

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 8 January 2004

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, G.B.S., J.P.

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.

DR THE HONOURABLE ERIC LI KA-CHEUNG, G.B.S., J.P.

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

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

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

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

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE HUI CHEUNG-CHING, J.P.

THE HONOURABLE CHAN KWOK-KEUNG, J.P.

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, J.P.

THE HONOURABLE CHAN KAM-LAM, J.P.

THE HONOURABLE LEUNG YIU-CHUNG

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

DR THE HONOURABLE PHILIP WONG YU-HONG, G.B.S.

THE HONOURABLE WONG YUNG-KAN

THE HONOURABLE JASPER TSANG YOK-SING, G.B.S., J.P.

THE HONOURABLE HOWARD YOUNG, S.B.S., J.P.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE YEUNG YIU-CHUNG, B.B.S.

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

THE HONOURABLE AMBROSE LAU HON-CHUEN, G.B.S., 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 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., J.P.

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, J.P.

THE HONOURABLE WONG SING-CHI

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE IP KWOK-HIM, J.P.

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

MEMBERS ABSENT:

DR THE HONOURABLE DAVID CHU YU-LIN, J.P.

THE HONOURABLE NG LEUNG-SING, J.P.

THE HONOURABLE MARGARET NG

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

THE HONOURABLE SIN CHUNG-KAI

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

DR THE HONOURABLE LAW CHI-KWONG, J.P.

THE HONOURABLE LAU PING-CHEUNG

THE HONOURABLE MA FUNG-KWOK, J.P.

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE DONALD TSANG YAM-KUEN, G.B.M., J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE HENRY TANG YING-YEN, G.B.S., J.P.
THE FINANCIAL SECRETARY

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

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.
SECRETARY FOR HOUSING, PLANNING AND LANDS

PROF THE HONOURABLE ARTHUR LI KWOK-CHEUNG, G.B.S., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

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

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

DR THE HONOURABLE PATRICK HO CHI-PING, J.P.
SECRETARY FOR HOME AFFAIRS

THE HONOURABLE STEPHEN IP SHU-KWAN, G.B.S., J.P.
SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR

DR THE HONOURABLE SARAH LIAO SAU-TUNG, J.P.
SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

THE HONOURABLE FREDERICK MA SI-HANG, J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE STEPHEN LAM SUI-LUNG, J.P.
SECRETARY FOR CONSTITUTIONAL AFFAIRS

THE HONOURABLE AMBROSE LEE SIU-KWONG, IDSM, J.P.
SECRETARY FOR SECURITY

THE HONOURABLE JOHN TSANG CHUN-WAH, J.P.
SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY

PROF LAU SIU-KAI, 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 now 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, ask a short follow-up question. Now that a number of Members who wish to raise questions have pressed the "Request-to-speak" button. (*Laughter*)

DR YEUNG SUM (in Cantonese): *Madam President, due to the fact that over 500 000 people took to the street on 1 July, 1 million people cast their votes in the District Council Election, and over 100 000 people have also taken to the street on New Year's day, but Mr TUNG's policy address has not addressed the people's demand for democracy in the least, which has disappointed the people to a great extent.*

Mr TUNG, do you feel that the Central Government should be full of confidence insofar as "a high degree of autonomy" is to be implemented by the people of Hong Kong is concerned; and when the SAR Government consults with the Central Authorities, should you consult the people of Hong Kong instantaneously, simultaneously and immediately on their opinions in the respect of a political reform?

CHIEF EXECUTIVE (in Cantonese): Dr YEUNG, during 1 July, I told you that I had carefully paid close attention to the incident through television. After that, I did a lot of introspective thinking as I had seen the demand and grievances of the people, as well as their discontent over the administration of the Government. In this respect, both the Government and I have been working hard to make improvements that in the past six or seven months, as we have seen that people were demanding that the economy to be invigorated and their livelihood be improved. We have made very great efforts in these respects, and we knew that the public is unhappy about the proposed legislation to implement Article 23 of the Basic Law which we have subsequently withdrawn. In fact, the Government has made a timely response.

I also fully understand the demand for democracy raised by the community at large. Nevertheless, Dr YEUNG, I wish to tell you that what I am doing

now, and what I am doing these days, is to ensure that once the political reform started, things could run on smoothly in every aspect. For that reason, certain basic problems should be ironed out first, and two separate issues are involved. What are the basic problems? Some are matters of principle, while others are legal issues, such as how exactly should the clauses and provisions in the Basic Law which involve political reforms be comprehended? First and foremost, we have to accomplish these tasks, and we are doing these tasks right now. A three-member task force has started working on them. The task force will consult the Central Authorities as well as listen to public opinions in Hong Kong. I consider this a very good step to take. We do attach importance to the views of the community at large here in Hong Kong, that is why we have made such a decision.

DR YEUNG SUM (in Cantonese): *Madam President, Mr TUNG, according to Article 45 of the Basic Law, it is stipulated that the democratic development of Hong Kong shall be specified in the light of the actual situation in Hong Kong. In fact, the actual situation in Hong Kong is that the public is asking for democracy. May I ask whether Mr TUNG finds that the fact that consultation with the Central Authorities for legal advice by the Government and the simultaneous consultation with public opinion in Hong Kong will be mutually repellent? If not, can they be conducted concurrently?*

CHIEF EXECUTIVE (in Cantonese): Dr YEUNG, just now I have explained that in order to accomplish these tasks, the first step is to deal with and to acquire an understanding of certain matters of principle. What are they? How they should be handled? Some legal issues are involved. We would conduct public consultation in Hong Kong at the same time when we consult the Central Authorities. After this part of question is properly dealt with, we would study how we should start to work out the review on political reform.

DR LO WING-LOK (in Cantonese): *Mr TUNG, I am glad that you mentioned in paragraph 32 of your policy address about developing health care industry, and apart from catering for local needs, to further develop it into an industry to serve people in the Mainland, and even elsewhere in Asia. This is also what I have been proposing all along. However, the development of health care industry cannot rely on the impetus provided by the public sector alone, because*

the operation of the public sector is publicly-funded, besides, its target clients are mainly Hong Kong residents, therefore it has its limitations to a certain extent. My question is: What tangible policies and measures which would complement the development of the health care industry does the Government have; and what measures which would help promoting the development of health care business in the private sector does the Government have, so that the policy direction of developing health care industry could be genuinely implemented?

CHIEF EXECUTIVE (in Cantonese): Dr LO, every time I meet you, you would mention this issue to me. I agree very much that developing health care industry is not something the public sector should do by itself, the private sector should also provide the impetus in this respect. The Government can play an active role, but just a supportive role. If the private sector (that is, the private health care sector) has come up with any idea about how it should be implemented, what co-operative efforts could be made in the respect of government policies or market access; or in case there are barriers in overseas' countries or in the Mainland, what the Government could help to straighten out such situation, we would actively deal with these tasks.

I really hope that the local medical sector, especially the private sector could play a positive role in promoting it. I can assure Dr LO that the Government would support it vigorously, I wish you success.

DR LO WING-LOK (in Cantonese): *Mr TUNG, I also hope that I could succeed. Health care has been led by the public sector for a long time, and even vicious competition has emerged, consequently, the space according survival to the private sector has gradually tapered off. What could the Government do to review issues in this respect in order to institute a partnership between the public and private sectors and remove the vicious competition between them?*

CHIEF EXECUTIVE (in Cantonese): In fact, the public sector has been doing very well over the years; however, the fact is that our financial means are limited, therefore we hope that the private sector could strengthen its role. I believe the Government would actively tie in its efforts in this respect, and I also hope that the private sector could do more work.

Moreover, I wish to respond to Dr LO's question on the development of the health care industry. Another approach which could catalyse the development of the industry is to import some prominent foreign health care groups specializing in convalescence to Hong Kong and to allow them to establish convalescent homes and co-operate with local hospitals, this is one of the many ways. Since there are a lot of specialist companies or specialist hospitals out there, all of them could provide us some help. In this respect, no matter whether they are the Government, private corporate or private health care body, we could get together and study the issue.

MR ANDREW WONG (in Cantonese): *Madam President, I wish to follow up the question raised by Dr YEUNG Sum just now. Basically, the Panel on Constitutional Affairs has been waiting for a consultation timetable on political reform from last October up till now. Finally, we were assured last October that a timetable would be provided by the end of December 2003. Now that the Central People's Government in Beijing has a inclination that it is necessary to work out issues relating to the interpretation of the Basic Law first, it is therefore said that a task force has to be set up initially. Setting up a task force to make out the issues surrounding the interpretation of the Basic Law is important, but should there be a timetable in itself? At the same time when the views of Beijing are being consulted, will the views of the people of Hong Kong and Members be listened to concurrently? The Chief Executive has also stated in his policy address that he welcomed all sectors of the community in Hong Kong to continue considering and exploring these issues rationally, as well as expressing their views. This is in itself a consultation, but will there be a timetable? Will it be set down that the relevant work is to be completed within one, two or three months? As to this timetable, will the Chief Executive make it public when the consultation on the interpretation of the provisions of the Basic Law would be completed, and it is probable the interpretation would lead to two different directions, one is a narrower interpretation, the other is a more broader interpretation. Obviously, I am inclined to the broader interpretation. In this respect, does the Government at present have any specific inclination indicating that whether it should adopt the broader one, so that the coverage of the consultation could be broader, or it should be narrower.....*

PRESIDENT (in Cantonese): Mr WONG, Mr WONG, please raise your question as soon as possible, because there are still more than 20 Members waiting for their turns to raise questions. Please raise your question quickly and clearly, and you still have the chance to raise a follow-up question.

MR ANDREW WONG (in Cantonese): *Madam President, I have almost finished my question, had it not been interrupted by you, the question should have finished asking. (Laughter) Thank you.*

CHIEF EXECUTIVE (in Cantonese): Then this has really put me out, I do not know what has Mr WONG wanted to ask me? *(Laughter)*

MR ANDREW WONG (in Cantonese): *Madam President, my question was very clear. The task force will consult with Beijing, that is, all relevant institutions of the Central People's Government, and at the same time, it will also consult the general public of Hong Kong. Is there a timetable for the consultation? When can it be completed? Will a broader, or a narrower interpretation be adopted?*

CHIEF EXECUTIVE (in Cantonese): Mr WONG, firstly, I have to tell everybody that the Government is not trying to delay this matter, we are absolutely not trying to delay it. Secondly, since the Central Authorities raised such a request, we consider that it is our obligation to make a positive response. Thirdly, the Government has drawn up no timetable up to now, the timetable awaits further arrangement. Nevertheless, I can tell Members that we will not delay, we will do it as soon as possible, and we will definitely do it as soon as possible.

MR ANDREW WONG (in Cantonese): *Madam President, my question was: This task force would consult with the Central People's Government and consult the people of Hong Kong, and views expressed by the public would be welcomed, but will there be a timetable? Will a deadline be set such that the consultation has to be completed within three months?*

CHIEF EXECUTIVE (in Cantonese): Mr WONG, we would do it as soon as possible. But I am unable to give you a timetable here today.

MR LEUNG FU-WAH (in Cantonese): *Madam President, Mr TUNG..... (A commotion was raised on the public gallery)*

PRESIDENT (in Cantonese): People sitting on the public gallery are not allowed to yell, please leave the gallery of your own accord. (*One man on the public gallery kept on yelling*)

PRESIDENT (in Cantonese): Security Assistants, please escort him from the gallery. (*Several Security Assistants approached the man to stop him from shouting, but he kept on standing and yelling*)

PRESIDENT (in Cantonese): The gentleman on the public gallery, if you still do not stop, I will have to suspend the meeting. (*The man was then taken away from the public gallery by Security Assistants*)

PRESIDENT (in Cantonese): Mr LEUNG Fu-wah, you may continue with your question.

MR LEUNG FU-WAH (in Cantonese): *Mr TUNG, in every opinion poll, what concerns the public most, or what the public considers first and foremost, is in fact economic as well as employment problems. I have expressed my views to you on different occasions, and I hope that the importation of overseas domestic helpers would be suspended, studies on the relationship between the development of a railway network and the employment of professional drivers and so on would be carried out, and I have requested you to make certain decisions. However, the section touching on these two issues in yesterday's policy address has somewhat disappointed me. Mr TUNG, you mentioned in section 52 of your policy address that the Government would pay attention to whether those working on government contracts were receiving a reasonable wage, this is also something that we in the labour sector is concerned with. I wish to ask Mr TUNG what specific idea do you have about this, such as prescribing provisions in the outsourcing contract that subcontracting would be prohibited, setting down the reference index for minimum wages, or increading the penalties on employers who have committed the offence?*

CHIEF EXECUTIVE (in Cantonese): I said so because I wish to show that the Government attaches great importance to this matter. Certainly, we would use all possible means. Basically, there should not be an unreasonable wage level

as far as outsourcing contracts are concerned. I wish to make it clear to you again that in the dialogues between the labour sector and me, this issue had been brought up to me, that is, the issue of local domestic helpers. I also know that a travel allowance scheme is in place. You should have also noted that I once said we would review this issue from time to time, and if necessary, we would see if adjustments could be made. As for other issues, we are still studying them, so I am not able to give you an immediate response.

MR LEUNG FU-WAH (in Cantonese): *Mr TUNG, for a policy to be effective, there should not be any contradiction in the government policy itself. Just now you said that local domestic helpers could obtain a travel allowance, however, you have continued to allow the importation of a large number of overseas domestic helpers. Actually, these two measures are contradictory to each other, therefore I think the Government should find an effective solution for the problem.*

CHIEF EXECUTIVE (in Cantonese): Ever since we announced a levy of \$400 on employers of overseas domestic helpers, the number of overseas domestic helpers has stopped to grow recently, and right now we are keeping an eye on these issues closely.

MS MIRIAM LAU (in Cantonese): *Mr TUNG, the most critical and pressing problem currently confronting the logistics industry is not the handling capacity, which includes the problem of inadequate terminal facilities, but the significant difference in freight costs between Shenzhen and Hong Kong. As a result, many cargo owners choose to export their goods via Shenzhen for its lower costs. It has led to a high double-digit growth in Shenzhen port in recent years and at best a single-digit or low single-digit growth in Hong Kong. Following the sustained development of Shenzhen terminals, more new berths will be completed this year, in addition to those completed last year. The situation may thus become even more critical. As mentioned in paragraph 22 of the policy address, both the Mainland and Hong Kong have confirmed the strategic importance of enhanced co-operation in logistics. Mr TUNG, may I ask if the strategic importance of co-operation in logistics involves the co-ordination of terminal development in Shenzhen and Hong Kong so as to reduce vicious competition?*

CHIEF EXECUTIVE (in Cantonese): Ms LAU, you are perfectly correct. The costs in Hong Kong are on the high side, which I have also mentioned in the policy address. If things go on like this, Hong Kong will meet a total defeat. Therefore, we must do something about it. There are a few things we are currently doing. First, customs clearance. We have to streamline the process as far as possible. In fact, certain improvements can be seen every six months. Of course, we can still do better and we will continue to exert efforts. If the process can be made faster and more efficient, the costs will be reduced. Upon the completion of the Western Corridor, the costs will also be reduced. Besides, as regards the construction of terminals and costs, in fact, I personally think that there should not be a big difference in the construction costs of terminals between Hong Kong and Shenzhen. As for operating costs, there should not be a big difference either, given its non-labour-intensive nature. Therefore, basically, we have to enhance our capabilities. As to your question, we have already held discussions with the Central Authorities on large-scale infrastructure, including terminals. We think that co-ordination is necessary. This is our consensus. We will work on that because it will be helpful to Hong Kong. Nevertheless, we must, in the long run, reduce our costs or otherwise the customers will find them unacceptable. Right? We will work in several areas.

MS MIRIAM LAU (in Cantonese): *Madam President, may I ask Mr TUNG when the logistics industry will be informed of any news in respect of the co-ordination of terminal facilities? The operators are very worried. In the last few months, our freight volume has been dropping for five months in a row. This is mainly due to the completion of new berths in Shenzhen. In the event of limited cargo sources, our freight business will be totally snatched by our counterparts in Shenzhen. The operators are indeed very worried about the lack of co-ordination, no matter in the long term or in the short-to-medium term. When will there be good news for them?*

CHIEF EXECUTIVE (in Cantonese): Now, I would like to talk about something else before coming back to this. Many say that whatever I do, I am three beats behind. (*Laughter*) In fact, I started discussing with the Central Authorities on the establishment of a Renminbi offshore centre, striving for the launch of individual Renminbi business and the arrangement for settlement in Hong Kong more than two years ago. Recently we have succeeded. However, these are things that require long-term discussions. As I can still remember, I

told Premier ZHU, more than three years ago, that if the mainland market did not open to Hong Kong, the Hong Kong economy would be in trouble; and that the market had to be opened to Hong Kong. It was more than three years ago. I am not three beats behind. So I have long started the discussions. After I had raised this issue, Premier ZHU told me that we had to wait while the Central Authorities were holding discussions with the WTO at that time. I can still remember that on the day of China's accession to the WTO, I immediately reported to the Central Authorities, "Well, since China has already entered the WTO, I want to come now." At last, the discussions bore fruit. The then Premier, Mr WEN, promised to sign the relevant documents at the end of June.

Why am I now talking about all these things? In fact, insofar as operation is concerned, there are many problems about which we have long started to examine what we can do. The problem concerning the container terminals has also been raised in the earlier time. We have already formed an infrastructure co-ordination group, which will discuss these problems. We hope we can eventually come to a good conclusion. I will not be three beats behind, but ahead.

DR TANG SIU-TONG (in Cantonese): *The Chief Executive stated in the policy address that the accountability system is a success after five and a half years of operation. However, I cannot see why it is a success. May I ask the Chief Executive what specific plans there are to better the system, in particular, in terms of co-ordination and co-operation among all accountability officials. Moreover, as regards the communication and direction between the accountability officials and their subordinates, how can it be made to work in a way similar to "arms directing fingers"?*

CHIEF EXECUTIVE (in Cantonese): Dr TANG, the accountability system is a very significant reform in the constitutional development of Hong Kong. It is a vital step to promote people-based governance. One and a half years ago, we already started the implementation, the work. We have noticed that there are indeed many areas that need improvement. We must also know that the results of any such constitutional reform or any such complicated constitutional reform cannot be seen in one or two years. It takes time. However, I can tell you that my colleagues and I always discuss these problems and always make self-criticisms. We also always ask how we can do better. I can only say that if

you review our performance once every three or six months, or once a year, you will notice our improvement in various areas, including the issue you just mentioned.

DR TANG SIU-TONG (in Cantonese): *Mr TUNG said that there were many areas that needed improvement. I would like him to talk about those areas for improvement which he has noticed.*

CHIEF EXECUTIVE (in Cantonese): There are indeed many areas for improvement. How can we — for example, principal officials — how can we do a better political job? How can we find more time to get to the heart of society? As a matter of fact, they are extremely busy. This is an example. How can we do a good job in this area? This is an example.

MR TAM YIU-CHUNG (in Cantonese): *Mr TUNG, as regards the implementation of CEPA, the policy address mentioned that 273 items of Hong Kong products could be imported into the Mainland tariff free. This is fantastic. Nevertheless, according to some manufacturers, some very popular Hong Kong food products in the Mainland, such as sauces, chicken powder, moon cakes, cured meat, and so on, are not included in the CEPA list however. Was it an omission in the negotiations? Or is it because an agreement in this area cannot be reached at the moment? When will it be done? We think that those new-tech or innovative industries you mentioned may take a long time to develop. Hence, shall we find out how to add in these "ready" items, so as to create more job opportunities for the local labour force?*

CHIEF EXECUTIVE (in Cantonese): Mr TAM, I hope so, too. Why are there 273 items? This is the number of the most popular items exported from Hong Kong to the Mainland. In fact, there can eventually be several thousand items. As far as I can remember, there can be about 4 000 items. All items under the WTO may be added. At that time, the Premier told me that he would continue to consider how to expand the coverage of CEPA, from 273 items gradually increasing to several thousand items. We have already fixed a date. We hope to achieve this target on 1 January 2006. It seems to be a distant target. We still have two years' time. At present, the most important thing is

the co-operation between the mainland and Hong Kong customs. If we can build up a good co-operation relationship and effectively prevent smuggling activities, it will take less time. We will continue to pay attention and follow up. Hope we can make it as soon as possible.

MR TAM YIU-CHUNG (in Cantonese): *I would like to emphasize again that the food industry in Hong Kong is, in fact, doing a good job. We have confidence in them. Their quality is assured. I think it is important to fight for it earlier, but not till 2006. Hope the SAR Government can attach importance to this matter.*

CHIEF EXECUTIVE (in Cantonese): Fine, we will strive for that.

MS CYD HO (in Cantonese): *Madam President, the constitutional reform of Hong Kong has to meet the requirement of gradual and orderly progress in the light of the actual situation in Hong Kong. Nevertheless, the actual situation is that hundreds of thousands of people have taken to the streets to vote for democratic constitutional reform. After the 1 July march, we have seen many pro-government politicians and businessmen go to Beijing. Yet the public is very worried that their opinions cannot represent the opinions of Hong Kong people. Of course, we very much hope there can be some consultations, so that we can truly reflect our opinions. However, Mr TUNG, would you provide an open and formal channel for people from different social strata and people who have participated in the march to directly express their opinions to the Central Government to help the Central Authorities understand the actual situation in Hong Kong, so that the opinions of these people will not be twisted?*

CHIEF EXECUTIVE (in Cantonese): Ms HO, the Central Authorities indeed have a full grasp of the situation in Hong Kong. They can learn about it through many different channels. They know the situation very well. As to whether I have truly reflected the situation in Hong Kong, I can tell you that, as the Chief Executive, I have the responsibility to do so. On the whole, the Central Authorities also keep abreast of the situation. You cannot underestimate their capabilities.

MS CYD HO (in Cantonese): *Madam President, I have never doubted if the Chief Executive has reflected the situation or not. Yet the opinions he has been communicating and reflecting to the Central Authorities may carry a certain political standpoint or position. Nevertheless, there are many different opinions and many different voices in society. I believe the public would want their rational and peaceful democratic aspirations not to be twisted. The Chief Executive should have noted that such opinions were not reflected in the past. In future, will there be some proper channels and arrangements for us to directly express our opinions?*

CHIEF EXECUTIVE (in Cantonese): Ms HO, pending a clarification of the issues in relation to law and principle, we can think about how these questions can be addressed.

MR LEE CHEUK-YAN (in Cantonese): *Mr TUNG, having listened to your policy address yesterday, I felt very sad for Hong Kong people. Over 500 000 people came forward to express their aspirations for democracy in a rational, peaceful and positive manner, but what they got in return was your telling all the people in Hong Kong yesterday that the Central Government had to be consulted first. I think our woe lies in the fact that although our Chief Executive grew up drinking the water in Hong Kong and had the blood of Hong Kong people flowing in him, it turned out that he dared not or was not willing to — I do not know which is the case — lobby the Central Authorities for democracy and "Hong Kong people ruling Hong Kong" to which Hong Kong people are entitled. Mr TUNG, may I ask you, had you lobbied for the election of the Chief Executive by universal suffrage on behalf of Hong Kong people while you were on your duty visit, for a greater degree of democracy, which we wish to have? Did you do that?*

CHIEF EXECUTIVE (in Cantonese): Mr LEE, I have already said that I have truthfully relayed the present situation in Hong Kong as it is. I have already truthfully relayed it.

However, I wish to talk about three points with Members here. The first point I wish to tell Members is that in lobbying the Central Authorities, in fact we all have to know that, we all have to know that..... perhaps let me put it

another way. Six years ago, after I had assumed office as the Chief Executive, I began to say this, "If Hong Kong is well, then our country will be well; if our country is well, then Hong Kong will be even better." They are not merely words, they are my convictions. During all these years, I have always believed firmly in this. In fact, Hong Kong's interests and those of the country are one and the same. Why is it necessary to lobby? We are all working for the overall interest of Hong Kong people. Under these circumstances, what we have to do now is to ensure that the overall interest of Hong Kong people is safeguarded, to consider under what kind of political system will the livelihood of the people continue to improve and prosperity and stability will be maintained. This is what everyone of us want to achieve.

The second point is, the Government is conducting its business according to the Basic Law. I can tell you that for over six years, the Central Government has strictly adhered to the Basic Law in conducting all of its business. I believe, insofar as the constitutional review is concerned, they will also follow the Basic Law in conducting any business. We must have confidence because our interests are consistent.

In addition, I also wish to raise two matters that I want to clarify. Since I took up the office of the Chief Executive, one of my responsibilities is to implement the Basic Law. I have to answer to the SAR as well as to the Central Authorities, therefore, I have the responsibility to implement the Basic Law properly as well as reporting on the situation of the enforcement, implementation and compliance of the Basic Law. This is my responsibility and I will continue to do so. On this matter of constitutional review, if the Central Authorities make the request to me that they want to gain a better understanding together with us of the issues relating to the principles and the relevant provisions in the Basic Law before making any arrangements, I think this is totally reasonable, totally reasonable.

The third point I wish to raise with Members is: Do the Central Authorities have such a power? We have to examine the Basic Law and the conclusion after doing so is that they do. Why? "One country, two systems" is our country's fundamental policy and the Basic Law is also a national law. Constitutional development is related to the "one country, two systems" principle as well as the Basic Law, including the thorough compliance with and implementation of the Basic Law. The Central Government has the power and responsibility and is duty-bound to the whole country to examine this matter. In

fact, the Hong Kong community accepts this too, rather than otherwise. Therefore, I think it was entirely reasonable of the Central Government to say that it was very much concerned about this matter and requested that good communication with us be maintained, which is *intra vires*. Therefore, we must strive to do this well and hold such an attitude.

MR LEE CHEUK-YAN (in Cantonese): *Madam President, Mr TUNG mentioned earlier that six years ago he had said, "If the country is well, then Hong Kong will be well". In that case, do we have to wait until there is democracy in China before Hong Kong can also have it? Does he think that if Hong Kong has a greater degree of democracy, it would also be good for China?*

The question I have just asked was: Did you do any lobbying? I do not deny that the Central Authorities have the power. Of course, under the "one country" principle, the Central Authorities have the power. If they have no such power, then it would not be necessary to lobby them at all and we do not have to lobby them through you. Therefore, my question is: Did you lobby the Central Authorities on behalf of all Hong Kong people? If not, how can you represent Hong Kong people and serve as the Chief Executive? I very much hope that you can help Hong Kong people win the right to which we are entitled, that is, "a high degree of autonomy" for us and our next generation, rather than waiting any longer for the Central Authorities to grant us this favour, and really discuss in earnest with the Central Authorities. Therefore, may I ask, Mr TUNG, during your last duty visit, apart from relaying the facts as they were, once again, if you had done any lobbying?

CHIEF EXECUTIVE (in Cantonese): Mr LEE, I have already told you just now, and I will now say it once again. The work being carried out is done in the overall interest of Hong Kong, for this generation and the next. It is fundamental for Hong Kong to ensure that the "one country, two systems" principle is put into practice and that the Basic Law is implemented.

As regards constitutional review and how the political system should develop, this is exactly the work that we have embarked on. The first step we are talking about is to clarify matters of principle and legal issues. We have to do this step in our work first, and we will deal with other tasks accordingly.

MRS SELINA CHOW (in Cantonese): *In the policy address, Mr TUNG mentioned in particular his and the Government's determination to continue to improve the business environment, in paragraphs 16, 17 and 18. This absolutely has the full support of the Liberal Party. In particular, paragraph 18 mentioned that the regulatory regime had become excessively tight and detailed, leading to frustration among business people. This is absolutely true. May I ask Mr TUNG if he can undertake that before introducing any legislation, an assessment on the impact on the business environment will be made, that such a step will always be taken; that in taking such a step, the views of the people conversant with the operation of an industry will truly be taken into account when making an assessment? This is the first point. Second, has the Government conducted a comprehensive review of existing regulations that are excessively tight to ensure that some regulations that do not have to be overly tight can be relaxed, so as to truly achieve the so-called target of fostering an environment conducive to business?*

CHIEF EXECUTIVE (in Cantonese): Mrs Selina CHOW, concerning the first issue raised by you, you said that the Liberal Party concurs. In fact, I remember that this is an issue you have raised with me repeatedly.

Many of these regulations owe their existence to the considerations given to various interested parties. The formulation of new regulations is also based on these considerations. On the other hand, consideration has also to be given to how novel products such as medicines can be better regulated. Therefore, there are many questions that the Government has to consider. However, I fully agree that before making any final decisions, the Government should consider the potential impact that any initiative may have on the business environment. This is a very important step.

Another type of frivolous regulations are in fact historical vestiges and they are sometimes no longer applicable. Those that are no longer applicable should in fact be done away with. I believe Secretary Henry TANG and other colleagues will do their best in reviewing this area.

MRS SELINA CHOW (in Cantonese): *Madam President, Mr TUNG, in fact we have had discussions on this intent a number of times. We are convinced that the Chief Executive is highly supportive of such a move, however, in reality the*

pace has been very slow, in particular, with regard to the second point mentioned by him, that is, there are some excessively tight regulations which are no longer necessary at all. But it seems the Government has not conducted any systematic review with a view to eliminating these necessary regulations. Can we have an undertaking from the Chief Executive that he is determined to deal with this matter expeditiously, so that the target of fostering an environment conducive to business can be achieved earlier?

CHIEF EXECUTIVE (in Cantonese): Secretary Henry TANG is smiling, that means we definitely have the determination to deal with this matter well. *(Laughter)*

MR CHEUNG MAN-KWONG (in Cantonese): *Mr TUNG, democracy is a human right. Hong Kong people have been fighting for democracy for almost 20 years, yet it has remained as elusive as ever. This is indeed a sorrow for Hong Kong people. You said just now that the SAR Government had not dragged its feet on democracy. However, half a year has elapsed since 1 July last year, yet the Government still does not have any timetable on constitutional reform. Is this not dragging one's feet on democracy?*

Several months ago, the Secretary for Constitutional Affairs, Mr Stephen LAM, promised that a timetable for the consultation on constitutional review would be tabled by the end of last year. Now the Government has failed to deliver. Is this not dragging one's feet on democracy? Your policy address only mentioned that a Task Force would be established to listen to the views of the Central Authorities on the legal aspects in relation to the Basic Law, but there is no timetable for listening to the views of the public. Again, is this not dragging one's feet on democracy? Is your attitude to democracy that of acting three beats slower or six beats slower?

CHIEF EXECUTIVE (in Cantonese): Mr CHEUNG, we have not delayed our work. Concerning the electoral arrangements for 2007-08, we have to first go through the work being undertaken to sort out the fundamental issues, so as to allow adequate time for arranging any procedure that is called for, so that if any changes have to be made, they can be implemented in the elections in 2007-08. This should not pose any problem.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, Mr TUNG said he has not been stalling democracy, then why is it that at the same time when he expressed his intention in the policy address to listen to the views of the Central Authorities on legal issues relating to the Basic Law, he did not even deliver on something as basic as a timetable on listening to the views of Hong Kong people or a timetable on constitutional reform? Can this be considered to be heeding the voices of the people who have taken to the streets? Is he taking the public's protest in the street as nothing?*

CHIEF EXECUTIVE (in Cantonese): Mr CHEUNG, the same applies to doing anything, including conducting a constitutional review. We have to establish a good legal basis and sort things out clearly before things can be speeded up. This is basic and we are now doing this.

MR BERNARD CHAN (in Cantonese): *Madam President, Mr TUNG, in paragraph 55 of your policy address, it is mentioned that the Government, the business community and "the third sector" will establish a tripartite partnership. May I ask Mr TUNG if the Government will consider taking the lead in establishing a platform for participation by the three parties, so that they can seek a solution to social issues of common concern to them?*

CHIEF EXECUTIVE (in Cantonese): In fact, I think I have heard many views over the past seven months. Many views, such as those related to "the third sector", were in fact proposed by the social work sector to the Government and then referred to me. I think the idea of a platform as suggested by you just now is good. I hope you can tell the Government in detail how this can be implemented and what the approach will be. We can have a discussion together. I have told Members that in the process of economic restructuring, society as a whole, including the Government, has to show concern for the disadvantaged. The globalized economy has marginalized a lot of people and we have the responsibility to do this area of work well. We regard the social work sector as our partner, so I believe we will respond actively to the suggestions you make to us.

MR BERNARD CHAN (in Cantonese): *Mr TUNG, I originally intended to follow up and ask if you have any proposal. In fact, in this regard, has the*

Government any measure or idea to encourage more people in the business community to take part in and understand the work of non-governmental social welfare organizations? Can the Government put forward to us some incentive proposals?

CHIEF EXECUTIVE (in Cantonese): I think in fact we have already made a good start in this regard. The social work sector has taken many initiatives and I think you have been successful in working on them. I believe the Government can also take part actively in the work in this area in the future to encourage more members of the business community to finance the work in this area.

MR ALBERT CHAN (in Cantonese): *Madam President, yesterday, when I listened to the policy address of the Chief Executive, I initially thought that this policy address of Mr TUNG had put Taoism on full display. The application of the principle of non-intervention in governance seemed to be infinite wisdom on his part. However, at closer look, I found that it was not non-intervention but incompetence of intervention in governance instead. The policy address is a manifestation of the unrealistic mentality, and the Chief Executive is not only retrogressive in politics, for in respect of economy and the people's livelihood*

PRESIDENT (in Cantonese): Mr CHAN, please come to your question.

MR ALBERT CHAN (in Cantonese): *Madam President, I am coming to my question. No measures are introduced to address the unemployment and negative assets problems. In responding to the aspirations of the community, the Chief Executive has failed to satisfy the demand of the public. Madam President, my question is: Should the Chief Executive resign in expiation as soon as possible to save the people of Hong Kong of suffering any more for his incompetence in governance?*

CHIEF EXECUTIVE (in Cantonese): You have raised a number of issues, and I have some feelings about them. Regarding incompetence, grievances and resignation, I would like to talk about these issues from the economic perspective

mentioned by you at the outset. I would then come to the issue of whether I should go or stay.

Firstly, economic restructuring is a very painful experience. On 2 July 1997, the delinking of Thai Baht with the US Dollar sparked off a financial crisis. Then came the bursting of the bubble economy in Hong Kong, the plummeting of property prices by 70% and the seriously weakening of spending sentiment. More than half of the people of Hong Kong suffered from a drastic shrink of their assets value, facing the problem of negative assets. There were also problems of huge budget deficit and severe deflation. Secondly, with the globalization of world economy, Hong Kong, faced with relatively high costs, mismatch of labour force and the out shift of production processes, suffers from a high structural unemployment rate, which naturally resulted in a slash of wages. Thirdly, with the rapid emergence of mainland cities, we have lost our competitiveness. All these are primary problems.

We had been constantly affected by such external factors before the reunification, but since the reunification, we have been heavily bombarded by those factors. Against this background, what have happened? Property prices have plummeted; unemployment rate rose and wages were cut. People are of course discontent and grieved. Besides, since the Government tried to contain its budget deficit by increasing its fees and charges, increasing tax and reducing its expenditure, many people were dealt another blow by those government policies. Of course, they are unhappy. However, from our point of view, those external factors provide us with a constant momentum to find our way out. But still, Mr Albert CHAN, no measure will yield immediate result. After a long period of exploration, we took stock of the situation, and we managed to carve out a road. We see that this road is leading us forward; economic restructuring now becomes hopeful.

Our policy to leverage on our Motherland, under the unstinting support of the Central Authorities, has set our economy in motion. Therefore, despite the blow by the SARS outbreak, our economy is making a quick rebound. I am highly optimistic about the economy of this year and the next. May I ask Mr Albert CHAN, do you know the deflation rate in the past five and a half years? Our GDP deflated 21%. Do you know, even in 1929, during the great depression in the United States, the situation worldwide was not as critical? But this happened in Hong Kong. During the great depression in the United States, its GDP deflated by 26% and its unemployment reached 22%, a rather grave

situation. Therefore, I want all of you to know, we were up against an extremely unusual situation in the past five and a half years. But now, we have found the way out. We are getting out of the situation. I want all of you to know that.

Moreover, at that time, in the United States — we are in a very difficult situation — as you all know, the financial market and banking sector were in great troubles, and their unemployment rate exceeded 20%. However, in Hong Kong, despite the numerous problems like the SARS outbreak, our financial and banking systems are still functioning normally, our society is functioning and the Government is also functioning normally. The economic crisis is over, despite the fact that our unemployment rate has risen to 8.7%. Let me tell all of you, the people of Hong Kong should really be proud of themselves, not the Government but the general public. They should be proud of their unwavering endurance in coping with difficulties and carving out the road forward. We should never ever underestimate our recent achievements.

I want to tell you all, in the days to come, the economy is looking up. In this year and the next, the prospects will be good. In the medium to the longer term, the economy of the Mainland will boom, with the GDP quadrupling to \$4,000 billion. Hong Kong will certainly benefit from it. Therefore, it is most imperative that we must exert a collective effort to make a success of it. Since the public are concerned about the economy and their livelihood, we thus have the responsibility to do a good job in these areas. Whether I will go or stay, Mr Albert CHAN, it is really a trivial matter. It is so easy for me to go, as I have said so many times, but to stay, it is no easy task. *(Laughter)* It will take commitment; it will take a lot of dedication. I think I still have a lot of work to do, and I will continue. Thank you.

MR ALBERT CHAN (in Cantonese): *Madam President, the Chief Executive has touched loads of issues, such as economic recession and high unemployment rate, but he said as if he bore no responsibility for all these. His observation is right in the sense that other places in the world had never experienced these problems, these extremely unusual problems, but the fact is other places do not have a person like TUNG Chee-hwa. These many problems indeed originated from the Chief Executive himself. Chief Executive, you have identified the problems but made a wrong conclusion. If it is concluded that all these*

problems originated from you and that you are the main obstacle, will you again consider resigning from office, for your resignation is the demand of the people of Hong Kong? They urge you to resign from office as soon as possible. Your resignation brings the greatest hope for recovery. Will you consider this?

CHIEF EXECUTIVE (in Cantonese): Madam President, I do not think I will answer the question.

MR IP KWOK-HIM (in Cantonese): *Madam President, Mr TUNG's policy address is entitled "Seizing Opportunities for Development, Promoting People-based Governance". I would like to ask Mr TUNG how he interprets people-based governance. In his policy address, it is also said that the community will be allowed to take a respite and build up its strength. Does it imply that Secretary Henry TANG will not impose any increase in fees and charges and taxes in his Budget in March?*

CHIEF EXECUTIVE (in Cantonese): In fact, the Financial Secretary might have more complicated considerations than I do, for we really have to achieve a balanced budget in the year 2008-09. I believe this is the aspiration of all of us, and it is very significant to the stability of our financial systems. How should I put it? I would like to explain two points to Mr IP Kwok-him. Firstly, as the economy starts to pick up, our public revenue may increase, I thus think that we are now in with a chance. Why? Because there are only three ways to achieve a balanced budget, by increasing taxes and charges and by cutting expenditures, or by relying on the increase of revenue as a result of economic growth. With better economic growth, especially the gradual diminishing of deflation, I very much hope our revenue will increase. We will then have more room for manoeuvre, giving us the opportunity to take a respite and build up our strength. This is our overall direction. As for the juggling of figures, I will leave it to the Financial Secretary to explain to Members.

Secondly, I would also like to talk about how we can do a good job in enabling the people to take a respite and build up their strength, as well as promoting people-based governance. This is in fact very simple. Whether or not it is simple is not a matter of concern, it is the attitude we adopt that counts.

We have to put the interest of people at the forefront in every issue. We have to be modest, committed, candid, pragmatic and be open with the public, and try our best to listen to views from various sectors. Take the idea of "taking a respite and building up strength" as an example. As reflected by the lots of views I have listened to, we know that allowing the community to take a respite and build up its strength is very important, and thus we decided to adopt this idea. Therefore, I have to tell Members, from now on, we will attach more importance to public opinions. The improving economy has given us an opportunity to take a respite and build up our strength.

MR IP KWOK-HIM (in Cantonese): *I wish to clarify a point. Some members of the media said that originally the policy address was not entitled "promoting people-based governance", but "promoting democratic governance" instead. This may not be the case, for the Government has all along been promoting people-based governance, and just as Mr TUNG said, it has to listen to the people and put their interest at the forefront. However, concerning the promotion of democracy, may I ask Mr TUNG if he has anything to share with us?*

CHIEF EXECUTIVE (in Cantonese): Everyone aspires for democracy. The Basic Law has very clear stipulations. We will promote democracy in accordance with the Basic Law, and we will certainly do a good job in this regard. As I have said many times today, to start the constitutional review, we have to clarify the legal aspects as the first and fundamental step. This we have started, and I think it is very important.

PRESIDENT (in Cantonese): Mr Chief Executive, it is now four o'clock in the afternoon and you have answered 14 questions from Members. Will the Chief Executive allow two more Members to raise two more questions?

CHIEF EXECUTIVE (in Cantonese): Fine.

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

MR MARTIN LEE (in Cantonese): *Madam President, Mr TUNG, I am a Catholic, I know nothing about Taoism, and I am not going to urge you to resign. I thus hope you will answer my questions.*

You talked about the consultations on political system with the people of Hong Kong as if it was a legal matter. May I ask you, if the legal community in Hong Kong shares an undisputed opinion that Hong Kong can carry out the consultation on its own, and if the Central Authorities' opinion is on the contrary, you can assure the people of Hong Kong that you will not seek an interpretation of the Basic Law from the National People's Congress or its Standing Committee, which may once again injure the rule of law in Hong Kong? Can you make this undertaking?

CHIEF EXECUTIVE (in Cantonese): Mr LEE, I am neither a follower of Taoism nor a Catholic. I cannot foretell what is going to happen in the next few months. All I can tell you is that what we are doing now aims to gain a clear understanding of the review on political system we are going to launch. Before starting the review, we must first examine carefully the legal issues involved. We can only take the next step after detailed examination. I think this is entirely justified.

MR MARTIN LEE (in Cantonese): *Chief Executive, you are reluctant to make an undertaking on a question as simple as this. If anything, you may as well tell us when the SAR Government joined the electioneering team of CHEN Shui-bian to help him get re-elected?*

CHIEF EXECUTIVE (in Cantonese): I do not understand your question. But I want to tell you, the Taiwan issue is everyone's concern. I hope and wish you will share the hope for the early reunification of our country.

MR HOWARD YOUNG (in Cantonese): *Mr TUNG, I would like to raise a question, which consensus may have been reached, on an issue of three steps ahead instead of three steps behind. Several years ago, when documents on the Disney theme park were signed, many wished that the Individual Visit Scheme could be introduced in 2005. This was realized last year. However, I would*

like to ask Mr TUNG a question. According to the trade, though the Individual Visit Scheme has stimulated the business of different sectors, the hotel industry has indicated that its occupancy rate has only been pushed up by 1% despite the large influx of individual travellers. Airlines have also reflected that they cannot benefit from the scheme, for travellers take land transport to Hong Kong. In paragraph 25 of your policy address, you said that the Individual Visit Scheme would be extended further. May I ask Mr TUNG then whether the extension will be focused on cities at long range, provisioned with airports, and where the spending power of the people is higher? These factors may take a higher priority comparing to the mere extension of the scheme within Guangdong Province.

CHIEF EXECUTIVE (in Cantonese): Though tourists visiting Hong Kong do not take a plane or stay in a hotel, we all see that they can stimulate consumption in Hong Kong. I think the scheme will cover the entire Guangdong Province within the first few months, May indeed, this year. Regarding the extension of the Individual Visit Scheme to other places, we are continuing working on it. We will also listen to views of the trade to see which cities are better and should be covered by the scheme. However, I would like to tell you all, the two cities, Shanghai and Beijing, have great potentials and I do not think we have worked hard enough to attract more citizens from Shanghai and Beijing to come to Hong Kong. I hope the trade will also put in more efforts in this respect.

MR HOWARD YOUNG (in Cantonese): *As Mr TUNG mentioned Beijing, I know that members of the trade consider tourists from cities at long range and come by flight may generate higher financial benefits. However, people of some places may still have to take indirect routes to Hong Kong, and some airlines may even refuse to take those passengers. May I ask Mr TUNG, in respect of the annual discussion with China on flights between Hong Kong and the Mainland to be held next month, if he will ask the Secretary for Economic Development and Labour to lobby and work harder on behalf of all the airlines, both Mainland and Hong Kong, for an increase of the flight frequency?*

CHIEF EXECUTIVE (in Cantonese): We will work hard in this respect. This is good for Hong Kong. Thank you.

PRESIDENT (in Cantonese): Thank you, Mr Chief Executive, for answering questions raised by 16 Members. Nine other Members have been waiting for a long time, but they have not had the chance to raise their question this time. I hope these Members will have the chance to ask questions on the next occasion.

The Chief Executive will now leave the Chamber. Will Members please stand.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 14 January 2004.

Adjourned accordingly at eight minutes past Four o'clock.