at the moment. Many SMEs now find it very difficult to borrow revolving capital from the banks. The Federation of Hong Kong Industries and the Liberal Party have, on numerous occasions, asked the Government to urge the banking sector to change its policy of "taking the bricks and mortar as collateral". In this policy address, however, the Chief Executive appears to have failed to respond in this area. What solutions will the Chief Executive propose this time to help SMEs to raise loans from the banks more easily so as to tide over their difficulties?*

CHIEF EXECUTIVE (in Cantonese): Mr TING asked me the same question whenever I met him. Actually, I note that several banks in Hong Kong have started not to require SMEs to provide the bricks and mortar as collateral. I hope they can continue to operate in this manner. During the financial turmoil, SMEs did encounter much difficulty in raising loans from the banks. Since last year, however, I noted that the situation has been somewhat relaxed. Some banks no longer require borrowers to provide the bricks and mortar as collateral. I hope this situation can continue to develop into a positive trend.

The Hong Kong Monetary Authority is now working hard on promoting information sharing to enable the banks to have a better understanding of the financial situation of every enterprise and company. This might be very useful. I think efforts made in this area can facilitate the raising of loans by SMEs in future. I hope this culture can take shape slowly, and indeed it has started already. The fact that the policy address has not mentioned these matters does not mean the Government is not concerned about them.

MR SZETO WAH (in Cantonese): *Madam President, the Chief Executive mentioned the issue of the transparency of the Government in his policy address yesterday. In order to enhance the transparency of the Government, will the Chief Executive inform this Council of the decision-making process which brought an end to the policy of the production of 85 000 flats?*

CHIEF EXECUTIVE (in Cantonese): Mr SZETO, first of all, I would like to take this opportunity to go over several housing issues which are of grave concern to the Government. Firstly, the objective of the Government's policy is to shorten the waiting time for public housing units from seven years in 1997 to three years by 2005. Recently, the Government intends to accomplish this objective by 2003. I consider the objective of shortening the waiting period to three years very important.

Secondly, everybody knows clearly that sharp rises and falls in property prices will do no good to Hong Kong; in contrast, stable property prices are very important to the economic development of the SAR. For many people, the most important investment in their life is their own home, we will therefore strive to ensure the stability of property prices. Certainly, it is impossible for the SAR Government to play a special role in short-term market fluctuations. However, as the SAR Government is the ultimate owner of lands in Hong Kong, therefore, in the long run, the Government does have certain influence on the trend of land prices.

Furthermore, we will keep on encouraging people to buy Home Ownership Scheme (HOS) flats, while the Housing Authority (HA) will also facilitate first-time home buyers with loans, so as to enable them to purchase flats they like in the private property market. This is the general principle and direction of our policy.

With regard to the policy of 85 000 flats, when the property prices were still soaring in 1997, many people made their views known to me. Subsequently, the Government drew up the proposal of producing 85 000 flats as a long-term objective. However, the policy is no longer in place. Concerning our current direction, I have just made that very clear. As to the policy we have at present, I have also explained that a while ago.

MR SZETO WAH (in Cantonese): *Madam President, my question was about the decision-making process, but the Chief Executive has just responded with other issues. Concerning the change in policy, has the Chief Executive conducted any consultation? Has he discussed it with officials of Policy Bureaux? Did the Executive Council make a decision? Were discussions held with the Legislative Council? Was there such a process?*

CHIEF EXECUTIVE (in Cantonese): All decisions made by the Hong Kong Government internally need to go through certain procedures. We did discuss the matter.

PRESIDENT (in Cantonese): Mr Chief Executive, this Question and Answer Session is supposed to end by 4 pm. However, it seems that it has become a norm for me to make this request, hoping that you can be kind enough to allow two last questions to be raised by two Honourable Members.

CHIEF EXECUTIVE (in Cantonese): Fine.

PRESIDENT (in Cantonese): Thank you, Mr Chief Executive. Mr Frederick FUNG.

MR FREDERICK FUNG (in Cantonese): *Madam President, I am glad to see from this policy address that the Chief Executive is concerned about the underprivileged who are in need of support, in particular the elderly. When the Chief Executive met with us before he delivered the policy address, I pointed out that some policies on the elderly were contradictory to each other and that there was discrimination against the elderly. But none of these problems are mentioned in the policy address. I hope that the Chief Executive can take follow-up actions outside the ambit of the policy address.*

My question is related to paragraph 94 of the policy address. As far as I can remember, the Housing Authority (HA) endorsed a policy in 1993-94 when I was still one of its members. Under the policy, elderly people aged over 60 who were on the Waiting List for public housing would certainly be allocated public rental flats within 24 months. As for applicants who were between the age of 58 and 60, they could wait among other applicants aged 58. However, applicants who were 60 would certainly be provided with public rental housing. In other words, a policy of providing the elderly with public rental housing in 24 months was already in place in 1993-94.

I would like to read out part of paragraph 94 of the policy address, "At present, over 17 000 low-income elderly families live in non-self-contained private flats or temporary structures. We are very concerned about this, and will step up efforts to encourage and help eligible elderly people to apply for public housing within the next few months. For applications submitted by the end of March next year, we are committed to providing all the eligible applicants with public rental flats by the end of 2003". In other words, an elderly who submits his application in March 2001 should be allocated a flat by the end of 2003. This means that they will need to wait two and a half years, or 30 months. It is unreasonable that the commitment made by the Chief Executive in the policy address is even worse than the decision made by the HA seven years ago. So I suspect that there are three possibilities: firstly, the Policy Secretary under the Chief Executive

PRESIDENT (in Cantonese): I am sorry, Mr Frederick FUNG, please come to your question direct due to the time constraint. *(Laughter)*

MR FREDERICK FUNG (in Cantonese): *May I ask the Chief Executive whether the year 2003 in paragraph 94 of the policy address is a typographical error and should be 2002 instead? If this is the case, the waiting time should be one and a half years, which is better than what is prescribed under the policy of the HA. Otherwise, it is even worse.*

CHIEF EXECUTIVE (in Cantonese): I would like to respond to two points. Firstly, on the day I met with Mr Frederick FUNG, he raised a series of questions on elderly welfare, which is of utmost concern to him. At that time, I advised him that I had noticed the issues he raised and that we would take further follow-up action in some areas.

The second point concerns the year just mentioned by Mr FUNG. According to my understanding, it should be 2003 instead of 2002. One possibility is that Mr FUNG has remembered it wrongly and another possibility is that the policy address has made a mistake. We will re-examine this point whereas Mr FUNG can look at it carefully again.

MR FREDERICK FUNG (in Cantonese): *Madam President, I would certainly apologize to the Chief Executive should I have remembered it wrongly. But if a mistake has been made in the policy address, I hope the Chief Executive can change it back to 2002.*

CHIEF EXECUTIVE (in Cantonese): Yes, fine.

PRESIDENT (in Cantonese): The last Member to raise a question. Mr Jasper TSANG.

MR JASPER TSANG (in Cantonese): *Madam President, in the section of the policy address on the Executive Council, the Chief Executive said that he would review the composition of the Executive Council at the appropriate time in the light of changing circumstances and according to the demands of the Government's work. May I ask Mr TUNG what is meant by "review the composition"? And, given his analysis of changing circumstances and the demands of the Government's work, does Mr TUNG think that a review on the composition of the Executive Council alone can already meet the existing needs? Is it also necessary, for example, to look at how the Executive Council can work more effectively to discharge its Basic Law duty of assisting the Chief Executive in policy formulation?*

CHIEF EXECUTIVE (in Cantonese): Mr TSANG, I was also a Member of the former Executive Council before 1997. I have always maintained that the role of the former Executive Council and that of the current Executive Council should actually be greatly enhanced. How the Executive Council can better assist the Chief Executive and how it can play a better role in policy formulation are indeed very complex issues. I will definitely study these issues thoroughly in the time ahead. At an appropriate time, I will be prepared to discuss with Honourable Members, and I will listen to their views before making a final decision.

MR JASPER TSANG (in Cantonese): *Madam President, may I ask Mr TUNG whether the appropriate time has arrived? (Laughter)*

CHIEF EXECUTIVE (in Cantonese): I would not have written the policy address that way had it already arrived. *(Laughter)* At the appropriate time, I will definitely do so. *(Laughter)*

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 18 October 2000. While the Chief Executive leaves the Chamber, will Members please stand.

Adjourned accordingly at ten minutes past Four o'clock.