

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 8 February 2001

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.

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

THE HONOURABLE FRED LI WAH-MING, 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.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE YEUNG YIU-CHUNG

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH

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 WONG SING-CHI

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE IP KWOK-HIM, J.P.

THE HONOURABLE LAU PING-CHEUNG

THE HONOURABLE AUDREY EU YUET-MEE, S.C., J.P.

MEMBERS ABSENT:

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

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

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

MRS CARRIE YAU TSANG KA-LAI, J.P.
SECRETARY FOR INFORMATION TECHNOLOGY AND BROADCASTING

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 LO YIU-CHING, J.P.
SECRETARY FOR WORKS

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): Members will please remain standing for the Chief Executive.

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

CHIEF EXECUTIVE (in Cantonese): Madam President and Honourable Members, it is my pleasure to attend today's Legislative Council Question and Answer Session and exchange views with you on topics of mutual concern.

Before taking your questions, I would like to share with you how I see the recent economic development of Hong Kong and our co-operation with the Pearl River Delta. I would also wish to touch upon the Falun Gong issue, which has attracted the attention of our community.

Recent figures show that the economy of Hong Kong has recovered fully from the Asian financial turmoil. It is estimated that the economic growth for 2000 will reach as high as 10%, well above that of other Asian economies. The unemployment rate has dropped steadily to 4.5%, and I expect further improvements in the future. It is especially pleasing to see that a number of companies are sharing the fruits of economic recovery with their employees through a pay rise.

Between 1999 and 2000, the number of regional headquarters and offices established by multinational corporations in Hong Kong increased from 2 500 to 3 000. Hong Kong is the second largest recipient of foreign direct investment in Asia after mainland China, amounting to US\$23.1 billion last year. Furthermore, the net flow of United States investment funds to Hong Kong stocks and equities totalled US\$5.3 billion — again substantially higher than all other economies in Asia. These facts and figures demonstrate clearly the confidence of foreign investors in the future Hong Kong and that they are translating their confidence into action.

However, we also realize that while economic recovery is well on its way, due to the bursting of the bubble economy and the economic restructuring brought about by the rapid development of information technology and globalization, there are many among our community who have not yet benefited

from the economic growth, particularly those who are carrying negative assets and the lower income groups. The Government of the Special Administrative Region (SAR) is very concerned about the difficulties which they face. I am confident that as the economy continues to grow steadily, the property market will remain stable, and that as our proposals on increasing employment and stimulating the economy are progressively implemented, more members of our community will have their livelihood improved.

During the Lunar New Year holidays, like other Hong Kong people, quite a few of my relatives and friends were out of town to relax and take a look at the development of other places. On return to Hong Kong, many of them told me that in terms of social stability, economic recovery, living conditions or freedoms enjoyed by the people, Hong Kong is one of the most attractive places in Asia, or even in the world. As a member of the Hong Kong community, every one of us should take pride in our achievements made over the years. At the same time, we should also remain confident about the future development of Hong Kong.

As you all know, I made a visit to Guangzhou, Shenzhen and Dongguan last Christmas and had meetings with leaders there. I would like to share with you some of the observations I made during the visit. Reforms and opening up over the past two decades have brought momentous changes to our country. While making significant contributions in the process, Hong Kong has also benefited greatly from these changes. By virtue of its proximity to Hong Kong, the Pearl River Delta has developed into one of the major manufacturing centres in the world by taking full advantage of the experience, capital and port facilities of Hong Kong. With the strong support of the manufacturing activities in the Pearl River Delta, Hong Kong has also become the world's tenth largest trade community, an international financial and trade centre as well as a transport hub.

The economies of Hong Kong and the Pearl River Delta are undoubtedly complementary and inseparable. I have reiterated in my policy addresses that as we look ahead, we must work towards the common goal of building a Pearl River Delta regional economy, strengthen our collaboration and allow different cities to develop its strengths and to complement and to benefit one another.

There were two points which made a strong impression on me during my visit. First, over the past few years, Guangzhou, Shenzhen and Dongguan have made remarkable achievements in urban development and environmental

improvement. Guangzhou has undergone refreshing changes. The development along the banks of the Pearl River has been very well planned and designed. Last year, Shenzhen received the acclaim as the "Garden City of the World" because of its successful greening efforts. Dynamic development in Dongguan is gaining momentum. Second, through meetings with municipal leaders and contacts with people in the street, I have been impressed that people there have a clear vision about the development of their city and the country, and that they are very confident about the future.

Due to the efforts over more than two decades, the Pearl River Delta has achieved rapid growth in its per capita Gross Domestic Product (GDP). The per capita GDP of major cities like Guangzhou and Shenzhen has reached US\$4,000 and is expected to rise over US\$7,000 within five years. This region has embarked on a new phase of economic development. One can foresee that the mode of industrial activities in this region will be transformed gradually from processing industry into high value-added high-tech industries. The development of the service sector is also bound to gather momentum.

From a narrow perspective, people may find the rapid development of the cities in the Pearl River Delta region posing a threat to Hong Kong. In a wider perspective, however, we can see that the economic development of the Pearl River Delta will bring prosperity to the whole region. This will not only contribute immensely to the development of the country but will certainly open up new opportunities to Hong Kong. And most importantly of all, we must realize that we could no longer stand still and continue to depend on the Mainland for lower land costs and less expensive labour force for our industrial operations as we had in the last two decades. We need new ideas and new concepts. We should strongly support the development of the Pearl River Delta. We must realize that the sooner the Pearl River Delta thrives and prospers, the more Hong Kong will benefit.

I am particularly delighted to note that all municipal leaders I met attached great importance to the co-operation between their cities and Hong Kong. They have presented to me a comprehensive picture of their development plans. I therefore believe firmly that we must take full advantage of the competitive edge of Hong Kong to add impetus to the economic development in the Pearl River Delta region. We must also strengthen our co-operation with townships like Guangzhou, Shenzhen, Macao, Dongguan and Zhuhai in different areas, particularly in high-tech development, logistics support, professional services as

well as tourism, so as to consolidate and strengthen the position of Hong Kong as an international commercial and financial centre.

In the next 25 years, the development of the Pearl River Delta will accelerate and China will become one of the largest economies in the world. Hong Kong is well positioned to capitalize on the opportunities available and to promote the prosperity of Hong Kong, to create more wealth for the people of Hong Kong, and to develop Hong Kong into one of the major cities in China and a world city in Asia.

Ladies and gentlemen, now I wish to talk about the Falun Gong issue. Last week, I saw on television the news report about a member of the Falun Gong who brought her daughter to Tiananmen Square to self-ignite. The mother believed that self-ignition would bring both of them to heaven. This resulted in a tragedy for the family. I was shocked and saddened by the incident. I certainly hope that such incidents will not happen in Hong Kong, and believe that the people of Hong Kong share this view.

As the SAR Government, we have the responsibility to be alert and to follow developments closely. We should also be aware that certain developed countries have been affected by cults; some members of these cults undertake irrational behaviour. Recently, the activities of the Falun Gong in the Mainland and Hong Kong have caught the attention of many people. The Hong Kong community realizes that it is the common interest of the Mainland and Hong Kong for the country to be able to develop in stability and harmony. If there is any instability in the Mainland, the prosperity of Hong Kong will be affected. It is the aspiration of the Chinese people that in the new century we should build on the foundation of the achievements made under the policies of opening up and reform, so as to further national progress. Accordingly, we have a common responsibility to protect the overall interest of the country and of Hong Kong.

Due to the activities of the Falun Gong recently, there is speculation as to whether the SAR Government will expedite legislation under Article 23 of the Basic Law. The SAR Government has always planned on the basis of conducting research on Article 23, undertaking wide public consultation at the appropriate time, and putting forth a bill thereafter. Our plans have not changed.

Hong Kong is a peaceful and free society which subscribes to the rule of law. I emphasize that we will stand firmly by our constitutional principles and the rule of law. We will implement the Basic Law faithfully, protect the "two systems" under "one country", and maintain the rights and freedoms enjoyed by the people of Hong Kong and all the systems which are the foundation of the success of Hong Kong. On the basis of these principles, the SAR Government will observe closely the activities of the Falun Gong in Hong Kong, and will not allow anyone to abuse freedoms and tolerance of Hong Kong to affect public peace and order in the SAR, or public peace and order in the Mainland. Thank you.

PRESIDENT (in Cantonese): The Chief Executive will now take questions from Members. A Member can ask a short follow-up question in addition to the main question answered, if necessary.

Members who wish to ask a question please indicate their wish by raising their hands and they will be allowed to ask their questions, or I will ask another Member to ask his question.

MR DAVID CHU (in Cantonese): *Madam President, in last year's policy address, Mr TUNG mentioned that in order to support Hong Kong's development towards knowledge-based economy, the Government would raise the age participation rate in tertiary education within 10 years, from the current 34% to 60%. It merits our support. Currently, the age participation rate in tertiary education in the United States is 81%. However, early last month, the Government proposed that the funding for eight local universities would be reduced by 4% in the next triennium. Is there any contradiction between the reduction and our education policy, the long-term higher education policy?*

CHIEF EXECUTIVE (in Cantonese): Mr CHU, we are resolved to make tertiary education available to 60% of the student population within the next decade. With regard to the 4% funding cut mentioned by Mr CHU earlier, I think we should look at it from another perspective. In fact, it was an agreement reached by the Government and the education advisory committee (sic) in 1996, thus the current arrangement is meant only to put the agreement into practice. As higher education has seen rapid development in the past decade or

so, the resources commitment and future undertakings of the Government will be enormous. Now that the development of higher education is entering a consolidation stage, we should consider whether or not it is possible to adjust the expenditure at this stage. As a result, we have come up with that conclusion.

After all, a cut in expenditure is a painful decision to these eight universities, and I fully understand how they feel. However, I can see that they are working hard to co-operate with us on the premise that the quality of education not be prejudiced, and I believe they will achieve satisfactory progress in the end. In fact, we should be proud of the higher education in Hong Kong. With regard to the three universities in Hong Kong, namely the University of Hong Kong, The Chinese University of Hong Kong and the Hong Kong University of Science and Technology, they are among the best universities in terms of academic achievements when compared with other Asian institutions of higher education, irrespective of who is making the comparison. All of them are doing very well. I do not think the funding arrangement will cause any impact on the goal of further development of our higher education in the coming decade.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, may I ask Mr TUNG*

PRESIDENT (in Cantonese): Mr CHEUNG, please stand up and ask your question.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, I am sorry, I forgot I had to stand up. Mr TUNG said earlier that the SAR Government would not allow members of the Falun Gong to abuse freedoms of Hong Kong to make Hong Kong a subversion base against the Chinese Government, and to affect public peace and order in the SAR and the Mainland. May I ask Mr TUNG whether he considers there are particular intents behind the activities of Falun Gong members here in Hong Kong, and there is evidence to prove that they have already used the SAR for subversive activities against the Central Government, or disturbed public peace and order in the SAR and in the Mainland?*

Does Mr TUNG think that citizens of Hong Kong, including local Falun Gong members, may do something targeting the Central Government, such as making criticisms or even protests? Are these activities equivalent to subversion against the Central Government?

CHIEF EXECUTIVE (in Cantonese): Mr CHEUNG, now you may sit down, but I will keep on standing. I feel that the most important thing is how we look at Falun Gong. In fact, local Buddhist groups have already clarified that they have nothing to do with Falun Gong, we therefore should not consider Falun Gong a part of the mainstream, or a mainstream religious organization. From the relevant reports, we can see that they have indeed put many lives in danger in the Mainland. It is evident to all. Last week, we saw relevant footage and reports on television.

Next, Falun Gong members have stepped up their activities in Hong Kong recently. They have also stepped up their actions targeting the Central Authorities. Are they really just a group of people engaging in physical exercises, or are they just conducting some religious activities? That is something we can judge by ourselves. Therefore, the only thing I can tell Mr CHEUNG is that at this moment, we are keeping a close watch on the activities of Falun Gong.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, does Mr TUNG feel that the current activities of Falun Gong in Hong Kong, which indeed include some criticisms against the Central Government or even some activities of President JIANG Zemin, are sufficient to constitute the accusation of subverting the Central Authorities, or using the freedoms of Hong Kong as a base to stage subversive activities against the Central Authorities? When we enact legislation against subversion, will such activities be restricted?*

CHIEF EXECUTIVE (in Cantonese): With regard to our opinions on Falun Gong, I have to reiterate that we have to see whether Falun Gong has affected public peace and order in the SAR, and whether they have done anything to affect public peace and order in the Mainland. We are keeping a close watch on their activities.

MR IP KWOK-HIM (in Cantonese): *Mr TUNG, we have passed the Third Reading of the relevant legislation on urban renewal for some time. However, so far, the Government has yet to finalize the compensation arrangements. As a result, the entire urban renewal project is unable to take off, and tremendous confusions have been brought to residents in old urban areas. Perhaps Mr TUNG is also aware that the major controversy for the time being is the compensation arrangements. Now that the Government insists on using a seven-year-old flat as the basis for compensation, but residents being affected consider a five-year-old flat should be the basis. Basing on the two different criteria, the difference of compensation is only \$200,000 to \$300,000 in money terms or just several percentage points. May I ask Mr TUNG why the Government insists on that several percentage points? What difficulties does the Government have? Can Mr TUNG tell us his view on this issue?*

CHIEF EXECUTIVE (in Cantonese): Mr IP, the renewal of old urban areas is an important task, an urgent task. We hope that renewal projects in nine old urban areas can be carried out within the next two decades. This is a task of grave urgency. However, certain problems have arisen in this course of examination. As far as I know, some Members of the Legislative Council have proposed using a five-year-old flat as the basis of compensation. In fact, had we adopted the 10-year-old flat basis, our financial arrangement would be very tight. If we adopt the five-year-old flat basis, private developers will surely refrain from participating in urban renewal projects. If that happens, does it mean that the Government has to shoulder the entire responsibility of renewal of old urban areas? In that case, what will the whole project end up?

Should the Government perform the same tasks as the Housing Authority (HA), against which Honourable Members have criticized constantly, that is, building flats and dealing with many other things? We should adhere to certain principles in financial management. Moreover, we certainly sympathize with the living conditions of residents in old urban areas. Actually, the original intent of the Government is to adopt the 10-year-old flat basis for compensation. However, considering the requests of a number of Honourable Members, we have lowered it to seven years. Insofar as I can remember (perhaps my memory may fail me), it is virtually impossible to reduce the basis of compensation to five years. Therefore, there is a problem in this respect. As a result, I hope the relevant Policy Bureaux will work out the solution together with several colleagues here, so as to facilitate the launch of renewal projects in old urban areas as soon as possible.

MR IP KWOK-HIM (in Cantonese): *Mr TUNG, I have been given to understand that the Secretary for Planning and Lands, Mr SIU, will table the relevant bill by the end of February or early March. When that happens, if the Government still insists on using a seven-year-old flat as the basis of compensation, I do not know whether or not the Finance Committee will endorse the proposal. If the bill is negated, does it mean that the Urban Renewal Authority will cease to operate and die a natural death as it is unable to function anymore?*

CHIEF EXECUTIVE (in Cantonese): *Mr IP, I am glad that I am not Mr SIU. I think if no compromise is made at the end of the day (actually the seven-year-old flat proposal is a compromise itself), the problem will drag on and on, which is no good to all parties concerned.*

MR LAU CHIN-SHEK (in Cantonese): *Since Mrs Anson CHAN, the Chief Secretary for Administration, has announced her early departure, the Government has to find someone to fill the vacancy, and there will be a reshuffle of the principal officials. Will Mr TUNG inform this Council of the criteria to be adopted for the selection of candidates for appointment as principal officials? Will the assurance of political neutrality of the candidate and the absence of countless ties with the business sector be the criteria of consideration by Mr TUNG? Moreover, how can Mr TUNG ensure that nobody can sow dissension between him and the new Chief Secretary for Administration?*

CHIEF EXECUTIVE (in Cantonese): *Mr LAU, the co-operation relationship between Mrs CHAN and me is very good. Any person may try to sow dissension, but he will never succeed. (Laughter)*

I believe the future co-operation between the new Chief Secretary for Administration and me will surely be very good. Moreover, I would like to say in passing that I am aware the entire community is waiting for me to announce the replacement, and I wish I can make the announcement as soon as possible. However, as it happened to be the Chinese New Year holidays, things were slightly delayed. I hope to make an announcement next week.

With regard to the criteria for selecting the candidate, they are indeed very simple. Basically, the talent, ideas, conduct and social acceptability of the person are among the most crucial criteria. As to other criteria which are relatively simpler, they vary from person to person. However, I can assure that I will never allow any official, including myself, to let personal considerations creep into the decision-making process, this is impossible and will never happen.

Mr LAU, if you have the opportunity of talking to any official, you should know that no matter my job or the jobs of other Secretaries are hard to undertake, because once we assume the post, we should do the job with a sense of mission and a spirit to sacrifice. Precisely because we have the sense of mission, the spirit to sacrifice and the spirit to serve the interest of society, we can then have teamed up so many excellent civil servants to serve our community. Therefore, the situation of illicit transfer mentioned by Mr LAU will never happen.

MR LAU CHIN-SHEK (in Cantonese): *Are political neutrality and absence of countless ties with the business sector the major criteria of consideration by the Chief Executive?*

CHIEF EXECUTIVE (in Cantonese): All these are the major criteria that I will consider.

MR HOWARD YOUNG (in Cantonese): *The Chief Executive earlier referred to the issue of "negative assets". Though the economy of Hong Kong has already recovered, it seems that the situation of "negative assets" has become worse. Has the SAR Government conducted a comprehensive study to assess what will happen to the economy and other aspects of Hong Kong if the problem of "negative assets" remains unresolved?*

CHIEF EXECUTIVE (in Cantonese): Mr YOUNG, "negative assets" really have an adverse effect on the sustained growth of our economy in recent years; and my colleagues and I are aware of the plights of those with negative assets and we also greatly sympathize with their condition. We hope that with sustained economic growth, recent reduction in interest rates, and the series of measures introduced by the Government, property prices can gradually stabilize. In the last and current years, the supply of Home Ownership Scheme and private residential flats has reached its peak. Under such circumstances, the property market will be under even greater pressure. I hope that with the reduced interest rates and economic recovery, this large supply of flats will be slowly digested by the market, and the property market will gradually stabilize.

The Government cannot control the day-to-day fluctuations in property prices, but our guiding principle is to work for stability in property prices in the long run in the hope that they will only rise according to the inflation rate. Though the Government cannot control property prices on a day-to-day basis, and it is also not our responsibility to do so, the Government, being the largest landlord in Hong Kong, does have substantial influence over long-term land supply, and we can certainly influence the property market. Therefore, I hope that those people with negative assets can be relieved of their pressure after some time.

MR HOWARD YOUNG (in Cantonese): *Hong Kong people may be quite unfamiliar with the term "negative assets" in the past 20 years or so. I remember I first came across this term in the early '70s, and I thought it was associated with stocks and securities. The Chief Executive mentioned earlier "negative assets" in connection with the housing policy and property market, but many people think it is also associated with the lending policies of banks. Apart from plans to stabilize the property market, will the Chief Executive tell us what measures the Government will adopt in the areas of finance and banking to prevent the situation of "negative assets" from worsening?*

CHIEF EXECUTIVE (in Cantonese): Mr YOUNG, as far as I understand it, the Hong Kong Monetary Authority has already done everything it can. In fact, the banks have to operate in accordance with their own commercial principles. I think the most important issue at the moment is supply and demand, while sustained economic growth is next on the list. I hope that as our economy continues to recover, and the supply and demand situation gradually becomes more balanced, the property market will stabilize.

MR ANDREW CHENG (in Cantonese): *Mr TUNG, we find the housing policy of the SAR Government deplorable. Before long, you ambitiously put forward the goal of building 85 000 flats annually. But as soon as some property developers criticized it, the goal soon withered. Recently, we have seen some much more aggressive measures, such as reducing the production of Home Ownership Scheme (HOS) flats and lowering the income limit of applicants for public rental housing and HOS flats. The housing policy of the Government makes us feel that it seems not to be a welfare policy for the grassroots. Rather, it is purely a policy in favour of the rich and the property developers, or even a policy which fleeces the poor to benefit the rich. Mr TUNG often mentions that he cares for the people of the lower strata. But this is merely lip service. Can you really do something practical to show your concern for people of the lower strata, the sandwich class and the owners of "negative equity"? Can you be considerate to them?*

CHIEF EXECUTIVE (in Cantonese): I do not know where Mr CHENG was during 1996 and 1997. Owing to the rocketing property prices during that period of time, a large number of HOS, public housing and private housing flats have been built. As a result, this has left behind a serious problem in 1999, 2000 and 2001. If noises were to be made, they should have been made at that time to oppose constructing so many buildings. Now all these have happened, we are now looking for a solution.

Mr CHENG, seriously speaking, all the measures we have taken in relation to housing are meant for the good of the owners of "negative assets". Why are we concerned about them? It is because if property prices keep falling, it will be detrimental to the overall economy and Hong Kong as a whole. This is the starting point of our consideration instead of the interests of property developers. This is the first point.

Secondly, I would like to tell Mr CHENG that there were 150 000 households on the Waiting List for allocation of public housing as at 30 June 1997. But today, this figure has reduced to 100 000 households. That was my pledge at that time and we must accomplish it. The waiting time for public housing will be reduced from seven years in 1997 to three years by 2003. In fact, the Government has done a lot of things for those who are less fortunate and who need public housing. This is our policy and we will expedite the production of public housing.

Regarding the other aspects, as I have just mentioned, our policy is to maintain the stability of property prices. In the long term, we hope that property prices will go up according to inflation rate. We will handle HOS flats in a more flexible approach. We will gradually convert more HOS flats into public housing, if necessary. Our long-term target is to reduce the construction of HOS flats and substitute them with home purchase loans. People who apply for purchase of HOS flats today can apply for home purchase loans tomorrow. We are now adopting such an approach. In fact, on various occasions in 1998, 1999 and 2000, or even when the Financial Secretary spoke on this in November, our housing policy has been elaborated time and again.

MR ANDREW CHENG (in Cantonese): *Mr TUNG, the crux of the question is that Hong Kong people invariably think that the SAR Government is led by the nose by the tycoons or consortia. We feel that this policy will lead to a more and more divisive society and a widening gap between the rich and the poor. Why does our Government, which is now holding a fiscal reserve of \$960 billion, act like a miser and haggle over every cent with the poor, such as lowering the income limit mentioned by me just now, but hold a most generous attitude towards the consortia? Could the Chief Executive give the final word by reversing the decision of the HA made this morning and reinstating the existing income limit instead of lowering it?*

CHIEF EXECUTIVE (in Cantonese): Concerning the decision made by the HA this morning, I have to point it out that the HA has not talked to me before making the decision. But I believe they have considered optimizing the use of resources and providing public housing for the most needy. On the whole, Mr CHENG, let me emphasize that the daily operation of the Government is in the interest of the 6.8 million people in Hong Kong. We will never pay particular attention to the thinking of the tycoons. Under the globalization of world economy and our economic adjustment, the Government will pay particular attention to the lowest income group comprising 20% of the population. We have embarked on a series of measures in the hope that the people will benefit when the economy begins to recover.

MR LAU PING-CHEUNG (in Cantonese): *Mr TUNG, there have been quite a number of problems in the construction industry over the past few years. Yesterday, the Legislative Council discussed the setting-up of a select committee to investigate into the short-piling incidents. Many Members referred to the practice of "awarding contracts to the lowest bidders". In fact, I talked to you about this when we met last time. But in reply, you told me that, according to many officers, the practice no longer existed. But I can tell you that the objective outcome really indicates that the practice is still in place. Both the construction sector and the public at large are the victims of this practice. I wonder if the Government has any improvement measure to solve the problem. Recently, the Honourable Henry TANG was tasked with the compilation of a review report on the construction industry. He stated both in the report and on public occasions that if the bid was too low, the individual officers or the department awarding the contract to that bidder should be held responsible. Mr TUNG, I hope you would attach much more weight to this problem. Could you tell this Council how the Government would tackle this problem?*

CHIEF EXECUTIVE (in Cantonese): Every time I meet with Mr LAU, he will raise the same question to me. As far as I understand it, the government policy is no longer awarding contracts to the lowest bidders. Rather, various factors are considered. Since Mr LAU has repeatedly raised the point, I will see how we handle it when I go back to my office and give Mr LAU a reply in due course.

MR LAU PING-CHEUNG (in Cantonese): *Thank you, Mr TUNG. I hope you would take a fresh look at the situation. This morning I heard about a case. It is about a government department awarding a contract for a consultancy study on a preliminary feasibility study at Tung Chung and the consultancy fee is \$1 — it is \$1. I hope Mr TUNG would give serious consideration to this problem.*

PRESIDENT (in Cantonese): Mr LAU, you should have asked whether the Chief Executive would consider this problem. You were supposed to ask a question just now. *(Laughter)*

DR TANG SIU-TONG (in Cantonese): *Madam President, recently it was discovered in a litigation concerning the election of village representatives of the New Territories that the Home Affairs Bureau had submitted a confidential document on the definition of the lawful rights and interests of indigenous inhabitants of the New Territories to the Court without consulting or informing the New Territories Heung Yee Kuk and the villagers beforehand. As the Home Affairs Bureau was evasive and refused to disclose the document subsequently, the New Territories villagers have reasons to believe that the authorities have misled the Court and the villagers.*

I would like to ask the Chief Executive a question. How could the Government as an appellant of the case do that? Furthermore, as the authorities have repeatedly refused to disclose the relevant document, is it because there are any untold secrets?

CHIEF EXECUTIVE (in Cantonese): Dr TANG, about the document you just mentioned, I have no idea about the details. But I know that after the Court of Final Appeal (CFA) had given a ruling on the case, the Home Affairs Bureau attached great importance to the matter. It was soon in close contact with the Heung Yee Kuk in order to come to a consensus with the latter to solve problems relating to the election of village representatives under two major principles. These two major principles are, firstly, we have to respect and abide by the CFA ruling; and secondly, we must safeguard the lawful traditional rights and interests of the indigenous inhabitants of the New Territories as provided in Article 40 of the Basic Law. Under these two principles, the Home Affairs Bureau and the Heung Yee Kuk have started to examine how best this problem can be resolved in a positive forward-looking approach.

DR TANG SIU-TONG (in Cantonese): *Madam President, will the Chief Executive ask the Home Affairs Bureau to disclose the document for our reference?*

CHIEF EXECUTIVE (in Cantonese): I have not much knowledge of the matter. I have to understand it before deciding what to do.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, Mr TUNG said earlier that Hong Kong people are very much concerned about the Falun Gong incident and he is also concerned about this. As a matter of fact, many people in Hong Kong have voiced their opinions on the incident. But at the same time, we feel that there are very strong threats, among which are those made by XU Simin, a member of the Standing Committee of the Chinese People's Political Consultative Conference. He said that the Falun Gong incident must be resolved before the plenum of the Standing Committee of the National People's Congress to be held by the end of February. Meanwhile, the spokesman of the Foreign Ministry, Mr SUN Yuxi, strongly stated that the Chinese Government believed the SAR Government would take action according to the law and would not allow Hong Kong to be used as a base for subverting the Central Government. May I ask Mr TUNG if Mr XU Ximin had a tacit understanding with the SAR Government or Mr TUNG to the effect that the Falun Gong incident would be resolved within this month? What measures or plans would Mr TUNG take in response to the statement of the Foreign Ministry spokesman?*

CHIEF EXECUTIVE (in Cantonese): Mr LEUNG, Falun Gong has become an issue of enormous concern to Hong Kong people and the Central Government because its activities both in Hong Kong and the Mainland have escalated, not because of other reasons. This is the first point. Secondly, I would like to stress once again that the interests of Hong Kong are in line with that of the country. I believe no one in this Chamber would like to see Hong Kong being used as a base to affect the public peace and order of the Mainland. This will do no good to the country or Hong Kong. I have neither talked to Mr XU nor Mr SUN of the Foreign Ministry about this incident.

MR LEUNG YIU-CHUNG (in Cantonese): *Madam President, Mr TUNG kept on emphasizing that the activities of Falun Gong have taken on a high profile. I do not know what he means by high profile. If it would be regarded as high profile should someone criticize the Central Government or leaders, then in fact many civic organizations or people in Hong Kong have criticized the Chinese leaders or the Central Government in the past and even today. I know many civic bodies have done so before. Will they also be subject to close watch by Mr TUNG or government departments? Will the Government take actions against such "high profile" activities?*

CHIEF EXECUTIVE (in Cantonese): Mr LEUNG, I do not think you want to compare yourself with Falun Gong. If you watched on television the footage on the self-ignition of some members of Falun Gong that day, you would certainly feel very shocked. Regarding the other questions you have asked, I have in fact already answered them. As far as Falun Gong is concerned, we will keep a close watch on its future activities and movements to ensure that public peace and order in Hong Kong will not be adversely affected. In fact, Falun Gong carries a trait of an evil cult.

MR WONG YUNG-KAN (in Cantonese): *Madam President, the Chief Executive talked about the concept of "preparing for foul in fair weather" and how good the economy of Hong Kong has been. I just wish to say one thing. Immediately after the occurrence of three incidents involving piracy and shooting of Hong Kong fishermen in March and June last year, the Democratic Alliance for Betterment of Hong Kong and the Joint Committee of Hong Kong Fishermen's Organizations reflected the serious nature of the cases to the Security Bureau. In response, the Bureau stepped up the relevant work. And thanks also to the extensive coverage by the mass media, the waters had been quiet and peaceful for some time. But soon after last November and the subsequent Lunar New Year, I began to receive constant reports from fishermen that they found some mainland fishing boats or vessels entering Hong Kong's marine parks and marine reserves in the northeastern and other parts of Hong Kong waters. Those fishermen even went ashore, digging shellfish. They even used tools such as fish bombs to achieve their ends. Early this morning, I also received complaints from the fishermen in Sai Kung, Chai Wan and other parts of Hong Kong waters. How is the Government going to resolve this issue? Will the Government consider amending the relevant legislation? Equipped with fish bombs, will these fishing boats affect our law and order? Do they have anything to do with the frequent occurrences of bomb threats recently? Will the Chief Executive consider holding discussions with his Administration on the possible amendment of the legislation in order to improve the situation mentioned above?*

CHIEF EXECUTIVE (in Cantonese): Mr WONG, although I do not have a clear picture about the incidents in which fishermen were attacked as you have said, I will, however, follow up the issue. Upon having a thorough understanding of it, I will give you a detailed reply.

As Mr WONG mentioned the concept of "preparing for foul in fair weather", I would like to take this opportunity to share my views with you. My visit to the Pearl River Delta has brought me a sense of crisis on seeing the changes there. I believe that some of you might have the same feeling as I did after visiting Shanghai. Hong Kong is, in fact, an open and highly competitive economic region. But it is easy to fall behind others. The development of our neighbours brings us new opportunities as well as new challenges and competition. I believe the people of Hong Kong should build up a sense of crisis in this respect. We must accurately assess the trend of development surrounding us on the one hand and become fully beware of the pressure brought about by globalization of economy on the other. We have to accept these challenges and be well prepared for them. Some people told me that they were worried because not only the community of Hong Kong was not prepared for the rapid changes of the surrounding environment, the people seemed to have lost their faith in themselves or in Hong Kong.

Mr WONG mentioned the planting of bombs by some youngsters. A series of mishaps like the financial turmoil, avian flu and the alleged short-piling incidents happened after the reunification and Hong Kong seems to have "lost its shape" ever since. However, over-pessimism and ungrounded optimism are incorrect attitudes, nor are they helpful to embracing our future. We should not indulge in blind complacency. But at the same time, we should not lose faith in ourselves. The way we handled the financial turmoil proved to be very successful. Although many have said that we were in a mess when dealing with the avian flu. In fact, our decision was swift. We did a good job which earned us international acclaim. We are proud of our new airport and container terminals. Our port ranks first in the world. We have three universities that we can take pride in. Other institutions are also giving full play to their potential. I did not know until recently that the Hong Kong Philharmonic Orchestra is one of the leading orchestras in Asia. In fact, we have done excellently in many areas and our economy is picking up better than other places in Asia. We should therefore be confident. Yet most importantly, we must always be mindful of the keys to our success — Why were we successful? Hardworking, diligence, honesty, modesty and eagerness for social harmony are keys to our success. We are highly adaptive and enterprising. These are the basic factors of success on which I hope to really change Hong Kong into a metropolitan city belonging to a big Chinese family. I want Hong Kong to become an open, reasonable, accommodating and pluralistic society. I am sorry, Mr WONG. You were talking about "preparing for foul in bad weather" and I seized on it to put over my ideas.

MR WONG YUNG-KAN (in Cantonese): *I would like to thank the Chief Executive for his elaboration on the concept of "preparing for foul in fair weather". Public order is crucial to protecting the people. I am not saying that there is any problem with public order. The problem we are now facing is how to deal with boats entering Hong Kong waters not via legal routes and whether the relevant legislation should be amended for this. If the legislation remains unchanged, 60 boats may enter Hong Kong waters today and 120 tomorrow. As a result, our harbour will be full of these boats which have entered illegally. If these boats are merely in transit, we would have no comments on it. But in fact, it is not the case. Will the Chief Executive and the Government study the relevant legislation and review it?*

CHIEF EXECUTIVE (in Cantonese): Yes, I will follow up this question.

MR WONG YUNG-KAN (in Cantonese): *Thank you, Mr Chief Executive.*

MRS MIRIAM LAU (in Cantonese): *Madam President, did Mr TUNG notice the serious inadequacy of clearance facilities at the boundary when he went to mainland China during the Chinese New Year? I did not go to the Mainland at that time, but I could see on the television crowds of travellers waiting at the Lok Ma Chau and Lo Wu control points. In addition to concern for the great inconvenience and discomfort of travellers, my greatest concern is that accidents could happen. Since the completion date of the Lok Ma Chau Spur Line is still unknown, will the Government consider setting up some facilities in the interim to ease the problem arising from the inadequacy of entry and exit clearance services? Will the Government discuss it with the mainland authorities to come up with some specific contingency measures?*

CHIEF EXECUTIVE (in Cantonese): Mrs LAU, if we wish to promote the co-operation between Hong Kong and the Pearl River Delta in the future, improvement of the customs clearance facilities is one of the areas which we must work hard on. We will have to see what we can do to enable a smoother flow of passengers, cargoes and vehicles, instead of letting the current overcrowded situation remain unresolved. The Government has all along paid great attention to this. I know that we will deploy more staff to handle the entry and

exit clearance work and more counters can also be opened in future to speed up clearance. We hope that the use of smartcard in future can shorten the waiting time. However, Mrs LAU is right in saying that, in the long run, we must build the Sheung Shui spur line. But we still have to wait for the result of the appeal regarding the environmental impact assessment. There was indeed an improvement to the flow of vehicular traffic last year. Since the traffic flow will definitely become more and more busy, we have to find out what else we can do to cope with it. As for the Western Corridor from Shekou to Tuen Mun, we are many years away from the completion of the bridge construction project. We will, therefore, closely monitor the whole construction process to see what better work we can make of it.

MRS MIRIAM LAU (in Cantonese): *Madam President, the number of vehicles crossing the boundary has, in fact, increased by as much as 40% while there are constantly 250 000 to 300 000 people crossing the boundary on Saturdays and Sundays. The situation is even worse on public holidays. The Lok Ma Chau Spur Line we are now talking about will be completed in 2004 or 2005 the earliest. The thrust of my question is: As there is a long time between now and the date when some very major facilities can be completed to really resolve all these issues, what contingency measures does the Government have? Both the vehicular flow and the number of people crossing the boundary are increasing at great speed. The Lok Ma Chau Spur Line will be completed not until a couple of years later. Instead of idling away these few years, can we not come up with anything to tackle the problem?*

CHIEF EXECUTIVE (in Cantonese): In recent years, the passenger flow has grown at a speed of 17% yearly. The Lo Wu Control Point, however, is designed not just to cater for the 17% growth. It is why I always insist on the importance of having a farther and wider vision. By the time when it is really too crowded, any idea we can think of is no different from mending the tears of a worn out jacket. Very regrettable and unwilling as it may be, we are now actually mending things. The point is how we can do our mending work best. Firstly, we will deploy more manpower and open more counters for clearance work. Secondly, we will adopt the smartcard to ensure a quicker human flow. In the long run, we are waiting for the construction of Sheung Shui spur line. That is all we can do for now.

MR ALBERT CHAN (in Cantonese): *Madam President, on the issue of Falun Gong, I just heard that it was being labeled as an evil cult because people who are alleged to be followers of Falun Gong committed self-ignition in Beijing. However, I recall that Buddhists also committed self-ignition when Buddhism was first founded, whereas in Christianity, Jesus Christ was nailed on a cross. When the Chief Executive talked about evil cult, he suddenly sounded very righteous like he was fighting for a just cause. He also attached great importance to maintaining peace in Hong Kong.*

However, what will the Chief Executive do when the Government threatens the peace of our community? What will he do when the Government suddenly told some very ordinary businessmen and factory operators, who were running their businesses properly, that resumption would take place and no compensations would be given, and then went on to seize and close down other people's factories, thus forcing a family of three to seek psychiatric treatment and take psychotropic medicines until this very day. To date, some factory operators have not yet received a single cent in compensation. Some of them are even faced with bankruptcy or bankruptcy petitions, but the Government is still processing their compensation claims in accordance with a so-called established procedure. I wonder whether this kind of Government can be called an evil government, for it has driven peaceful people

PRESIDENT (in Cantonese): Mr CHAN, will you please come straight to the point and ask your question?

MR ALBERT CHAN (in Cantonese): *Madam President, I am sorry. I will soon raise my question (laughter). Will the Chief Executive please tell us what actions will he recommend under such circumstances, for he has just said that we should be prepared for crisis in times of peace, and now some people are facing a crisis? Furthermore, I asked the Chief Executive the same question in October, and I wonder whether he will handle this direct, so that the factory operators of the Wah Kai Industrial Centre will not have to go bankrupt or commit suicide because of government maladministration?*

CHIEF EXECUTIVE (in Cantonese): Mr CHAN, as regards such compensation claims, the Government has to comply with the statutory requirements on the one hand, and we will also try to be more sympathetic on the other. Perhaps, Mr CHAN may not agree with me, but our only solution is to comply with the statutory requirements, and then we can try to find another solution with compassion, and that is what we are trying to do now. I understand that a lot of problems have already been resolved, and I hope that Honourable Members, Mr CHAN as well as other Members can all help us to solve the outstanding problems. Let us all work hard together.

MR ALBERT CHAN (in Cantonese): *Madam President, Mr TUNG, I have already tried my very best (laughter) but the question is, now this group of people are faced with bankruptcy, but government officers still insist that compensation claims should be processed in accordance with established procedures. I have actually tried every means, and I have also talked to many government officials who told me that they have already tried their best. Under such circumstances, will the Chief Executive also try his best to help these people? For example, the Chief Executive is so concerned that Falun Gong will disturb the law and order of Hong Kong, can the Chief Executive also show some concern for a group of people who are faced with bankruptcy or may even commit suicide? Will the Chief Executive find some ways to help these people?*

CHIEF EXECUTIVE (in Cantonese): Well, I will look into this case again, but I think Mr CHAN should not exaggerate the difficulties of those people (*laughter*), saying that they will commit suicide and go bankrupt. However, since you have raised this question, we will follow up this case.

PRESIDENT (in Cantonese): Mr Chief Executive, this Question and Answer Session is originally scheduled to conclude at 4 pm, but since nearly 20 Members are still waiting to ask questions, many Members will certainly be very disappointed if I adjourn the meeting now.

Mr Chief Executive, could you please give us another 15 minutes, so that more Members can ask questions?

CHIEF EXECUTIVE (in Cantonese): Fine.

PRESIDENT (in Cantonese): Thank you, Mr Chief Executive. Miss CHOY So-yuk.

MISS CHOY SO-YUK (in Cantonese): *Mr TUNG told us earlier a lot about his opinions of the Pearl River Delta region, and in his policy address, he also elaborated on the concepts of complementing the Pearl River Delta region and synergy development. Recently, some people asked whether Hong Kong can relax the requirements on applications for people and vehicles from Guangdong to come to Hong Kong, and whether we can issue multi-entry permits for residents of the Pearl River Delta. Will Mr TUNG consider adopting more resolute and more flexible measures on these areas in the short run?*

CHIEF EXECUTIVE (in Cantonese): Miss CHOY, I recently heard that the spending habits of tourists in Paris were discussed at a meeting of a French quality brand company in Paris. By placing the tourists from different countries in first, second and third places according to their spending power, they discovered that the spending power of Chinese citizens ranked first. From this example, we can see that we should attract more Chinese citizens and mainland residents to visit and spend in Hong Kong, and we should try our best to attract residents of Guangdong and other provinces. But the question is, how can we achieve this goal? There are certainly many considerations, and it is not a decision that can be made by the SAR Government alone, for we must work in consultation with the mainland authorities. We will work to achieve this goal, but it may take some time. I hope we can achieve some good results.

MISS CHOY SO-YUK (in Cantonese): *Mr TUNG, I am aware that the Government has been saying that it will consider relaxing the requirements so that more mainland residents can visit Hong Kong, and it is a good thing that mainland residents can come to spend in Hong Kong. However, these issues have been discussed for many years, and so far, no concrete measures have been introduced. Will Mr TUNG still be considering this issue again, and can he tell us whether he will be able to make a more resolute decision soon?*

CHIEF EXECUTIVE (in Cantonese): The former President of the United States once told me that it took six years to implement a decision made in the White House. However, Hong Kong will not be so inefficient, for we will try our best to implement our policies as soon as possible. Actually, we are doing a lot of things. Why? Miss CHOY, you can see that the number of mainland tourists already ranks first among the 13 million tourists visiting Hong Kong every year. Several years ago, we did not have a large number of tourists from the Mainland, but now I believe the number of mainland tourists has already reached 3 million, and I think it ranks first among in-bound tourists. Therefore, the number of mainland tourists has already been on the increase, and the question is just how we can accelerate the growth.

MR WONG SING-CHI (in Cantonese): *Mr TUNG, some people in the community have always said that the Pearl River Delta is flourishing, and we should learn from its example. The Honourable CHOY So-yuk has also asked whether Mr TUNG will consider making it more convenient for mainlanders if they apply to visit Hong Kong so as to facilitate their consumption here.*

However, I understand that some of my friends and colleagues of the Democratic Party are also very keen to visit the Mainland to learn more about its development, and it is a pity that Mr TUNG will only consider to facilitate mainlanders visiting Hong Kong. I wonder whether he will help those of us who cannot get a Home Visit Permit, but would like to visit the Mainland, so that we can visit the Mainland and learn about its development? Will Mr TUNG do something about it, and play a more active role in making it more convenient for Hong Kong people to visit the Mainland?

CHIEF EXECUTIVE (in Cantonese): Mr WONG, indeed it is up to the mainland authorities to decide whether Hong Kong people can visit the Mainland, and the SAR Government cannot make such a decision. However, I recently learned from newspaper reports that Mr LI and Mr SIN have already visited China (*laughter*). I read such reports in the newspapers. It should really be the decision of the Mainland.

MR WONG SING-CHI (in Cantonese): *Mr Chief Executive, as the Chief Executive of Hong Kong, you can be likened to a "parent-like" official, and you should also care for us like a parent. I hope that as a "parent-like" official, you can make it easier for us to visit the Motherland. I think it will be a great insult to you if some of your children cannot go to the Mainland. It seems that as a "parent-like" official, you are not very concerned about your children. Mr TUNG, will you do us a favour by asking the mainland authorities why they are so worried about this group of people, what is so terrible about them, and why they are not allowed to visit their Motherland? Moreover, I hope you can tell your friends on the Mainland that these people are not that terrible, and that they will not commit self-ignition in the Mainland. I hope Mr TUNG can look into this matter to find out how he can help us.*

CHIEF EXECUTIVE (in Cantonese): Mr WONG, I think we should all work together on this.

MR YEUNG YIU-CHUNG (in Cantonese): *Mr CHANG Liang-jen of Taiwan arrived in Hong Kong to assume his office, and Taipei Major MA Ying-jeou will also visit Hong Kong next week. Will Mr TUNG tell us what he thinks about the existing relations between Hong Kong and Taiwan, and what the Government will do to strengthen the ties between the two territories?*

CHIEF EXECUTIVE (in Cantonese): Mr YEUNG, many people had expressed concern on the development of Hong Kong and Taiwan relations before the representative of the Chung Hwa Travel Service assume office in Hong Kong. Now, let me give you some information. Over the past year, in the absence of a Taiwan representative in Hong Kong — at least in the absence of a managing director — the trade volume between Hong Kong and Taiwan increased by 25%; and over the past year, the number of tourists coming to Hong Kong from Taiwan increased by 20%; and the number of Taiwan residents coming to work or live in Hong Kong increased by 7%. These figures show us that there are actually very close ties between Taiwan and Hong Kong, and these ties are becoming stronger. This is the first point.

Secondly, we all hope that our Motherland can soon be reunified. With this goal in mind, we hope that all those present today, and compatriots of both Hong Kong and Taiwan can all work together to achieve this goal. I also notice that Mr CHANG Liang-jen has already arrived in Hong Kong and Taipei Major MA Ying-jeou will visit Hong Kong next week. This is a private visit and Mr MA is visiting Hong Kong at the invitation of the Hong Kong Policy Research Institute — to attend a forum on the two cities — to talk about the development of the two cities. I would also like to take this opportunity to meet with Mr MA and I hope we can all work hard for the ultimate reunification of our country. Hong Kong has a very unique role to play in promoting the cultural, trade, financial and human exchanges between three territories across the straits. I hope we can continue to work hard to achieve this goal.

MR YEUNG YIU-CHUNG (in Cantonese): *I would like to ask a follow-up question. Does Mr TUNG mean that Hong Kong and Taiwan can continue to maintain good relations even if the Government does not do anything?*

CHIEF EXECUTIVE (in Cantonese): As regards the relations between Hong Kong and Taiwan, we have to consider two aspects. On one hand, we have to consider the relations between Hong Kong and Taiwan, and on the other, we have to consider the overall interest of our country, and that is the development of the whole country, including Taiwan and Hong Kong. Hence, we will closely monitor developments on both sides of the straits, and we will always think about our general policy towards Taiwan.

MRS SOPHIE LEUNG (in Cantonese): *Earlier on, Mr TUNG talked about taking on challenges, and yesterday we had a motion debate on youth employment. Speaking of challenges, our young people are really facing great challenges in this area. I did not speak on the motion last night because I am involved in a lot of youth rehabilitation programmes, especially in programmes for those who failed in their studies. I would really like to listen to the views of my colleagues on this issue.*

I heard the speeches of a dozen or more Members. All of them said, in the course of our youngsters' development, we have not done enough in training and preparing them to meet challenges, especially to meet the challenges of

today's world. However, the Education Department recently announced that the Hong Kong Examinations Authority had received only some 600 applications before the deadline for the first teachers' language skills assessment test; and only 430 teachers have registered for the training courses, which is far lower than the 5 500 training places offered by the Government annually.

Mr TUNG, do you not think that this is a rather lukewarm response? Since teachers have to teach students and young people how to face challenges, they should also be willing to face challenges themselves. Can Mr TUNG explain why the numbers of applications and registrations are so low? What can we do to encourage more teachers to take language skills assessment tests or training courses?

CHIEF EXECUTIVE (in Cantonese): Mrs LEUNG, speaking of language skills assessment, first of all, I believe most teachers in Hong Kong enter the teaching profession because they have a strong sense of mission. Therefore, I believe most teachers will hold a spirit of self-improvement and lifelong learning. As for the language skills assessment, we have actually offered three options for teachers over a period of five years because we understand that teachers are very busy. What are those three options? One of the them is, of course, to take the assessment test, the other is to apply for exemption, and the third is to attend courses at institutions recognized by the Education Department. Though, there may only be a small number of participants at the beginning, I hope, and I am also confident that with the development in coming years, more teachers will take part in such activities.

MRS SOPHIE LEUNG (in Cantonese): *Mr TUNG, can we think of more effective measures to make teachers not only welcome an opportunity that will allow them to be trained to meet future challenges; but also consider to allow teachers, or perhaps even induce them, to design better and more challenging assessment tests, or to make the training courses better suited to their needs, to allow teachers to do a better job, to generate more respect for teachers in the community and to make the community truly respect our teachers? Will the Chief Executive consider taking such measures so that teachers will not be unfairly or inappropriately criticized by parents like what has been happening lately?*

CHIEF EXECUTIVE (in Cantonese): Mrs LEUNG, I welcome your suggestions, and I will talk to the Secretary for Education and Manpower, Mrs Fanny LAW, and other Secretaries to examine how we can do a better job.

PRESIDENT (in Cantonese): Honourable Members, 15 minutes has gone in a flash. I understand that Members who have not got a chance to ask questions will feel very disappointed. However, those who have not had a chance to ask questions today will be given priority at the next Question and Answer Session. Thus, those who lose out today will stand a better chance another day.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 14 February 2001. The Chief Executive will now leave the Chamber. Will Members please stand?

Adjourned accordingly at sixteen minutes past Four o'clock.