

OFFICIAL RECORD OF PROCEEDINGS

Monday, 27 June 2005

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 JAMES TIEN PEI-CHUN, G.B.S., J.P.

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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

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

THE HONOURABLE MARGARET NG

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 CHAN YUEN-HAN, J.P.

THE HONOURABLE CHAN KAM-LAM, J.P.

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI, J.P.

THE HONOURABLE WONG YUNG-KAN, J.P.

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

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

THE HONOURABLE LAU WONG-FAT, 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 TIMOTHY FOK TSUN-TING, G.B.S., J.P.

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

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

THE HONOURABLE LI FUNG-YING, B.B.S., J.P.

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

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE FREDERICK FUNG KIN-KEE, J.P.

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

THE HONOURABLE VINCENT FANG KANG, J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LI KWOK-YING, M.H.

DR THE HONOURABLE JOSEPH LEE KOK-LONG

THE HONOURABLE DANIEL LAM WAI-KEUNG, B.B.S., J.P.

THE HONOURABLE JEFFREY LAM KIN-FUNG, S.B.S., J.P.

THE HONOURABLE ANDREW LEUNG KWAN-YUEN, S.B.S., J.P.

THE HONOURABLE ALAN LEONG KAH-KIT, S.C.

THE HONOURABLE LEUNG KWOK-HUNG

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

THE HONOURABLE CHEUNG HOK-MING, S.B.S., J.P.

THE HONOURABLE WONG TING-KWONG, B.B.S.

THE HONOURABLE RONNY TONG KA-WAH, S.C.

THE HONOURABLE CHIM PUI-CHUNG

THE HONOURABLE PATRICK LAU SAU-SHING, S.B.S., J.P.

THE HONOURABLE ALBERT JINGHAN CHENG

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

MEMBERS ABSENT:

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

THE HONOURABLE BERNARD CHAN, J.P.

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

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

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

THE HONOURABLE MIRIAM LAU KIN-YEE, G.B.S., J.P.

THE HONOURABLE MA LIK, J.P.

PUBLIC OFFICERS ATTENDING:

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

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

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

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, I.D.S.M., J.P.
SECRETARY FOR SECURITY

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 DONALD TSANG YAM-KUEN, ATTENDED TO ADDRESS THE COUNCIL AND 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, I was sworn in as the new Chief Executive of the Hong Kong Special Administrative Region (SAR) on the 24th of this month in Beijing. This is the first time I attend the Chief Executive's Question and Answer Session in my new capacity, so please do bear with me.

I have chosen to meet with Members at this first possible time because on the one hand, I wish to thank them for supporting me in the past and on the other, more importantly, I want to demonstrate with concrete actions the sincerity and determination of the Government to establish a cordial relationship between the executive and the legislature and also to communicate with the Legislative Council.

For quite some time, I have been doing some thinking on ways of achieving effective governance in Hong Kong and how those involved in governance can command the trust of the people. After a careful analysis of the political situation since the reunification and listening patiently to the views of various sides, I have come to one conclusion. Both the executive and the Legislative Council must be guided by the well-being of the masses and respond positively to their aspirations. There must be mutual understanding and accommodation as well as wholehearted co-operation between them before they can achieve effective governance in the SAR and used this as the basis for promoting the stability, prosperity and development of Hong Kong. It is only in this way that those involved in governance can command the trust and esteem of the people.

However, if the executive and the Legislative Council are constantly at loggerheads, failing to resolve their differences, then not only the Government but also the Legislative Council will suffer, for the former will be rendered unable to function effectively and the later will also find it impossible to further

the interests of its constituents. As a matter of fact, the endless disputes between the executive and the legislature over the past few years have already resulted in the grievous depletion of our internal political strength. Governance in the SAR has become very difficult. The people's trust in the Government, the Legislative Council and political parties is generally low and they also show a lack of confidence in the ability of those involved in governance. This is a most regrettable situation.

As the saying goes, "unity brings mutual benefits and division mutual harm". I believe that like me, Members all very much hope to rectify such a situation. Therefore, I am speaking here today with the precise purpose of expressing my personal view that the executive and the legislature should join hands to create a cordial relationship.

I observe that one major reason for the endless disputes between the executive and the legislature in the past is that apart from inadequate mutual trust, the Government and Members representing various political parties and factions all insisted on their respective political platforms. But who are actually right, or wrong? Which political platforms should be accepted as correct?

When I was campaigning for the office of Chief Executive, I put forward the concept of "people-based governance" in my political platform. The principle underlying my governance is to respond to the people's opinions, sentiments and aspirations in a sincere, pragmatic and objective manner.

The Central Policy Unit (CPU) of the SAR Government frequently conducts opinion polls and analyses to assist the Government in understanding the people's sentiments and grasping their opinions. The opinion polls conducted over the past one year or so all indicate a very clear trend: Since April 2004, the people have been attaching the greatest importance to stability. This is followed by prosperity, freedom and democracy, in that order. The combined percentage of those attaching the greatest importance to stability and prosperity even amounts to over 60% of all the respondents.

In regard to social issues, the findings of a survey in the middle of April this year show that the people are most concerned about economic issues (almost 50%). Next on the list are livelihood issues (nearly 30%), followed by political and environmental issues (about 10% combined).

In regard to public policies, the findings of another survey conducted in late April show that the people are most concerned about 11 topics out of the 25 policy topics covered in the survey. The rankings of the top 10 policy topics are as follows: 1. increasing employment opportunities and relieving unemployment; 2. upgrading the Government's ability of governance; 3. improving air quality; 4. reforming the public sector health care system; 5. the poverty problem; 6. improving the relationship between the executive and the legislature; 7. implementing small-class teaching in primary schools; 8. reforming the Comprehensive Social Security Assistance system; 9. renewal of old districts; and, 10. implementing central slaughtering of poultry and introducing an adjustment mechanism for bus fares that allows increases as well as reductions. The more controversial topics are "the enactment of legislation to implement Article 23 of the Basic Law" (position 18) and "the introduction of universal suffrage for the two major elections" (position 13). It is clear that the people attach the greatest importance to livelihood and economic issues. These surveys were all conducted by Hong Kong tertiary institutions commissioned by the CPU. The surveys were conducted independently, and the standard adopted was that a conclusion would be drawn only when there were verified responses from roughly 1 200 respondents. I think surveys conducted by anybody else, or any professionally reliable surveys, would have yielded the same findings. If Members think that the findings described above are unreliable, I welcome them to conduct their own surveys. But I am sure they will come up with just the same findings.

My policy agenda is based on the aforesaid public opinions. The order, or priority scale, of my policies is just the same as that mentioned above. "People-based governance" is the soul of my policy agenda. I am committed to building up a harmonious and stable society, focusing on economic and livelihood issues and responding pragmatically to the people's attitudes towards various public policies. I am glad to know that my policy agenda has won the approval and support of the majority of Hong Kong people and the Central Government, who both consider that it is in line with the current situation of Hong Kong and the practical interests and expectations of Hong Kong people. As the saying goes, "a journey of a thousand miles starts with the first single step". My colleagues and I believe that with the support of the masses, we are already endowed with the sound basis and pre-conditions of success in our undertaking of promoting Hong Kong people's well-being and also with the conditions necessary for honouring our pledge of being a "credible"

administration. However, I also realize that without the support of the Legislative Council, my efforts of governance will still be in vain and I will fail to live up to the expectations of the people and the Central Authorities.

Madam President, I do sincerely invite all Members to join our undertaking of working for the well-being of Hong Kong people and accept the people-based agenda as our common platform.

I realize deeply that differences in beliefs still exist between some Members and me, or there is still some sort of estrangement resulting from the historical past. However, I am convinced that on the basis of "one country, two systems", and as long as we can share the aspirations of the people and do our utmost to work for the well-being of Hong Kong, we will certainly identify common goals and missions. As long as everybody can attach the greatest importance to the well-being of the State and Hong Kong, as long as we can seek common grounds while tolerating differences, as long as we can minimize disputes and maximize consensus, we will certainly be able to make contribution to the prosperity and stability of Hong Kong and the well-being of its people. Together, we will also command the people's respect for and trust in the executive and the legislature.

In the months ahead, I shall get in touch with Members belonging to various political parties and factions and also independent Members to listen to and absorb their views on the policy address to be announced in October, so as to add finishing touches to my policy agenda. But in any case, the policy agenda is designed on the basis of what I have just mentioned. It will basically reflect public opinions in the hope of getting Members' support for our work in the future.

I am more than happy to take questions from Members.

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

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please leave the Chamber and bring the placard along with you.

MR LEUNG KWOK-HUNG (in Cantonese): Madam President, I only want to let the Chief Executive see this placard, though he may not have seen it.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please leave the Chamber and bring the placard along with you.

MR LEUNG KWOK-HUNG (in Cantonese): He is silent. Has he seen it?

PRESIDENT (in Cantonese): Chief Executive, you need not answer. Mr LEUNG, while other Members are waiting for their turn to ask questions, you have no right to do things your way

MR LEUNG KWOK-HUNG (in Cantonese): You asked me to rise, I didn't

PRESIDENT (in Cantonese): I ordered you to leave, but I did not ask you to speak. Please leave.

MR LEUNG KWOK-HUNG (in Cantonese): Fine, as long as he can see it. Has he seen it?

PRESIDENT (in Cantonese): This is not the question

MR LEUNG KWOK-HUNG (in Cantonese): Let it be.

PRESIDENT (in Cantonese): He needs not answer you because

MR LEUNG KWOK-HUNG (in Cantonese): He is oblivious to

PRESIDENT (in Cantonese): You are not observing the rules. This is a venue where rules must be observed. If you wish to ask a question, you should press the button like the other Members do and wait for your turn.

MR LEUNG KWOK-HUNG (in Cantonese): I didn't make any noise.

PRESIDENT (in Cantonese): Mr LEUNG, could you let me finish my point first?

MR LEUNG KWOK-HUNG (in Cantonese): Fine.

PRESIDENT (in Cantonese): Because you have already violated the Rules of Procedure. Members may employ the aid of articles when they make a speech in order to accentuate the effect. But you were sitting and holding a placard which carried a slogan. That act of yours is inconsistent with the Rules of Procedure. Therefore, I instructed the staff to request you to take away that placard, and had you obliged, the matter would have been settled. Out of respect for the Chief Executive, I did not wish to interrupt his speech. But you did not heed my request. Mr LEUNG, even now, you still do it your way, it does not seem proper.

MR LEUNG KWOK-HUNG (in Cantonese): While others like to use question marks, I prefer exclamation marks. What's the problem?

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please leave the Chamber and bring the placard along with you. Should you wish to enter the Chamber again, you may do so without the placard.

MR LEUNG KWOK-HUNG (in Cantonese): That placard

PRESIDENT (in Cantonese): I am giving you this opportunity.

MR LEUNG KWOK-HUNG (in Cantonese): No, Madam President. There are many people here, bringing along with them many things, even a pie. Mr TSANG is dishing out shares of the pie today. But why must I bring my placard out of the Chamber? Have you mistaken anything?

PRESIDENT (in Cantonese): Because you have violated the Rules of Procedure, I have to

MR LEUNG KWOK-HUNG (in Cantonese): You had better confiscate my placard. What reason do you have to require me to take it away? It is a personal belonging. The Secretary can bring along a PDA to play games. Secretary Prof Arthur LI once played computer games here. Why did you not confiscate it?

PRESIDENT (in Cantonese): Members

MR LEUNG KWOK-HUNG (in Cantonese): You haven't brought along the PDA today, lest it will be confiscated.

PRESIDENT (in Cantonese): Mr LEUNG, please be seated.

Members, I must settle this matter. I now suspend the meeting and I will talk with Mr LEUNG.

3.12 pm

Meeting suspended.

3.21 pm

Council then resumed.

PRESIDENT (in Cantonese): Members, I suspended the meeting because I wished to have a discussion with Mr LEUNG Kwok-hung outside this Chamber to see if he would be willing to accept my ruling and remove the placard from the Chamber, since such behaviour is inappropriate and disorderly. However, Mr LEUNG told me in my office that he would not accept my ruling. I will now give Mr LEUNG another chance and ask him if he is willing to accept the ruling that I have made.

MR LEUNG KWOK-HUNG (in Cantonese): Thank you, Madam President, but I will not. In fact, as I have said, I am entitled to the right to remain silent and display an article without speaking. Surely there is such a right in the world. It is not that I do not want to respect you, Madam President, but that I want to tell Mr TSANG that I will give equal treatment to Mr TSANG and Mr TUNG. On the last occasion, I said that a Chief Executive selected by 800 persons did not have the right to comment on matters here. This time, things are just the same but I just do not bother to make any more noise, so I just want to show him something. Little do I know that I'm not even allowed to show him something? Now I can only tell him, and I only want him to hear what is written on the placard. I definitely do not want to waste Members' time: "Taking part in a small-circle election is worse than being swine and dogs....."

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung.....

MR LEUNG KWOK-HUNG (in Cantonese): ".....collusion between the Government and business will not be countenanced by providence; introduce universal suffrage; return power to the people....."

PRESIDENT (in Cantonese): Please show your respect for the Legislative Council. It is necessary to observe the rules of the Legislative Council. In view of your behaviour, I demand that you withdraw now.....

MR LEUNG KWOK-HUNG (in Cantonese): But I want to say to Mr TSANG that.....

PRESIDENT (in Cantonese): You need not come back insofar as today's meeting is concerned. In fact, as a Member of the Legislative Council, you have a lot of opportunities to ask the Chief Executive questions.....

MR LEUNG KWOK-HUNG (in Cantonese): This is not so.

PRESIDENT (in Cantonese):and meet the Chief Executive, but you.....

MR LEUNG KWOK-HUNG (in Cantonese): I wrote a letter to the Chief Executive on 1 April and many Members have seen it, but he did not reply.

PRESIDENT (in Cantonese): Mr LEUNG, I do not think that we should.....

MR LEUNG KWOK-HUNG (in Cantonese): He did not give me any reply really.

PRESIDENT (in Cantonese):argue about what you think is right. All in all, according to the rules.....

MR LEUNG KWOK-HUNG (in Cantonese): No, I just want to.....

PRESIDENT (in Cantonese): I now ask you to withdraw. I now ask you to withdraw.

MR LEUNG KWOK-HUNG (in Cantonese): Justice is in people's mind. I sent a letter to Mr TSANG on 1 April but he did not give me a reply.....

PRESIDENT (in Cantonese): Mr LEUNG, please withdraw now.

MR LEUNG KWOK-HUNG (in Cantonese): There is little else that I can do. I have to tear up his policy platform in protest. A Chief Executive selected by 800 people.....

PRESIDENT (in Cantonese): Please withdraw now so that we can continue with the Question and Answer Session.

MR LEUNG KWOK-HUNG (in Cantonese):should not speak here. Thank you, Madam President. I still think that a Chief Executive selected by 800 people is not returned by an election. This is an insult to Hong Kong.....

(Mr LEUNG Kwok-hung left the Chamber then)

PRESIDENT (in Cantonese): I now invite the Chief Executive to come into the Chamber again. Will Members please rise and remain standing.

PRESIDENT (in Cantonese): The Chief Executive will now answer questions raised by Members. A Member whose question has been answered may ask a short follow-up question.

MS LI FUNG-YING (in Cantonese): *Madam President, first of all, I would like to extend my congratulations to Mr TSANG.*

Mr TSANG has a very long service in the Civil Service and many civil servants hold high expectations of him, hoping that he can know better what they think and what they want. May I ask Mr TSANG what concrete measures he has in mind to improve the relationship between the Civil Service and the Government?

CHIEF EXECUTIVE (in Cantonese): The civil service system in the SAR is sound and well-established. Each and every civil servant will discharge his

duty in a professional manner. The Government will act according to established policies which have been clearly defined and tackle problems with a rational approach. As for issues of concern to civil servants, they are handled in accordance with the relevant procedures. Discussions will be held between the Civil Service Bureau and the parties concerned as per the established procedures. The issues may include those on civil service pay, conditions of service as well as all other topics which have been under discussion. These will continue to be done according to these procedures. I trust what the civil servants want is that their Government will continue to act in a rational manner and discuss problems with them according to established procedures. I am confident that an amiable relationship can exist between both parties.

MS LI FUNG-YING (in Cantonese): *Madam President, Mr TSANG, currently the Court of Final Appeal is hearing the case filed by civil servants on the pay cut proposed by the Government, may I ask Mr TSANG if he would make a pledge to the civil servants to the effect that irrespective of the ruling by the Court of Final Appeal, the Government will abide by it and will not seek any other means of redress so as to take the first step in improving the relationship between the two parties?*

CHIEF EXECUTIVE (in Cantonese): I think that before a ruling is made by the Court, it would not be appropriate for us to pass any comments on what decision the Court is going to make. Besides, I believe I will certainly respect the Court's opinion. As to what we are going to do next, we will study the ruling made by the Court before we decide to do anything. Of course, I am aware that civil servants are very concerned about this and so is the SAR Government. I think any solution put forward will be done in a rational manner.

MR CHAN KAM-LAM (in Cantonese): *Madam President, Mr TSANG, please allow me to congratulate you on your being elected as the Chief Executive.*

CHIEF EXECUTIVE (in Cantonese): Thank you.

MR CHAN KAM-LAM (in Cantonese): *A while ago, Mr TSANG made in the beginning of this session a comment that there were endless disputes between the legislature and the executive authorities. Indeed what a Member of the legislature has done today has brought the legislature into disgrace. Over the past eight years, Hong Kong faced a monumental economic adjustment and the middle class had been dealt an unprecedented blow financially. After Mr TSANG has been elected the new Chief Executive, I think people from the middle class would pin high hopes on him and as Mr TSANG has proposed that efforts should be put to develop the economy and build a harmonious society, I think that the middle class would agree to these.*

The middle-class people hope that the Government, in the course of administration, will not only assist the disadvantaged groups in society but also care about how the contribution made by the middle class in various aspects can be valued. Mr TSANG, may I ask how in the future you would truly listen to the voice of the middle class?

CHIEF EXECUTIVE (in Cantonese): Speaking of the middle class and the professionals, I think that their views are very important to us as we think about our next step in administration and prepare new agenda items. I have said in my election platform that I would hope to revamp the existing advisory boards and statutory bodies which encompass the Executive Council, the Commission on Strategic Development as well as all other advisory boards. I also hope that in the process more members of the middle class, especially professionals, will be recruited. That will ensure the policies devised can reflect the views of this backbone of our society. The Home Affairs Bureau has some special discussion groups at present and it is my wish that they can be expanded so that their network can include more middle-class organizations in Hong Kong. I also hope that the existing policies and the measures to be taken will enlist the support of more members of the middle class in Hong Kong to the policies we wish to take forward and that these middle-class people are convinced that these policies can at least represent their interest as a whole.

MR CHAN KAM-LAM (in Cantonese): *Madam President, Mr TSANG, you have talked about creating a post for the so-called administrative assistant.*

May I know if this is a move to involve more middle-class people in public affairs?

CHIEF EXECUTIVE (in Cantonese): My idea does not have a direct relationship with this. I believe any work in the Government, especially on giving assistance, can be done by middle-class people. My concept of an administrative assistant is related to what I have outlined in the several reports on constitutional development, especially in the Second Report, that we should recruit and groom political talents for the future and on the development of political groups, and so on. We think that studies should be made to maintain a long-standing, sustainable and stable political system. From my experience, many people may be very experienced in dealing with business in the community, in the Legislative Council or in some advisory bodies, but as participants in politics and those who really work or involve in business in the Government, they must gain the experience of undergoing all kinds of tests and trials before they can reduce risks in a political career. I therefore hope that such opportunities can be offered to young people dedicated to carve a lifelong career in politics and that they can be involved in this work, that is, to work in the Government and meet the challenges there. These people may come from the Civil Service, the business sector, the academia, political groups or whatever group they may belong. This is a personal idea of mine. I hope to gain Members' support in this. But the targets we have in mind are not just confined to a certain group of people. I hope we can groom political talents for the next generation and these talents should be recruited not for the civil service system alone. This is what I have in mind and I think many of these people will come from middle-class families.

MR LAU WONG-FAT (in Cantonese): *Madam President, the Chief Executive has said that he wants to build a harmonious society and that his government will be people-oriented. In this respect, the District Councils in the 18 districts throughout Hong Kong with some 500 members are in the front line and at the most basic level and they can assume an active and progressive role abreast of the times. May I ask the Chief Executive if he would expedite the examination of the functions and powers of the District Councils with a view to expanding them and enhancing the support given to members of District Councils so that district administration can fulfil the policy objectives you have set out and meet the needs of social development?*

CHIEF EXECUTIVE (in Cantonese): In my opinion, the operation of the District Councils as an institution is ongoing and it cannot be made to stay at a certain level. On the questions of how its operations can be expanded, what needs to be done and the pace for it, and so on, all these should be worked out through the discussions we will conduct while bearing in mind the deployment of resources. I think Chairman LAU Wong-fat knows a lot about this and we can talk about it later to see what is most appropriate and especially on what can hopefully be achieved during this two-year term of my office. I would be glad to talk and listen.

MR JASPER TSANG (in Cantonese): *Madam President, the Chief Executive said at the beginning of this session earlier that he would deliver his policy address in October. With respect to this, we came to learn about this for the first time through media reports at the time when he ran in the election. As the Chairman of the Legislative Council Committee on Rules of Procedure, at that time I came to know some opinion on this which was about whether or not the matter would warrant a discussion by Members immediately to see if any adjustments would be required. This is because over the past three years, the Chief Executive had delivered his policy address in January. Has the Chief Executive made a formal announcement to the Legislative Council that the policy address will be delivered in October? I would like to hear from the Chief Executive what in his view are the advantages and disadvantages of delivering a policy address in January or October and why does he think that it should be October? Does it mean that he will do the same in future, that is, during his term of office, to deliver his policy address in October?*

CHIEF EXECUTIVE (in Cantonese): I stated this decision clearly when I stood for the election and I have also informed Members of this intention today. This morning I asked the Director of Administration to formally notify the Legislative Council of this. I hope to deliver the policy address in its first meeting when the Legislative Council resumes this October. This decision is not only my personal choice. I think that this is in line with the views expressed by a majority of Members of this Council to the executive authorities. I think there are both advantages and disadvantages to this decision and Members are well aware of these and so I would not repeat them here. The question is how this would suit all Members. I think Members would support this decision of mine for the main reason that there are only two years in my term of office. So I

hope very much to tell Members clearly as soon as possible about what I set out to do during my term of office. I hope work can commence at the soonest. I think I cannot commence work today because I have yet to discuss with the principal officials and put them in the picture. However, I hope after the summer recess is over by October, it would be the best time. It is my wish not just to deliver the policy address in October this year but also in October next year. In other words, during my term of office I will deliver my policy address in October every year. As to what will happen afterwards, this would have to be decided by the next Chief Executive.

MS EMILY LAU (in Cantonese): *Madam President, I am very glad to see the Chief Executive come to the Legislative Council to attend a Question and Answer Session so soon after he has assumed office. I hope he would come here more often — more often than Mr TUNG did.*

Madam President, a few days later will be 1 July and we hope very much that many people will come out on that day to take to the streets and fight for dual elections by universal suffrage. The Chief Executive has just said that the authorities did a survey in late April and found that in the priority list given by the people, the wish for dual elections by universal suffrage only ranked the 13th. May I ask the Chief Executive whether he still recalls last year when after the Central Authorities had rejected dual elections by universal suffrage, hundreds of thousand people still took to the streets? Is the Chief Executive saying that many of these hundreds of thousand people have made a U-turn and they have given up the hope that there should be universal suffrage in Hong Kong? Will the Chief Executive act on our behalf and inform the Central Authorities of the aspiration of the people of Hong Kong?

CHIEF EXECUTIVE (in Cantonese): What I have just said is a fact and it is the finding of an independent survey, not a personal view of mine. What I have done is to tell Members what exactly is found in the survey. Among the list of priorities accorded by the people of Hong Kong, it is ranked in that position. As for the march on 1 July last year, it was indicative of the wish of many people. The reasons they took to the streets last year could well be the ones which I have listed, that is, economic conditions, stability reasons, the shrinking of people's wealth and downturn in the property market at that time, plus the unemployment problem, SARS, the problems in governance then and the

legislation on Article 23 of the Basic Law, and so on and so forth. All these caused a lot of grievances among the people and so that was the outcome.

I therefore believe that the finding of the survey cited by me is an objective fact. Having said that, I think it is a personal choice by the people of Hong Kong to take to the streets on 1 July. They are free to do so and I would not pass any judgement here. But I think that this year the people would feel better somewhat than last year. They may still have many reasons to be unhappy, but if they think that taking to the streets on 1 July would best express their wish, then they are of course free to do so.

As for the opinions of Hong Kong people, I think the Central Authorities are perfectly clear about them. As for me, I would make use of every opportunity available to relay all the wishes of Hong Kong people, especially their aspirations for democracy, in their entirety to the Central Authorities so that they will know. I will certainly keep on doing that.

MS EMILY LAU (in Cantonese): *Madam President, the Chief Executive may have mixed up the marches over the last two years. The march last year had only one theme and that was to fight for elections by universal suffrage in 2007 and 2008. For last year, though some people might have gone to the march for economic reasons, there was only one theme to the march. Madam President, people did not go to the march last year because of the enactment of legislation on Article 23. This, I reckon, was what happened the year before last. But that does not matter. What I would like to ask the Chief Executive is: Is he saying that many people have made a U-turn? For the hundreds of thousand people who took to the streets last year, have they now given up the fight for dual elections by universal suffrage? In addition, will the Chief Executive conduct an independent survey to see whether or not the people of Hong Kong still want to have dual elections by universal suffrage in 2007 and 2008? This will help the Chief Executive ascertain the wish of Hong Kong people. And when the Chief Executive went to Beijing lately, did he pursue with the Central Authorities that there should be dual elections by universal suffrage in 2007 and 2008?*

CHIEF EXECUTIVE (in Cantonese): On the last occasion when I went to Beijing to accept my appointment, I did not mention the issue of dual elections by universal suffrage in 2007 and 2008. As stated in the decision made by the

Standing Committee of the National People's Congress in April last year, to have elections in 2007 and 2008 by universal suffrage is not to be desired. I had discussed this point with Members earlier and so I did not pursue the matter of dual elections by universal suffrage in 2007 and 2008. Also, I am not saying that the people of Hong Kong have made a U-turn. Every person in Hong Kong knows what they want to do. I just want to make one point and that is, if Hong Kong people are unhappy, they have many ways to show it and going on a march is one of them.

MR LAU CHIN-SHEK (in Cantonese): *Madam President, when I nominated Mr TSANG to stand for the election, I said that I had some expectations. Today, Mr TSANG has become the Chief Executive. And my expectation now becomes a demand — for minimum wage and restrictions in working hours. I think Mr TSANG knew when he visited the various districts that the wages which many wage earners got was so meagre that it was not enough for them to make ends meet and many of them had to work for more than 66 hours a week. Also, I also mentioned that people of different political views ought to be tolerated, institutions like the Special Branch in the police should not be revived, there must not be a clamp down on dissidents, and that there must be an open political environment, and so on. With respect to all these, would Mr TSANG care to give a definite reply?*

CHIEF EXECUTIVE (in Cantonese): On the questions of a minimum wage and standard working hours, I have talked about them before and engaged in a public debate with Members. When I stood for the election, I had talked with Members when I met them. We have some forums where employers and employees can discuss these major issues in the hope that a consensus can be forged.

The Government is aware of the plight of the wage earners if wages are falling all the time. That is why the Government has adopted standard contracts when works projects are granted. It is hoped that subvented institutions can follow suit and hence the working class can be protected.

As working hours and minimum wage are big issues, so if the entire community is to agree on them, that entails legislation, very careful discussions

and consensus of many parties. The Labour Advisory Board (LAB) has begun to discuss these issues. If and as necessary, we may also discuss the issues at another level. What I wish to say is that issues of such grave consequences like these must require a consensus. And when we are to discuss these issues we must consider the fact that any minimum wage imposed may impact on the employment situation. We must make sure that no new measures will affect the employment situation. This is because among the concerns of the people which I have mentioned, the employment problem is more important. Besides, I have no plans whatsoever to set up a new government body now to put dissidents under special surveillance.

MR LAU CHIN-SHEK (in Cantonese): *In his reply just now, Mr TSANG talked about discussions at another level. Could he tell us what in fact are discussed at another level and what is the timetable for these?*

CHIEF EXECUTIVE (in Cantonese): I think the most important point is for the LAB to discuss these issues first and if this fails, we will consider what can be done next. Now the LAB has representatives from both the employers and employees and any discussion on these issues must embrace representatives from all stakeholders before any positive outcome can be obtained. Let us not say so early that they will fail in their discussions. I hope they can be allowed to discuss these issues first, and I also hope a consensus can be reached.

MR SIN CHUNG-KAI (in Cantonese): *Madam President, I would also like to congratulate Mr TSANG on his becoming the Chief Executive.*

Chief Executive, you pay much attention to the relationship between the executive authorities and the legislature. More than a month ago, the Legislative Council passed a resolution which was supported by the big political parties and it was on increasing the allocations (a telephone rang) of the income from the investment of the Exchange Fund (a telephone rang) to our Government — that was not the ring of my telephone. (Laughter) I would like to ask the Government what it will do to respond to the demand of the Legislative Council. Actually, Chief Secretary.....Chief Executive, you know that in 1998 when you were the Financial Secretary, you introduced a tax cut and that was

welcomed by the people. In 2003, the former Financial Secretary Antony LEUNG made the opposite move and raised the taxes. If a greater share of the investment income from the Exchange Fund can be allocated to the Government, it can enable a reduction in the taxes raised so that they can be reverted to the level of 1998. I do not know if the Government will make a positive response to that. It is important that, besides improving the relationship between the executive authorities and the legislature, things can be done to respond to the middle-class aspiration for tax reduction.

CHIEF EXECUTIVE (in Cantonese): This is exactly what I have said. Maybe it is because of a difference between our agendas. Mr SIN, I think the motion has drifted away from the stable and harmonious situation which the people of Hong Kong would aspire to see, especially sound public finance. We must think of ways to align motions moved by Members of this Council and their political platforms with our own political platform and the political platform of the people. The Member concerned proposed to use the Exchange Fund for a one-off use or spending. This is not what the people want and it is something we find hard to comply. So our task is to find common views and preferences so that what we do will tally with what the people want to do. In the 10 priority tasks I read out earlier, there is no such policy or move. I hope Members can understand that the reason for our past disputes is what Members insisted might be different from public opinion. In all the things which you and I do, they must meet and reflect public opinions. It is in this way that we can get the approval and support of the people and we will not lose the trust they place in us. I think that we should all do more in this respect.

MR SIN CHUNG-KAI (in Cantonese): *The Chief Executive might have been very busy during the election and so he overlooked what the items discussed in this Council. We did not discuss using the Exchange Fund. We only proposed to allocate more investment income of the Exchange Fund to the Government. This is the first point. The second point is that I am not sure whether or not in your survey you have asked the people if they agree that a greater share should be allocated from the investment income of the Exchange Fund. Will your Central Policy Unit add this item in your next survey so that the people can know the effect of allocating more investment income of the Exchange Fund to the Government? In the 10 priorities which the Chief Executive has mentioned,*

many of them would have financial implications, such as the one on enabling the people to lead a stable life, and so on. It would not be too good if the Government rejects this idea without conducting a survey. The Government has not conducted any survey on this. In the survey conducted by the Government, there was no item on dual elections by universal suffrage in 2007 and 2008. But this item could well rank first among the priorities accorded by the people. May I know if you would conduct a survey on this? Would you conduct a survey on allocating a greater share of the investment income of the Exchange Fund?

CHIEF EXECUTIVE (in Cantonese): I have said earlier that we conducted a survey on dual elections by universal suffrage. The accrued surplus which Mr SIN has mentioned is part of the Exchange Fund. So I was not wrong in what I said. I would like to remind Members, and this is a view I hold, that using the Exchange Fund is a major move and it has tremendous implications on the stability of our economy. We must not use it without a good reason. I have a very firm belief on this and I will unlikely make this move.

MR TOMMY CHEUNG (in Cantonese): *Mr TSANG, congratulations. On behalf of the catering industry, I would like to extend their congratulations on your election.*

We in the catering industry have certain expectations of you because the catering industry has been so much persecuted by the Government of late. (Laughter) You have mentioned things like people-oriented governance, using the public sentiments as the basis and share the wish of the people, and so on. But you have failed to mention that food is the first thing that comes to the mind of the people. (Laughter) So may I ask Mr TSANG, after his assumption of office as the new Chief Executive, if he would consider in the next two years granting an exemption to trades seriously affected by the anti-smoking law, especially the mahjong parlours, sauna parlours, karaoke lounges and bars, so that they can be exempted from enforcement of the anti-smoking law?

You have also mentioned central slaughtering a while ago. The Government has always been saying regional slaughtering, not central slaughtering. If live poultry is not offered for sale in the wet markets, the business conditions there would deteriorate greatly. This would create a very

adverse impact on the entire catering industry. Could you share with us how you would look at policies in these two areas?

CHIEF EXECUTIVE (in Cantonese): With respect to the anti-smoking policy, this has undergone very detailed discussions and it has been deliberated on many occasions in the Legislative Council as well. The policy is consistent with the findings of numerous surveys conducted in Hong Kong. And it also reflects the public opinions. As to the special difficulties in enforcement, I believe Mr CHEUNG would look into them with the departments concerned. But personally, I will act in accordance with the view of the majority public in Hong Kong. In this regard, the policy in question seems to reflect what the majority of the people in Hong Kong think. We know that the catering industry is an important pillar of our tourist industry and it is a key to our success. I would therefore lend my full support to the catering industry as well as to all work done about it.

MR TOMMY CHEUNG (in Cantonese): *Madam President, Mr TSANG has not made a reply on central slaughtering and regional slaughtering and the policy regarding the sale of live poultry in wet markets.*

CHIEF EXECUTIVE (in Cantonese): The policy regarding live poultry has been discussed on many occasions here. My view on this is similar to that held by my colleagues. The policy should be examined and then consultation should be held. What we want to know is whether or not central slaughtering will be a success and whether or not this is a commercial activity that the Hong Kong people can support. If so, then it seems to suggest a way to solve the problem. Live poultry is a good thing to the catering industry, but we must also weigh against the risk carried by live poultry. Our policy in this regard is very clear. Now we can still have imports of live poultry and personally I hope that this situation can be maintained forever. But should there be signs that it would lead to greater risks and endanger public health, then we will have to think up other plans. This subject has been discussed in this Chamber many times and we are all aware of the existing arrangements. It is our intention to continue with this situation. We would encourage central slaughtering and regional slaughtering in the hope that there would not be a massive outbreak of avian flu. Should this

happen unfortunately, we will take more proactive steps to address the problem. This is the strategy we have in mind.

DR RAYMOND HO (in Cantonese): *Madam President, please allow me to raise a question of some length.*

I would like to ask Mr TSANG, the Chief Executive, a question on the problem of unemployment which is a focus of public attention. In these few years, the engineering and construction industry which employs 300 000 workers has been carrying an unemployment rate which stands at two and a half times that of the overall unemployment rate in Hong Kong. The overall unemployment rate of Hong Kong is 5.7%, but that of our industry is still 14% or 15%. Findings of a recent survey indicate that ours is a most unhappy industry. If the average household size is taken to be 3.5 persons, then we are facing a situation of 1 million people being affected by unemployment. So this is not a problem peculiar to an industry alone. It is a problem affecting the community. The Government pledges that there will be infrastructure spending to the tune of \$29 billion a year, but that does not help things very much. Workers are unemployed or underemployed, engineers in consultant firms, contractors and even those in the public works departments are worried by their job security and some are forced to switch to other occupations. Young engineers cannot find any jobs after obtaining their professional qualifications. Engineering graduates.....

PRESIDENT (in Cantonese): You have spoken in great detail already, would you please raise your question?

DR RAYMOND HO (in Cantonese): *I am almost there. Engineering graduates cannot find a job in the industry and so the Government and the private firms are all facing the threat of a manpower gap. When the incumbent Chief Executive Donald TSANG was soliciting for nominations to run the Chief Executive election campaign, he said that he understood the plight of the engineers and hoped that after he had assumed office, he would deal with projects involving recurrent expenditure such as those of the former Municipal Councils. May I ask Mr TSANG, the Chief Executive, how he would honour these pledges?*

CHIEF EXECUTIVE (in Cantonese): The resources which the Government will put in infrastructural projects each year are \$29 billion and the amount is not subject to any change. However, the problem we face now is with the contents. This is because the projects usually undertaken are major infrastructural projects rather than building construction projects. That is why many workers are facing a problem in employment. This is indeed a fact. In this regard, I would like to do something. First, we hope to encourage private sector investment in infrastructural projects while a certain pace of development is kept in building construction. This will result in a higher level of employment in the industry. Second, we will look at some small and medium-sized projects, especially those left over by the two former Municipal Councils. Such projects would be welcomed in the construction industry as they are likely to provide more job opportunities. I will see if there are some ways of fast-tracking these projects. Some of the existing projects fail to commence promptly because commitments have to be made in recurrent expenditure. I will see if there are ways to overcome this problem so that these projects can be launched. Talking about the input of resources, though the figure is about \$29 billion as well, content-wise I would very much like to see more construction workers get jobs as a result.

PRESIDENT (in Cantonese): Dr HO, please be brief in your follow-up question.

DR RAYMOND HO (in Cantonese): *I will be very brief. Mr TSANG has talked about projects of the two former Municipal Councils, but the information we got from the Government is that only a small number of such projects will commence in 2008. Could Mr TSANG expedite the progress of these projects?*

CHIEF EXECUTIVE (in Cantonese): I will deal with it as fast as possible. But right now I have not yet seen the latest report on this. At the time when I left the Civil Service, I had asked that this problem be looked into. I think I will examine the issue again in the next two months. My goal is to get these projects launched as soon as possible.

MR LAU KONG-WAH (in Cantonese): *Madam President, it is true that Hong Kong people attach great importance to the agenda of democratization, but they*

attach far greater importance to stability and prosperity in Hong Kong. As the Chief Executive, your task will be to work out the constitutional arrangements for Hong Kong and what do you think are the fundamental distinctions between a politician and a maverick politician?

CHIEF EXECUTIVE (in Cantonese): In either case the word in English is "politician". As for the Chinese meaning, I think Members could make a much better explanation than I can and I do not think I need to dwell on lengthy and complicated explanations of words. *(Laughter)* Maybe we can get some scholars to enlighten us on this and that will be much better than having me to offer an explanation on this. *(Laughter)*

MR LAU KONG-WAH (in Cantonese): *Madam President, this is a question with substance. My question is, speaking about constitutional arrangements, there are bound to be some differences between these two terms. In terms of Chinese and as Mr TSANG has said, there is a certain difference when these two terms are used. Then in terms of constitutional arrangements, and especially under such special circumstances, what in your opinion are the differences? As a politician, what arrangements would you make?*

CHIEF EXECUTIVE (in Cantonese): I do not understand your question. You have been beating about the bush and I do not see your point at all. What I wish to say is, constitutional development is a most natural thing and so we must look at it as such. It must not be seen only from the eyes of a politician or from those of a maverick politician. In terms of the pace of constitutional development, the wording used in the Basic Law is clear enough. What we should do is to consider the pace as favoured by the public now, see what the Central Government has to say on it, and then handle the matter according to the design and framework enshrined in the Basic Law. The whole matter should be agreed by these parties before work can proceed. This is the most correct approach to it. It does not really matter if a person sees himself as a true politician or a maverick politician. The most important thing is that he can approach the subject with equanimity and act as a Hong Kong person would act. This is also how I tackle this issue.

DR YEUNG SUM (in Cantonese): *Madam President, the Chief Executive says that he will pursue strong governance and once policy decisions are made, they*

will be put into practice without delay. Recently, you made a visit to Kennedy Town in Western District. We can see from the television that the flooding problem there is acute with water coming down like a waterfall. What measures does the Chief Executive have in mind to solve the flooding problem in Western District fast and effectively?

CHIEF EXECUTIVE (in Cantonese): What happened in Western District this time was not flooding on a large scale. It was caused by a sudden rainstorm of once-in-a-century proportions. It was high tide at that time and rain water could not flow quickly into the sea. These happened all of a sudden. Some residents were affected in the incident and I had met them. Some shops were affected as well but not too badly. Now a large-scale infrastructural project in this regard has commenced and tender is being invited. I believe should flooding happen again — I hope it would be 100 years from now — the flooding will be much less serious than the last one. The rain at that time was really heavy but it was not so destructive as the buildings are constructed well and so is the design of the drains. As far as I see, even if flooding occurs again in Western District, it would not be very serious.

I am not saying that this problem is not important. I have instructed colleagues in the Drainage Services Department to upgrade projects pending listing in the public works programme to category A or category B projects as soon as possible so that they may commence quickly. However, such incidents happen only once in a century and we hope they will not happen so soon again. If similar things do occur, I hope at least a flooding problem of this scale would occur only after the project is completed.

DR YEUNG SUM (in Cantonese): *Madam President, I am afraid the Chief Executive has not done his homework too well. He may have been affected by words like "once-in-a-century flood". The point is flooding has always happened in the Kennedy Town area in Western District for the main reason that the drainage system in Central and Western District and Kennedy Town have aged and fallen out of repairs. The problem is made more acute by the surge in population there. After we have made the demand to the Government, it has undertaken to design a big rain drain cutting through Central and Western District. But works will not commence until 2007 and it is a few years from now. Would the Chief Executive therefore talk with his colleagues to speed up the construction of this big rain drain?*

CHIEF EXECUTIVE (in Cantonese): In fact I have. That day I discussed with colleagues in the Drainage Services Department on this issue and they are now thinking of ways to speed up the project.

MR JEFFREY LAM (in Cantonese): *Madam President, please allow me to offer my heartfelt congratulations to Mr Donald TSANG. On the day you were elected, some people said that it was raining heavily in Hong Kong again. But I am very happy as today we can have a bright and sunny day. It has been weeks since Hong Kong last saw this. I hope it is a good omen for fair weather in the economy.*

PRESIDENT (in Cantonese): Please put your question direct. *(Laughter)*

MR JEFFREY LAM (in Cantonese): *Madam President, we are all concerned about economic problems in Hong Kong. The economy has picked up over the past few month. But problems like how the economy is to be made better and developed, and how foreign investment and tax revenue are to be increased are still matters of great concern to the business sector. May I ask the Chief Executive, in the area of tax revenue, how he is going to look into the question of broadening the narrow tax base in Hong Kong? The business sector lends its great support to the measures you have put forward to enable the economy to power ahead, but for measures affecting the small and medium enterprises (SMEs) such as minimum wage, we think that a great impact will be caused. This is why we hope you would rethink on this.*

CHIEF EXECUTIVE (in Cantonese): I know very well that people from all quarters have different opinions on the subject of minimum wage. In this regard, I think both the employers and the employees are clear about their respective positions. On the one hand my sympathies go to the employees as wages have been falling all the time, and on the other, I can also see that the SMEs do have a very frail ability to withstand big changes. We have to strike a balance, a proposal that we all accept. This would be the best. Speaking about the investment conditions in Hong Kong now, they are really excellent. But as to tax concession matters, these will have to be decided by the Financial Secretary. However, I believe if our economy continues to pick up and if it can

meet our forecast of a 4.5% to 5.5% growth in the GDP, then things will really look good for our tax regime. This is because it can not only get us out of the reds but also leave some room to the Financial Secretary to consider concession plans. The Financial Secretary has mentioned this point in the Budget this year and I am just repeating his point.

MR JEFFREY LAM (in Cantonese): *Madam President, may I ask the Chief Executive how a good balance can be struck between increasing revenue and cutting expenditure?*

CHIEF EXECUTIVE (in Cantonese): On the question of cutting expenditure, the Government has been doing quite a good job. The civil service establishment has been reduced from 180 000 people to 160 000 people and the target will be met very soon. Wages are put under control. There has been downsizing in the Civil Service like what happens in the private sector. We have all gone through hard times in this context. We will try our best to maintain the good results. It remains of course, that when the economy picks up, we should be mindful of the expenditure while also reward those who deserve it as far as the financial situation allows. We need to maintain continued efforts in matters about increasing revenue and reducing expenditure.

PRESIDENT (in Cantonese): Mr Chief Executive, it is now two minutes past four o'clock in the afternoon. Earlier on I spent some 10 minutes to attend to some internal matters. Actually, we have 37 Members wishing to ask questions today. Will the Chief Executive please take six more questions? Since you have answered 12 questions already, if six more are taken, that will make a total of 18.

CHIEF EXECUTIVE (in Cantonese): Fine.

MR PATRICK LAU (in Cantonese): *Madam President, my question will be shorter than that of Dr Raymond HO. (Laughter) My congratulations to Mr TSANG, but I will not be "shining any shoes". (Laughter)*

I have actually prepared many questions, but I heard the Chief Secretary for Administration — oh, I should call him the Chief Executive — remark that the people's greatest concern is the issue of employment. Mr TSANG, as I have learnt from my discussions with you, you consider the launching of public works projects as the best means of tackling the serious unemployment in the construction industry. You have talked about the Tamar site, that is, the projects on constructing the Central Government Complex and the Legislative Council Building.

I also support such an idea. However, as I have recently learnt from media reports, Mr TSANG now thinks that there may be a need for financing and thus the support of the Legislative Council if the projects are to be successfully completed. He is thus a bit worried.

In this connection, may I ask the Chief Executive whether he has worked out any concrete plan for his idea of developing the Tamar site? Besides, does he also think that thoughts should be given to these projects again, so as to improve the employment and economic conditions of Hong Kong as a whole?

CHIEF EXECUTIVE (in Cantonese): My position on the two Tamar site projects has not changed, is still exactly the same as what I said during my discussions with Mr LAU. Mr LAU, I said at that time that the prospects for these two projects could be reviewed to ascertain whether there was any possibility of reopening discussions on them. Honourable Members do not need to worry so much. Today is my first working day as the Chief Executive, but the President of the Legislative Council has already sent me a letter, requesting me to review the Tamar site projects. This is exactly what I also think.

I believe that when we review the projects, our most important consideration should be whether or not there will be any problems with financing. I know that there will be economic benefits because we will be able to vacate the prime site currently occupied by the office blocks of the Government Secretariat. The economic return will be enormous. The only problem is whether or not there will be any difficulties in financing. The matter must therefore be considered by the Financial Secretary. But I promise that I will re-examine the projects.

MR PATRICK LAU (in Cantonese): *Madam President, I hope that the Chief Executive can give us an answer as soon as practicable in the coming two years. Can he provide us with a timeframe?*

CHIEF EXECUTIVE (in Cantonese): Sufficient preparations for these projects have already been made. The only outstanding problem is financing. I suppose in the Budget next year, we will be able to see whether the problem of financing can be solved. When it comes to this problem, I must give the Financial Secretary sufficient leeway in the course of consideration. I think both Members and government officials actually have the same wish. But it must be borne in mind that nothing can be possible without any "cash", so we must wait to see whether there can be any forthcoming "cash".

MS AUDREY EU (in Cantonese): *Madam President, when he spoke just now, Mr TSANG mentioned a certain consultation exercise or opinion survey, saying that the enactment of legislation to implement Article 23 of the Basic Law ranked the 18th on the priority list of policy issues. I suppose this may reflect people's thinking that there is already sufficient protection for national security. However, when Mr TSANG met with a group of Election Committee members recently, he remarked that the bill tabled before the Legislative Council in 2003 for passage still contained loopholes, so it could not provide sufficient protection to national security. I know that Mr TSANG has disclosed that no legislation will be enacted to implement Article 23 of the Basic Law in the coming two years. However, I believe that people will still want to know what loopholes he was referring to. If loopholes could still be found, why did the Executive Council still decide unanimously on 5 July 2003 to put the bill before the Legislative Council on 9 July for passage?*

CHIEF EXECUTIVE (in Cantonese): I do not want to talk about any past events, and I am sure everybody knows the whole picture very well. I am not the only one who thinks that the provisions of the Bill are not satisfactory enough. Ms EU also thinks so, and so do the Article 45 Concern Group and many others. Therefore, I was simply reflecting the general opinion of people, and of course, I myself also detected certain inadequacies in the bill. The important point is that we need not discuss this issue any further for the time being. Members of the public do not want us to discuss this issue so soon, and I

do not want to dwell on it here either. In the coming two years, I will not take any actions on this issue unless there are very special reasons.

MS AUDREY EU (in Cantonese): *Madam President, by saying that there are inadequacies in the bill, we do not mean that it is unable to protect national security; rather, we mean there is insufficient protection for human rights and freedom. This is entirely different from what Mr TSANG says. May I therefore ask him in what ways the bill is unable to protect national security? I think Mr TSANG knows only too well that the Central Authorities and Hong Kong do define national security differently. The case of CHING Cheong is a good example. I hope Mr TSANG can explain how the people of Hong Kong, especially media workers, can still be protected given the difference in interpretation?*

CHIEF EXECUTIVE (in Cantonese): Madam President, the greatest assurance I can offer is that in the coming two years, I will not reopen any discussions on the enactment of legislation to implement Article 23 of the Basic Law. As for the actual contents of the bill in the future, we may hold fresh discussions. I understand that the enactment of local legislation to implement Article 23 of the Basic Law is the responsibility of the Chief Executive, but I do not think that there is enough time left. Besides, people do not support any enactment of legislation at this stage. This was exactly what I meant when I said that this issue ranked the 18th on the priority list of policy issues. I do not want to take any more actions on this issue for the time being unless there are any special incidents or reasons. That being the case, I think this is the greatest assurance I can offer to the people of Hong Kong, for they will not have to worry about this issue at least in the next two years. When the time for discussions really comes — I know that we are obligated to hold such discussions one day — the SAR Government will certainly take concrete actions. However, we may have to wait until after 2007 before we tackle this issue again. For this reason, Members need not worry about anything in these two years, nor do they need to raise this issue for discussions in the current Session.

MS AUDREY EU (in Cantonese): *The Chief Executive has not answered the part of my question on CHING Cheong. I do not think that he can wait two more years.*

CHIEF EXECUTIVE (in Cantonese): The part related to CHING Cheong is not a follow-up question. It is another question, a new question. *(Laughter)*

PRESIDENT (in Cantonese): It appears the Chief Executive is also qualified to be the President of the Legislative Council. *(Laughter)* But we cannot quite say that this is not a follow-up question. Very often, I will ask government officials whether they have anything to add in response to Members' follow-up questions. Therefore, I will now ask the Chief Executive whether he has anything to add. As for how the Chief Executive is going to give his answer, it is up to him to decide.

CHIEF EXECUTIVE (in Cantonese): I am more than happy to give an answer. I was just trying to say that I would only reply to a follow-up question. *(Laughter)*

The case of CHING Cheong is a concern to Hong Kong people and also my concern as the Chief Executive. I am well aware of the very strong views expressed by the mass media and professionals. But I must say that if we want the Mainland to respect our legal system, we must likewise respect theirs. Last Thursday, when I went to Beijing, the first thing I did was to make a representation to Mr LIAO Hui. He responded positively, saying that he was aware of the case. During my discussions with him, he showed a very good understanding of the whole picture. He told me that he would follow up the case closely and make prompt enquiries with the relevant authorities, assuring me that the case would be handled in accordance with the law. I think he has already given me an undertaking. This is the progress of the case so far. I also believe that the truth of the case will be known very soon.

MR JAMES TIEN (in Cantonese): *Madam President, and Chief Executive. First of all, on behalf of the Liberal Party, I wish to offer our formal congratulations once again to you, Mr Donald TSANG, on being elected the new Chief Executive.*

The Chief Executive mentioned earlier on that the greatest concern of Hong Kong people now is economic development. This is precisely the greatest concern of the Liberal Party and also the area we are best at. I wish to ask the

Chief Executive one question. When it comes to the co-operation between political parties and the Government, or the co-operation between the Liberal Party and the Government, we know that there are a number of channels, such as joining the Executive Council and the Commission on Strategic Development or working as administrative assistants, but all these channels aside, the Liberal Party thinks that during the process of policy formulation (for example, the formulation of policies on food labelling and a total smoking ban), it will be most important for Bureau Directors to conduct several rounds of interactive communication with Legislative Council Member, especially those representing the affected sectors, before making any final decisions. Does the Chief Executive think that this proposal is feasible in the next two years of his governance?

CHIEF EXECUTIVE (in Cantonese): It is feasible, and we should do this. Whenever we want to move any new motions, we must communicate adequately not only with major political parties on good terms with us but also with Members holding dissenting views. But I must say that it will be especially important for us to secure the support and votes of political parties friendly to us. We realize that we must make more efforts in this. *(Laughter)*

MR JAMES TIEN (in Cantonese): *Madam President, the Chief Executive has not answered my question. My question is just about whether or not the Government will conduct several rounds of interactive communication with Members representing the affected sectors, in contrast to the case of deducting five offence points for jumping a red traffic light, in which Ms Miriam LAU was informed only after the decision had been made.*

CHIEF EXECUTIVE (in Cantonese): On specific incidents in the past, it can be noticed that there have in fact been many rounds of interactive communication in such cases. The only problem is that sometimes, when we put forward views disliked by Members, they do not seem to hear anything. They can only receive opinions they like. This does not matter, but I only wish to tell Mr TIEN that my goal is just the same as his, that is, I also see the need for conducting more exploration and maximizing consensus. I hope that the proposals we tabled for discussions can receive the approval and support of all Members on friendly terms with us. Naturally, this will be possible only when there is a consensus, and the formation of a consensus will in turn require

thorough communications and exchanges. In brief, he and I do share the same view. And, in regard to policies that are already being implemented, Mr TIEN should appreciate that I cannot possibly intervene midway lest this may end up calling for fresh discussions. However, for the introduction of new policies, my colleagues and I all hope that there can be sufficient communication before they are tabled before the Legislative Council for enactment of legislation or a decision.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, Mr TSANG mentioned earlier on that he would take concrete actions to improve the relationship between the executive and the legislature. May I ask Mr TSANG how his concrete actions will differ from those mentioned by Mr TUNG? One reason for the tension between the executive and the legislature in the past was that the views of the Legislative Council as a representative institution were given no respect at all. Can Mr TSANG undertake that in the future, he, as the Government, will respect, accept and implement the motions passed by the Legislative Council under the system of separate voting and also make them part of government policies?*

CHIEF EXECUTIVE (in Cantonese): I think I have already demonstrated my determination by concrete actions. Saturday was my first working day as the Chief Executive and today is just the second one, but here I am already, meeting with all Legislative Council Members. I hope that Members can recognize my sincerity. This is only the first time, and I hope that in the next two years, I can have more opportunities of communication with Members. I further hope that all our new policies can receive Members' support.

Mr CHEUNG, as far as I can notice, the crux of the problem is actually related to what I said earlier, that is, when it comes to your political platforms or our political platform, we must not insist that you must be right or we must be right. All of us here must heed the voices of the masses in the end. What I made it a point to state earlier are in fact the views expressed to us by the masses. My point is that all of us must scale down our own demands and try to find out what the people want instead. If a motion passed by Legislative Council Members is in line with public opinions, we will certainly listen to the relevant views carefully and accept them as much as possible. This is my promise. However, there must always be the backing of public opinions and Members must not pass a motion simply because of any special or isolated incident, or

under the influence of any emotive outburst. Things like this did happen before, but I do not wish to talk about them now. I only wish to point out that I will prioritize our policies within the framework of public opinions. If Members can do the same, I believe that there will certainly be fewer disputes and greater chances for the executive to accept Members' motions. The Legislative Council is the most important institution. I will definitely respect your views. But everything must be based on public opinions. This is how you want things to be and how we want things to be as well.

MR CHEUNG MAN-KWONG (in Cantonese): *Madam President, just who are supposed to make any ruling on what the mainstream public opinions are? If the Chief Executive thinks that the Legislative Council is a representative institution, with directly elected Members chosen by the people and functional constituency Members representing important functional sectors, then does he think or will he rule that the motions passed by the Legislative Council under the system of separate voting are representative of public opinions? Will he accept and enforce those motions which are passed and representative of public opinions?*

CHIEF EXECUTIVE (in Cantonese): I believe that such motions will be most credible, very authoritative and influential. However, as Members are also aware, under our political establishment, the SAR Government is always the final decision-maker in policy formulation. I will certainly respect Members' views, and I do not wish to see any rejection by the SAR Government of a motion unanimously passed by Members on the basis of public opinions. I do not wish to see such a situation.

MR TAM YIU-CHUNG (in Cantonese): *Thank you very much. Although I do not "shine any shoes", I will not demote Mr TSANG to the Chief Secretary for Administration. (Laughter) I wish to ask a question on the people's livelihood. During his election campaign, Mr TSANG often went walkabout to learn more about the people's life. But have you ever been to a hospital late at night to see for yourself*

CHIEF EXECUTIVE (in Cantonese): A hospital?

MR TAM YIU-CHUNG (in Cantonese): *Yes, have you ever been to a general out-patient clinic to see for yourself how people have to queue up for consultation? Many elderly people and chronic patients often have to wait at these clinics for four to five hours despite inclement weather. They may have to start queuing up at general out-patient clinics long before the rooster crows, before the sun rises and before people wake up. May I ask how the Government thinks about this? How is it going to improve the situation? Will the Chief Executive go to one of these clinics to look at the situation?*

CHIEF EXECUTIVE (in Cantonese): I also have some understanding of our health care services. I do know that general out-patient clinics are very important to certain elderly people. However, in the case of some elderly people wishing to see a doctor, seeking consultation may not necessarily be their sole purpose. There may be other reasons of a psychological nature. These elderly people may simply keep seeking consultations, switching from one clinic to another. I suppose you should also be aware of such a situation.

You advise me to have a look at the situation myself. I should perhaps select a few clinics and then find some time to go there with you in the morning. You may then notice that many elderly people are in the habit of visiting one clinic on a certain day and then going to another the following day. They will chat with their "buddies" after their consultations and go together for morning tea in a Chinese restaurant afterwards. This is the situation. I am not saying that all elderly people behave like this. But this is the situation in many cases. We really need to hold discussions on and give thoughts to how we can possibly utilize our health care resources properly. I think Secretary Dr York CHOW is also concerned about this problem and he will conduct studies on it. Have our health care resources been abused in any way? How can we utilize our resources in a way that best suits the needs of the people? This is the most important question.

MR TAM YIU-CHUNG (in Cantonese): *Madam President, maybe the Chief Executive has never been to these places to look at the situation, so he thinks that elderly people are having a very easy time. There,*

CHIEF EXECUTIVE (in Cantonese): Yes, I have. Once I did not feel well, so I sought consultation at the Violet Peel Clinic.

MR TAM YIU-CHUNG (in Cantonese): *I suppose it must be no fun at all to be in these clinics late at night. No one will probably stay there just to meet friends and then go to a Chinese restaurant after getting a chip. The matter cannot be as simple as this. But anyway, I will be more than happy to go to these clinics with the Chief Executive, so as to look at the situation there. However, members of the public are in the meantime very worried, because it seems that we may have to face an increasing burden of health care expenditure but a declining standard of service in the future. How can we solve this problem?*

CHIEF EXECUTIVE (in Cantonese): I do not think that there is any deterioration of service quality. We do not have any evidence of this. It is true that health care services are a bit stretched now, because there is a great problem of financing. This calls for a whole body of enquiries and is a big problem that I cannot avoid tackling in my two-year term.

Health care financing is a problem that society as a whole must address. At present, our health care spending amounts to some 13% or 14% of government resources and this may even rise at an alarming rate, because Hong Kong is faced with an ageing population. This is indeed a great problem requiring lots of studies and enquiries. However, there has been no deterioration of service quality so far. There are of course problems with the Hospital Authority, and I think that they must be tackled gradually.

Health care is indeed a very big livelihood issue that we must handle. As I have mentioned, if there is any special need for improving clinic services, I am prepared to join hands with Members to work out the best possible solution.

PRESIDENT (in Cantonese): Last question.

MR FREDERICK FUNG (in Cantonese): *Thank you, Madam President, for permitting me to catch the last train. First of all, I wish to congratulate Mr Donald TSANG on being elected the Chief Executive. Mr TSANG has always given us the impression that he attaches very great importance to free market principles. Sometimes, he even makes us feel that he cannot see or cannot see enough of the difficulties faced by the grassroots. Years ago, for example, in his capacity as the Financial Secretary and the Chief Secretary for*

Administration, he advocated many policies on creating high-tech and high-skilled jobs requiring high educational qualifications. Although we basically support such policies, we must nonetheless point out that not enough assistance has been offered to low-skilled workers with a low level of educational attainment who have already reached their forties or fifties at this very time of economic restructuring.

Earlier this year, the Commission on Poverty (the Commission) was set up by the Government. Many people thus think that the Government is really determined to assist the poor. But then we notice that the Financial Secretary, as the Chairman of the Commission, has only announced, after making so many efforts, that the several dozen million dollars of revenue from the Personalized Vehicle Registration Marks Scheme would be allocated to the Commission. Yes, it is just several dozen million dollars, and the sum can only be made available a year later. It is thus inevitable for people to have the feeling that the Financial Secretary is just like "a clever housewife who has no rice to cook a meal". People are not sure whether the SAR Government is prepared to provide sufficient support to the Commission. May I ask Mr TSANG to tell us his ideas and policies on assisting the poor? May I also ask him to tell us the amount of resources that the Government will allocate to assisting the poor, so that the work can be done well, or still better?

CHIEF EXECUTIVE (in Cantonese): I do not think that we should be talking about resources here. The Government must never try to assist the poor using its own resources, for this is doomed to failure, just like pouring sand into the sea to reclaim land. We should instead consider how jobs can be created by economic growth. In other words, it is more important to help the unfortunate, to enable them to live a better life, by applying micro-economic initiatives. If Mr FUNG has any specific proposals, I suppose he must raise them with the Financial Secretary for consideration. The Government must not rely solely on its own resources, or on increasing tax revenue for the specific purpose of assisting the poor. All this will not succeed, is doomed to failure. I believe that with our collective wisdom, we will certainly succeed in working out various ways to improve the current situation. The wealth gap in Hong Kong now is largely attributable to its immigration system. Those coming from the Mainland to live in Hong Kong are mostly people with little education and bargaining power, and this has lowered the levels of our market wages. Our most important concern, I venture to think, should not be whether they can get

any well-paid jobs on arrival here. Rather, it is more important for us to consider whether they can climb up the social ladder five years down the road. I think the work of assisting the poor will become much more effective if it can be viewed from such a perspective. I do not buy the idea of assisting the poor by giving them financial assistance. I do not think that this is the intention of either the Financial Secretary or Members. What are involved are not any free market principles. It is just a question of effectiveness.

MR FREDERICK FUNG (in Cantonese): *Chief Executive, we also agree that resources should not always be taken to mean money. Resources should also mean whether there is the provision of employment opportunities, whether there is a sufficient variety of jobs, whether there are enough job-creation projects and even the availability or otherwise of a government policy on assisting the poor. Such a policy is in itself a kind of resource. This is what I mean by resources. But I still wish to raise the point that the Financial Secretary has managed to make available a mere sum of several dozen million dollars only after all his hard efforts over the past eight or nine months. That being the case, as the new Chief Executive, can you tell us whether you have any integrated concepts or policies on assisting the poor? Or, do you actually have other different views? I am not asking the Chief Executive to offer a detailed explanation. But I still hope that you can say a few words on what can be considered as a means of assisting the poor.*

CHIEF EXECUTIVE (in Cantonese): As far as this task is concerned, I suppose you should have confidence in the Financial Secretary, for he is the person in charge. On my part, I suppose I can do several things, those things that I have already mentioned. Construction workers, for example, are the worst-hit in the labour sector. I may therefore consider how certain medium- and small-scale projects can be launched as soon as possible to create job opportunities. This is what I do.

Besides, we must make special efforts to help the disadvantaged social groups, the elderly and the mentally handicapped, so as to prevent them from dropping through the poverty net to a worse state. This is something that society should do. Regarding overall policies, we may make adjustments or redeploy resources to alleviate the present wealth gap. This is a matter of macro policies, so we must rely on the collective wisdom of the Financial

Secretary and other members of the Commission. What I can do is to identify the worst-hit areas in the context of individual policy areas and then consider what further efforts we can make. This is my thinking.

PRESIDENT (in Cantonese): I wish to thank the Chief Executive for answering the questions of 18 Members. But there are still 19 Members who have not an opportunity to ask their questions. I hope that the Chief Executive can attend Questions and Answers Sessions more often and extend their duration. In this way, Members will have more opportunities to raise questions.

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

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 29 June 2005.

Adjourned accordingly at twenty-four minutes past Four o'clock.