

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 14 October 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 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.

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 CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, J.P.

THE HONOURABLE CHAN KAM-LAM, J.P.

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

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI, J.P.

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

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 LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

THE HONOURABLE MIRIAM LAU KIN-YEE, 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 MA LIK, 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 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 MARGARET NG

THE HONOURABLE WONG YUNG-KAN, J.P.

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

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

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

DR THE HONOURABLE YORK CHOW YAT-NGOK, S.B.S.
SECRETARY FOR HEALTH, WELFARE AND FOOD

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 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.....

MR LEUNG KWOK-HUNG (in Cantonese): Madam President, I have to complain.

PRESIDENT (in Cantonese): Only procedure matters are allowed to be raised here. If you have any complaint, you may lodge it with me after the meeting. Please be seated first.

MR LEUNG KWOK-HUNG (in Cantonese): Just now, when I presented something to Mr TUNG on behalf of the public, two men stopped me with violence. I asked them who they were. They said they were bodyguard. I do not know what bodyguard was. I only heard the term bloody guy. Inside the Legislative Council, there are some people of unclear identity.....

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

MR LEUNG KWOK-HUNG (in Cantonese): I thought that inside the Legislative Council.....

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, today is the Chief Executive's Question and Answer Session. If you have any complaint, I will handle it, but you should not use the time of other Members.....

MR LEUNG KWOK-HUNG (in Cantonese): No.....

PRESIDENT (in Cantonese): Members have waited for a long time for an opportunity to put questions to the Chief Executive. Please be seated first.

MR LEUNG KWOK-HUNG (in Cantonese): Will you answer one question of mine? I was blocked by two men who claimed to be bodyguards, or bloody guys instead, I did not hear it clearly. I asked them who they were; I almost wanted to beat them. They said they were bodyguards or bloody guys. Are they bodyguards or bloody guys.....

PRESIDENT (in Cantonese): It is now the Chief Executive's.....

MR LEUNG KWOK-HUNG (in Cantonese): The Chief Executive stood right behind the two men.....

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, I really have to.....

MR LEUNG KWOK-HUNG (in Cantonese): Are these two men bodyguards of the Chief Executive? Could bodyguards of the Chief Executive treat a Member with violence inside the Legislative Council? I was staging a peaceful petition just now, and I carried no weapons.

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

MR LEUNG KWOK-HUNG (in Cantonese): No, it is an insult to the legislature.

PRESIDENT (in Cantonese): Will you please listen to me first?

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

PRESIDENT (in Cantonese): We will certainly follow up the incident after the meeting, for Members of the Legislative Council.....

MR LEUNG KWOK-HUNG (in Cantonese): Are these two men his bodyguards or bloody guys?

PRESIDENT (in Cantonese): Even if you want to ask this question, it is not the right time for it now. You may wait until it is your turn. You have to queue up; all Members have to wait for their turn to raise questions.

MR LEUNG KWOK-HUNG (in Cantonese): The Chief Executive saw the incident. Do I have to deal with the Chief Executive on the incident again in future? The Chief Executive saw the incident.

PRESIDENT (in Cantonese): If you insist to act like this, I will regard you as.....

MR LEUNG KWOK-HUNG (in Cantonese): Madam President, may I ask whether such act should be regarded as an insult to the dignity of the Legislative Council? There are two unidentified men saying that they are bodyguards or bloody guys.

PRESIDENT (in Cantonese): You have said this phrase already; in fact, you have repeated it three or four times.....

MR LEUNG KWOK-HUNG (in Cantonese): No.....

PRESIDENT (in Cantonese): We all heard the phrase you used.

MR LEUNG KWOK-HUNG (in Cantonese): I would like to ask whether these two men are bodyguards. If so, should he not control them? Why could they treat a Member in such a manner? I just want to present something to him.

PRESIDENT (in Cantonese): Even if such an incident did happen, should you not allow all Members to raise questions about livelihood issues before I handle your case? Should this be the way? Should issues related to the public come before that of Members of the Legislative Council?

MR LEUNG KWOK-HUNG (in Cantonese): No. So, you should rule now whether this is the case. As the Chief Executive is here now, are those two men his bodyguards? They may not be bodyguards; they may be officers of the Ministry of State Security.

PRESIDENT (in Cantonese): At today's meeting, I will not make this ruling. I have told you once, twice and now thrice that.....

MR LEUNG KWOK-HUNG (in Cantonese): Then, it is invalid to.....

PRESIDENT (in Cantonese): This is the third time I tell you that I will handle the incident after the meeting.....

MR LEUNG KWOK-HUNG (in Cantonese): For there are two men with no passes.....

PRESIDENT (in Cantonese): Will you please stop wasting our time, for this is a time for Members to put questions to the Chief Executive on issues relating to Hong Kong.....

MR LEUNG KWOK-HUNG (in Cantonese): It is simple. When a Member of a legislature came to the Council, he was caught hold of by two men of unknown identity.....

PRESIDENT (in Cantonese): Honourable Members, I am sorry. I am afraid I cannot preside over the meeting any longer under this circumstance. I have to wait until Mr LEUNG Kwok-hung stay quiet, I thus suspend the meeting.

(Mr LEUNG Kwok-hung took the seat)

PRESIDENT (in Cantonese): You have sat down. You are going to stay quiet, are you not? You are not going to stand up again, are you?

MR LEUNG KWOK-HUNG (in Cantonese): I will not stand up. I can say nothing since you are not listening.

PRESIDENT (in Cantonese): Alright, please be seated. The meeting will now continue.

PRESIDENT (in Cantonese): Chief Executive, will you please first address the Council.

PRESIDENT (in Cantonese): Yes.

MR JAMES TO (in Cantonese): I am not sure if Mr LEUNG Kwok-hung meant that

PRESIDENT (in Cantonese): If you are talking to me, will you please stand up

MR JAMES TO (in Cantonese): I am sorry. As far as I understand it, Mr LEUNG Kwok-hung meant that if Members were intimidated inside the Legislative Council and that the intimidation persisted, it might be a problem. This includes the case that Mr LEUNG Kwok-hung considered being offended by two men who might be a menace to him. For in the Legislative Council,

Members should be able to speak his or her mind freely, fearless and dauntless. If Mr LEUNG Kwok-hung's complaint involves the case that he is threatened by these two men who he perceives of unknown identity at this very second, then, I think, the President may have to look into the matter.

MR LEUNG KWOK-HUNG (in Cantonese): In the Legislative Council

PRESIDENT (in Cantonese): Honourable Members, I am sorry. I now declare the meeting suspended.

3.12 pm

Meeting suspended.

3.20 pm

Council then resumed.

PRESIDENT (in Cantonese): Members will please remain standing for the Chief Executive.

PRESIDENT (in Cantonese): Chief Executive, the meeting had to be suspended owing to some incidents. Could we start afresh from here in counting the time for this session?

CHIEF EXECUTIVE (in Cantonese): Fine.

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

CHIEF EXECUTIVE (in Cantonese): Good afternoon, Honourable Members. I am glad to come to the Legislative Council today and have an open dialogue with Members for the first time this term. I have met the majority of Members before and we have had preliminary discussions on topics of common concern. Regarding the proposals and requests put forward by Members, we have made arrangements and asked the Secretaries concerned to study and consider them fully before conducting further discussions with you. Among the issues are those involve complex policy directions and allocation of significant interests in terms of resource utilization, some of which have gone through many lively discussions over a protracted period and have often produced opposing points of view. The Government will discuss these problems and seek consensus with Members as well as the community in an open and sincere manner.

Today, I would like to respond briefly on a number of proposals submitted to me by Members. First, quite a number of Members have raised concern about the Central reclamation. They are worried that there may be a considerable increase in the number of multi-storeyed commercial buildings in the new reclaimed area in the future. I fully appreciate the concern of Members. I would like to stress that we have no choice but to carry out the Central and Wan Chai reclamation to alleviate the increasingly serious problem of traffic congestion. I can assure Members that any land from the new reclamation will, except for recreational grounds to enable public access the harbour front, only be used to a limited extent, for low-density commercial use such as sight-seeing points and catering facilities, for the enjoyment of patrons of the waterfront promenade.

Moreover, I would like to point out that some Members have mentioned to me that nothing has been heard about a number of studies on projects commissioned by the two former Municipal Councils. I have directed the Secretary for Home Affairs to follow that up closely. Dr Patrick HO will carefully consider the opinions gathered from members of the public in various districts and the needs for recreational facilities and produce a list within three months before giving a detailed explanation to the relevant panel of this Council.

In addition, some Members have also asked the Government to appoint more representative members in order to put due emphasis on the consultative framework. In fact, we already have plans to appoint more capable people from the middle class and professionals, including more women and young people, to become members of the major advisory committees. The Chief

Executive's Office will scrutinize the recommendation list of appointees submitted by the bureaux and closely follow the general rule that any appointee who accepts the offer shall not hold membership of more than six committees, issues with which each Member is concerned and the rule that the term of appointment for each committee shall not be more than six years.

Some Members have also mentioned to me the lack of a complete advisory committee in the medical and health structure. I have related this view to Dr York CHOW, our new Secretary, and asked him to review and strengthen the present structure as soon as possible in order to ensure that there is a representative advisory committee to advise the Government on long-term medical and health policies.

I have given the above examples to show Members our new way of administration and our sincerity to enhance co-operation with the Legislative Council. Members have given a lot of invaluable opinions to the Government and we shall certainly follow them up.

When I met Members previously, I mentioned three main tasks of the Special Administrative Region (SAR) Government. First, we must redouble efforts in assisting economic restructuring so that the grassroots can also enjoy the fruits of economic recovery. Second, we must try our best to work on the constitutional development for 2007-08. Third, we must try to improve our administration, so that we can "sense the urgency that the people sense and think in the way they think" more effectively. We shall have discussions in future on these three tasks in the Legislative Council and listen to the opinions of Members the best we can.

Today, I would like to account to Members the last point, that is, some thoughts on improvement to our administration. The guiding principle of the SAR Government is to implement people-oriented policies. I, together with the Secretaries of Departments and Directors of Bureaux, must listen to how the people feel about public affairs more carefully. I shall seek to understand public opinion on policy enforcement more directly in order to "sense the urgency that the people sense and think in the way they think". We have, therefore, proposed that Secretaries may soon conduct regular district visits in a variety of ways. Individual Secretaries can directly meet with residents and concern groups in the districts in the near future and talk with them on policy issues which fall under their purview in order to listen to them and improve

administration. Besides, through district visits, individual Secretaries will be able to pay attention themselves to issues with which the residents and district groups are concerned and where necessary, relay them to the Policy Bureaux and assist the District Officers to make improvements. The proposed plan will be co-ordinated by the Secretary for Home Affairs.

In addition, we are discussing with Radio Television Hong Kong in order to make arrangements for our Secretaries to attend public affairs programmes on a regular basis to explain policies and foster communication with the public, so that they can keep a closer tab on public sentiments. The details of this initiative will be co-ordinated by the Director of Information Services and the Director of Broadcasting. Later on, I shall commence consultation on the policy address. I shall invite Members to a meeting to share with me their opinions on the policy address for the coming year. In future, besides maintaining an open dialogue with Members in the Legislative Council on a regular basis, I shall meet with you more often to ensure truly smooth co-operation between the executive and the legislature for the benefit of the community. Thank you.

PRESIDENT (in Cantonese): Thank you, Chief Executive. Before Members ask the Chief Executive any question, I would like to spend some of Members' time and say a few words. I notice, inevitably, that Mr LEUNG Kwok-hung's T-shirt carries some slogans. According to the Rules of Procedure of this Council, members of the public in the Public Gallery are not allowed to display slogans. Having read the Rules of Procedure, I found no such restriction on Members. However, the Rules of Procedure were formulated by Members who were aware that they were expected to display a higher standard of conduct than the general public. Therefore, I wonder if Mr LEUNG Kwok-hung can cover up his slogans so that this issue can be dealt with. What do you think, Mr LEUNG Kwok-hung?

MR LEUNG KWOK-HUNG (in Cantonese): I wear this T-shirt because I want the Chief Executive to see the slogan — to vindicate the 4 June incident and return power to the people.

PRESIDENT (in Cantonese): Fine

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

PRESIDENT (in Cantonese): Fine, please be seated first. I understand that you want the Chief Executive to see that and I believe the Chief Executive has seen it

MR LEUNG KWOK-HUNG (in Cantonese): Did he see it?

PRESIDENT (in Cantonese): If you are not willing to take this off or cover it with a jacket not taking it off but just cover it with a jacket, (*laughter*) I am adding a touch of humour.

MR LEUNG KWOK-HUNG (in Cantonese): I would like Mr TUNG to understand that this is the heartfelt desire of the people of Hong Kong. I

PRESIDENT (in Cantonese): Mr LEUNG, please be seated first. You will have an opportunity to raise your question, by then, you may speak your heart.

MR LEUNG KWOK-HUNG (in Cantonese): I am afraid he cannot see it. Do you see it? Do you need to put on your glasses?

PRESIDENT (in Cantonese): The Chief Executive has replied that he could see it.

MR LEUNG KWOK-HUNG (in Cantonese): Thank you.

PRESIDENT (in Cantonese): If you are willing to co-operate to cover your slogan up, our staff member will give you a jacket. It does not matter if you are not willing to do so, for I will then refer the case to the Committee on Rules of Procedure for follow-up.

PRESIDENT (in Cantonese): The Chief Executive will now answer questions 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. These have all been set out in the Rules of Procedure.

PRESIDENT (in Cantonese): Members who wish to raise questions will please press the "Request-to-speak" button. Now, 23 Members have pressed the button to wait for their turn to raise questions.

MR ALBERT CHENG (in Cantonese): *Chief Executive, I am glad to be able to hold an open dialogue with you..... I thought my voice was loud enough. (Laughter) Chief Executive, I am glad to have the opportunity to have an open dialogue with you.*

Let me just illustrate the communication problem with several examples drawn randomly. Mr TUNG stressed communication with the Legislative Council and the public on different occasions and in his address just now. I would like to cite a few incidents relating to your communication problem. Nowadays, it is a prevailing trend that whenever we mention communication, the focus will fall on the communication between Members of the Legislative Council of the democratic camp and the Central Authorities. In fact, the primary duty of Members of the Legislative Council is not communication with the Central Authorities. Indeed, you, as the Chief Executive of the SAR, should act as the bridge of communication between the people of Hong Kong and the Central Authorities. However, the recent arrangement regarding the press conference announcing the appointment of Dr York CHOW as the Secretary for Health, Welfare and Food, which ended up as a clanger, is a full demonstration of the serious communication problem between you and the Central Authorities. This is the first point I would like to make.

Second, before and after the elections of chairmen of the Finance Committee and other major committees of the Legislative Council, including the Panel on Constitutional Affairs, and that of the Public Accounts Committee to be held soon, the Liaison Office of the Central People's Government in the Hong Kong SAR intervened without any intention to avoid suspicion, assuming the role of co-ordinator. The Liaison Office has actually bypassed the Chief Executive's Office. This speaks clearly that the trust of the Central Authorities in you is

wearing thin, and that they cannot but intervene direct in the operation of the Legislative Council. Actually, being the head of the executive, you have a serious problem in communicating with the Legislative Council, for example.....

PRESIDENT (in Cantonese): Mr CHENG, I am sorry, you have spoken for three minutes.

MR ALBERT CHENG (in Cantonese): *I am giving some examples. You have not told me that there is a time limit.*

PRESIDENT (in Cantonese): The reason is that 23 Members are still waiting for their turn.

MR ALBERT CHENG (in Cantonese): *Can I finish my example?*

PRESIDENT (in Cantonese): You should make it short

MR ALBERT CHENG (in Cantonese): *Alright, I will make it short.*

PRESIDENT (in Cantonese): For if you speak too long, other Members will not have the chance to raise their questions.

MR ALBERT CHENG (in Cantonese): *I will try to make it short. Thank you, Madam President. Excuse me, Chief Executive, I will now continue. (Laughter) Let us come back to the example of communication with the Legislative Council. I am not sure whether you know that in different election forums held during the election campaign for the Legislative Council Election, we, the pan-democratic camp, had seldom mentioned you, as I was told that they were afraid that you were the "box office poison". However, the ruling coalition or pro-government party — I do not call them the "royalist" party —*

made reference to you in those election forums, criticizing your poor administration. Even the Honourable President of the Legislative Council expressed regret in those forums for supporting you. So, how can you communicate with the Legislative Council? If you have problems in your communication with the Central Authorities or the Legislative Council, may I ask you how you can demand Members of the democratic camp to communicate with the Central Authorities?

CHIEF EXECUTIVE (in Cantonese): I do not quite understand his question. *(Laughter)*

MR ALBERT CHENG (in Cantonese): *The question is that if you yourself fail to communicate with*

CHIEF EXECUTIVE (in Cantonese): You need not repeat it. We may try to guess what it is. *(Laughter)*

(Mr Albert CHENG prepared to rise to explain)

PRESIDENT (in Cantonese): You rise only when I call upon you.

CHIEF EXECUTIVE (in Cantonese): Mr Albert CHENG, this is the first time we meet here and I am glad about this. Your disposition has not changed. You are still fascinating with speculations. But some of your speculations are inaccurate.

First, I consider that the relationship between the executive and the legislature should be built on mutual trust and communication. In the past, we did have communication, but not adequate. I hope in the new term of this Legislative Council, we can have a new start. My colleagues and I will do our level best to communicate with all of you. I hope you will feel our sincerity in promoting our communication. We are looking forward to your active response.

Second, I have received a letter addressed to me by 25 Members indicating their hope to communicate with the Central Authorities. Mr Albert CHENG has also signed the letter. I thought you want to communicate with the Central Authorities. Did you not say that you wanted to go just now? If I have guessed it right, I can tell all of you my response to this matter. My response is that: communication is good, so I will take active and positive action in this respect. I would like to make an arrangement to meet all of you as soon as possible to listen to your views, to understand your specific ideas, and so on.

Regarding other questions, Mr Albert CHENG, I think they are too long, so I am not going to answer them. Otherwise, other Members may not have the chance to raise their questions.

PRESIDENT (in Cantonese): Mr CHENG, you may raise a short follow-up.

MR ALBERT CHENG (in Cantonese): *Thank you, Mr TUNG. You have not answered my question, but I am not going to pursue it. In fact, my disposition has changed a bit; otherwise, I will be pursuing this persistently. I would like to raise another question. You say you will make the arrangement for us to visit Beijing, but you have not yet make an appointment to meet me.*

CHIEF EXECUTIVE (in Cantonese): There seems to be such an arrangement, but you cannot spare the time.

DR YEUNG SUM (in Cantonese): *Madam President, Hong Kong is an international city. Mr TUNG also hopes that Hong Kong will become a first-class city in the world. At present, over 80 countries, which are also practising capitalism and market economy, have already formulated a fair competition law. I have to state this point first, for I fear this may be misconstrued as socialism. In fact, there are many cases of oligopoly in Hong Kong. Small and medium enterprises are facing growing difficulties in their operation. For example, stalls selling vegetables and fish at markets and some small-scale food shops are facing a lot of problems, for even vegetables, fish and*

cooked food are now available in supermarkets. Therefore, will Mr TUNG examine carefully the formulation of a fair competition law in Hong Kong? Market monopolization will then be reduced, providing fair and open opportunities for all parties to participate in investment activities in Hong Kong.

CHIEF EXECUTIVE (in Cantonese): Madam President, I express my sympathy for the small and medium enterprises facing such competition. The competition policy of the Government aims to facilitate development of the market and to enhance economic effectiveness by means of competition with a view to bringing benefit to consumers eventually. In fact, Hong Kong is a very open economy. The current practice of the Government is to formulate measures in line with this general principle. Measures formulated according to different needs of individual trades rather than a single piece of legislation covering all trades are implemented to ensure fair competition. The Government needs to handle cases involving violation of our fair competition policy with flexibility and focus. From the point of view of the Government, this practice satisfies the needs of economic development at this stage.

Actually, we can see that many international corporations, such as the Heritage Foundation and Cato Institute of the United States, consider Hong Kong the freest economy. The Fraser Institute of Canada also shares the same view. However, many Members as well as voices from the community who consider the formulation of a competition law a better option have raised the issue with me. I know that the Economic and Employment Council (EEC) headed by the Financial Secretary will hold discussions on the issue. I believe we will examine how to facilitate development in this respect after those discussions.

DR YEUNG SUM (in Cantonese): *Madam President, I do not know the view of Mr TUNG, but I think that oligopoly exists in such sectors as electricity supply, petrol filling stations and even supermarkets. A fair competition law aims not to replace the market force, but to enhance the flexibility and fairness of the market when the market fails. I know the Government has put in place some measures and established the Competition Authority. However, such authorities are just toothless tigers with entirely no power. Will the Government seriously conduct some relevant studies in the direction of legislation?*

CHIEF EXECUTIVE (in Cantonese): If the free competition and fair competition of any individual trade is undermined, the Government will do something. Are you a member of the EEC? I know that many Members are members of the EEC. You may also participate actively. We will examine the issue again.

DR RAYMOND HO (in Cantonese): *Madam President, I am glad to hear Mr TUNG mention the 160-odd projects of the two former Municipal Councils and instructed the Secretary for Home Affairs to submit a report to the Legislative Council in three months just now. In fact, during the past four years, the term of the previous Legislative Council, these hundred or so projects had been followed up by a committee headed by Mr Fred LI. However, there does not seem to be much progress. Actually, I personally have mentioned this to Mr TUNG many times. I have explained to him the crux of the entire problem lies with recurring consequences (sic). If the internal circular issued by Secretary Frederick MA on 30 August 2002 was not cancelled, the projects mentioned by Mr TUNG, as well as many other projects of departments other than works departments, would not be able to start. This is the crux of the problem. In fact, I had explained to Mr TUNG that some 300 000 people were now engaging in the construction industry, including workers, technicians and professionals. If their family members are included, around a million people are involved. In a place that has a population of 6.8 million, if a million people become unemployed*

PRESIDENT (in Cantonese): Dr Raymond HO, what is your question?

DR RAYMOND HO (in Cantonese): *..... the problem will be very serious. Will Mr TUNG consider getting to the root of the problem and find a solution to it? Thank you.*

CHIEF EXECUTIVE (in Cantonese): I did not put this on just now, for I knew what you were probably asking. First, I have to stress that, in each of the past three years, our investment on infrastructure exceeded \$30 billion, above the figure of \$29 billion provided by us. This is the first point. Second, I would like to emphasize that provisions for the recurrent expenditure of Category B and

Category C projects have already been earmarked. After our last meeting, I checked this up with Secretary Dr Sarah LIAO who confirmed that such provisions had been set aside. Therefore, you do not have to worry about this for us, we do have such provisions. Third, I really hope that we can give an account on these projects of the former Municipal Councils — the number of which we do not know, and the relevant Secretaries are checking it up — to Members within three months.

DR RAYMOND HO (in Cantonese): *Madam President, I said just now that a million of people are involved in the construction industry. According to the figures provided by the Government, the current unemployment rate of the industry is 16.3%, while the overall unemployment rate of Hong Kong is only 6.8%. If one out of seven persons in a place is involved in an industry, while the unemployment rate of that industry is so high — a double of the overall unemployment rate, I hope Mr TUNG will consider addressing the unemployment issue in terms of creating job opportunities. We do not bother how much the Government has spent on the projects implemented, but the unemployment rate is a very important factor affecting the stability of society. Will Mr TUNG propose some radical solutions to address the unemployment problem?*

CHIEF EXECUTIVE (in Cantonese): The unemployment rate of the construction industry is the highest. The construction industry is the hardest hit in terms of unemployment. We all know this and are concerned about this. This is also an obvious consequence of economic restructuring. The investment of the Government in infrastructure, as well as the picking up of the property market, will help the construction industry of Hong Kong. Therefore, we will do our level best to stimulate demand from the economic perspective. At the same time, you may also be aware that we have conducted many retraining programmes. We will try our best in this respect, but the industry is actually the hardest hit.

MR JEFFREY LAM (in Cantonese): *Chief Executive, I believe you are also aware that the air quality in Hong Kong in recent weeks has deteriorated. It is no better today. I believe many people in Hong Kong will query the determination of the Government of the Hong Kong Special Administrative*

Region (SAR) in cleaning the air. Of course, we know from the mass media that the source of air pollution is in the Pearl River Delta (PRD). I believe all the 6 million-odd people in Hong Kong are very concerned about this problem. May I ask the Chief Executive what measures will be taken by the Government to solve the problem if the source of pollution is in Hong Kong or the PRD? And how will the recent pollution problem in Hong Kong be dealt with?

CHIEF EXECUTIVE (in Cantonese): Mr LAM, this is indeed a problem of concern to us all. Air pollution is not only a problem in Hong Kong but also a problem in the whole region. In fact, joint efforts with Guangdong Province have been made to deal with the problem. Our common goal is to reduce the emission of sulphur dioxide, nitrogen oxide and suspended particulates according to a specific target by 2010. For instance, sulphur dioxide will be reduced by 40%, nitrogen oxide by 20%, and suspended particulates by 55%. Clear targets have been set, and in fact, according to my knowledge, follow-up actions have all along been taken. We have held a number of meetings over the period in the past — let me have a look — a total of nine meetings have been held and four investigations in the Mainland have been conducted to examine the relevant progress. Certainly, Hong Kong still has a lot to do. But is this sufficient? In view of the present situation, more efforts should be made in view of the rapid economic growth in the Mainland. So, in the short term, the pollution problem may further deteriorate. Therefore, we think much more efforts have to be made to ensure that we can achieve the target by 2010. Besides, I believe we will have a higher degree of transparency in tackling the problem in future. I remember an Honourable Member has suggested that transparency be enhanced in respect of the meetings between Hong Kong and Guangdong Province in order to let everybody know what is going on.

MR PATRICK LAU (in Cantonese): *I would like to thank the President for giving me the chance to ask Mr TUNG this question. A moment ago, I was glad to hear Mr TUNG's answer concerning the timetable for building the integrated community centres. But I would like to ask Mr TUNG a question about one of the projects. Maybe you will still remember that an architectural design award was presented by you to a very young architect in respect of a youth development centre in Chai Wan. Although the pilings of the building have been completed, the construction of the superstructure is unable to proceed. As a result, the*

completion of the building cannot be seen within the foreseeable future. May I ask Mr TUNG whether you are aware of this incident? Besides, after you had presented the prize to the young architect, he commenced the project and built the foundation, but the building could not be completed. Do you think he will be very disappointed? Perhaps you have forgotten the matter, have you not?

CHIEF EXECUTIVE (in Cantonese): I remember it.

MR PATRICK LAU (in Cantonese): *You do.*

CHIEF EXECUTIVE (in Cantonese): I just want to ask why I should forget.

MR PATRICK LAU (in Cantonese): *Dr Raymond HO just said that no improvement could be made in the future and funds were needed to maintain the sustained utilization of the building. I wonder if it is precisely because of this problem. However, the question is: Why can the superstructure not be completed after all the foundation work has been completed and a lot of money spent as you just said? This is a waste of money.*

CHIEF EXECUTIVE (in Cantonese): Yes, I agree.

MR PATRICK LAU (in Cantonese): *That is what I meant.*

CHIEF EXECUTIVE (in Cantonese): I will follow up. I will.

MR PATRICK LAU (in Cantonese): *Can I ask one more question?*

PRESIDENT (in Cantonese): Sorry, Mr LAU, you can ask only one follow-up because too many Members are waiting.

MR PATRICK LAU (in Cantonese): *All right.*

MR TIMOTHY FOK (in Cantonese): *I am not going to ask you about recreational facilities because I am glad to hear that you have authorized Secretary Dr Patrick HO to follow up the issue.*

I would like to ask you a more urgent question concerning the work progress and facilities of the Development Project of the West Kowloon Cultural District. I am also aware that the French President, on his visit to Hong Kong a few days ago, indicated that he had participated in the project. May I ask the Chief Executive whether he can reveal some specific details and whether or not the Government has any preliminary intent?

CHIEF EXECUTIVE (in Cantonese): This project has indeed attracted extensive attention in Hong Kong, foreign countries and the international community. I think this is good to Hong Kong and I hope we can ultimately have a project with sufficient representation of Hong Kong. I know that five proposals are being internally assessed by the Government. At the present stage, there is nothing I can disclose for I have no idea what is going on.

MR TIMOTHY FOK (in Cantonese): *Originally I would like to ask about the timetable of progress, but Mr TUNG has just said that nothing can be disclosed.*

PRESIDENT (in Cantonese): Then you may ask it on the next occasion. Mr WONG Kwok-hing.

WONG KWOK-HING (in Cantonese): *Chief Executive, everyone knows that you have been working very hard from seven o'clock in the morning till eleven o'clock at night for Hong Kong people. However, do you know that Hong Kong people are also very diligent, working over 10 hours a day in order to earn a humble living? With a meagre income, however, they cannot solve their financial or livelihood problems. Frequent overtime work is performed without any allowance. In the Mainland, on the contrary, some additional job*

vacancies are created in order to stimulate consumption and enhance employment opportunities. Meanwhile, learning is encouraged in order to improve people's living standard. In 1995, the State Council adopted the system of five working days a week. So, may I ask the Chief Executive whether you and the SAR Government under your leadership will take the lead to implement five working days a week and promote the same in the business sector by means of legislation in a gradual manner?

CHIEF EXECUTIVE (in Cantonese): Mr WONG, I would like to take this opportunity to talk about another issue before I come to your proposal of five working days a week. Firstly, in retrospect of the past seven years after the reunification, we have experienced a lot of things: the bursting of the bubble economy, the collapse of the property market, loss of people's wealth, persistent deflation, low consumer confidence, globalization leading to relocation of work processes. In addition, we have suffered from high unemployment and the outbreak of SARS. In fact, it has been a very painful process. However, we on the other hand can see the rapid change of the world and many challenges we have to face are due to globalization of world economy. We have to face extremely keen competition because our costs are relatively high, the great success of the reform and opening policy in the Mainland, and the fact that our neighbouring regions have also opened up. So, we will suffer unless we can restructure our economy and make a change. Furthermore, due to the relatively weak technology base of Hong Kong, it is much more difficult for us to pursue a knowledge-based economy and mismatch of human resources is very serious. Why have I raised so many problems? Because these are the reasons why the restructuring process in Hong Kong has been so painful and so long. After so many years of hard work, we see that Hong Kong's success in the past is due to the fact that China was a closed economy. Nowadays, we have to reposition ourselves and determine our way forward, that is, to make use of the favourable development trend of our country, which no longer closes its door to the rest of the world, to vitalize our economy. We have repositioned ourselves and our economy has begun to recover. This is favourable to us. Nevertheless, we must realize that restructuring is still continuing. This is so because costs in Hong Kong are still higher than in other places. So, not only the workers have to suffer. If we discuss the problem with the professionals, we will then know that everybody's working hours are extremely long. But only in such a way can economic restructuring in Hong Kong make steady progress.

The restructuring of our economy still has a long way to go. What is the responsibility of the Government? The first and foremost task is to ensure success in economic restructuring and our unemployment rate can be further suppressed. If we can do better in this aspect, it will become much easier for us to resolve the labour problem. I hope we can make some achievement in this aspect. Under such circumstances, long working hours and low pay are the consequences.

In passing, I would like to say a few words on the debate concerning minimum wage and maximum working hours I saw on television yesterday. I think this is a proposal based on goodwill although it is also very complicated and its effect is far-reaching. Under such circumstances, can you reckon what my answer will be in respect of the proposal of five working days a week? I think we can start exploring the issue. But we still need some time because our priority is to revitalize our economy. The battle is not over yet.

WONG KWOK-HING (in Cantonese): *I would like to ask a follow-up question. It is well-known that Hong Kong ranks top in terms of GDP per capita and personal income. Even in 1995 when the reform and opening policy in the Mainland had not achieved such a great success as today, the whole nation could see such prospects. Can the Chief Executive lead us to see such bright prospects?*

CHIEF EXECUTIVE (in Cantonese): Most importantly, our repositioning must be sound and good. For our long-term future, we must continue to make more efforts in the economic aspects. For instance, we have to take the route of developing high value-added industries. This is a must. We have to find a new point for economic growth. We have to take up this task. Perhaps you may notice that some countries in Scandinavia such as Finland and Sweden, or even in the United States, they enjoy satisfactory economic growth despite extremely high costs. However, they have achieved a great success in their educational systems and creative industries. Let us take a look at Hong Kong, what can we do?

Another point I wish to emphasize is that in view of the favourable trend of the mainland economy, which will become the second or third largest economy

in the world by 2020, we have to take advantage of it to enhance our competitiveness and creativity in order to catch up with the rest of the world. This is achievable, but it needs time.

MR MARTIN LEE (in Cantonese): *Madam President, does Mr TUNG know that the Liaison Office of the Central People's Government in Hong Kong SAR and mainland officials had actively taken part and interfered with the Legislative Council Election in September from various aspects, including:*

- (i) to mobilize Hong Kong people working or residing in Mainland before the election to register as voters and cast votes;*
- (ii) to make co-ordination arrangement for various leftist candidates in direct election and functional constituencies; and*
- (iii) to mobilize their members to support candidates from certain political parties in the hope that they could be elected?*

CHIEF EXECUTIVE (in Cantonese): Mr LEE, in my opinion, the recent Legislative Council Election is fair, just and open. Every Honourable Member has done their best to strive for various sectors' support. No matter they have won or lost, we can feel the enthusiasm. About 1.7 million voters have cast their votes and I am proud of it. I did not see any sign mentioned by you. What I saw was hard work by all Honourable Members.

MR MARTIN LEE (in Cantonese): *Chief Executive, you said you did not see such signs. Did you deliberately refuse to see it? Besides, do you agree that such things should not happen and you should try your best to pre-empt such things? It is because the occurrence of such things will seriously undermine the principle of "Hong Kong people ruling Hong Kong" and "high degree of autonomy".*

CHIEF EXECUTIVE (in Cantonese): I agree with you. But I did not see that such things had happened.

MISS TAM HEUNG-MAN (in Cantonese): *Madam President, Mr TUNG, how are you? My question is about the recent announcement by the Government of appointing Mr Anthony WU as Chairman of the Hospital Authority (HA). Since the HA is a large public corporation, the Chairman needs to give full devotion. But Mr WU is a partner at managerial level of a large accounting firm. Has the Government signed any agreement with Mr WU so that he will fully devote to the work of the HA in order to prevent the operation of the entire HA from being affected by his private affairs.*

CHIEF EXECUTIVE (in Cantonese): In fact, Chairman of the HA is not a full-time post. In the past, when the Honourable Sze-yuen CHUNG and Mr Peter WOO were appointed as Chairman, the time they spent was different. For instance, Mr Peter WOO who had spent more time, told me that he would spend 40% of his time on the work of the HA and 60% on private affairs. The Honourable Sze-yuen CHUNG, on the other hand, spent more time at the beginning but less later. The time he spent was further reduced when everything had geared in. Soon after Dr LEONG Che-hung became Chairman, there was the outbreak of SARS. As a result, he spent 80% of his time on the work of the HA. So we can see that the situation of each of them is different. Firstly, I believe Chairman Anthony WU is an experienced senior executive. Secondly, having worked in the HA Board for a very long time, he is particularly well-versed in financial matters. The selection of Mr WU as the successor of Dr LEONG Che-hung is a decision made after careful consideration by all Secretaries. I think this is a sound choice.

MISS TAM HEUNG-MAN (in Cantonese): *Thank you, Mr TUNG. May I ask whether Mr TUNG knows if the accounting firm run by Mr Anthony WU has signed any consultancy agreement with the HA? If yes, how can the Government exercise monitoring in order to avoid conflict of roles and conflict of interests in public and private matters?*

CHIEF EXECUTIVE (in Cantonese): This is a good question. I cannot give you an answer. But I will go back and immediately take a look. Thank you.

MS MIRIAM LAU (in Cantonese): *Mr TUNG, the price of international crude oil has reached a record high in recent days and oil companies in Hong Kong*

have repeatedly raised the oil prices. Take low sulphur content diesel oil as an example, the current price is \$7.24 per litre. Compared with the same period last year, there has been an increase of 19%. For the transport sector, fuel is a necessity. They have to use a lot of fuel every day. So they suffer the most because of high fuel price. Regarding the front-line drivers such as minibus drivers, their monthly income has dropped by 20% to 30% over the past few months. While airlines can levy a fuel surcharge, it is difficult for the transport sector, freight industry and passenger transport service providers to levy fuel surcharges. May I ask the Government what measures it can adopt to help the transport sector?

CHIEF EXECUTIVE (in Cantonese): Indeed, the oil price has increased sharply. When I watched television today, I found that the oil price has increased slightly again. A further increase cannot be ruled out. We are very concerned about it, for not only the transport sector but also the people's livelihood may be affected. On the other hand, if the external economic conditions are affected by increasing oil prices, it will also deal a blow to our import and export trade, and the service sectors. So we have to keep a close watch on this. I have also attempted to understand the impact on different countries and found that it is different from country to country. For more advanced countries, every increase of \$10 in oil price will lead to a drop of GDP by 0.5%. The impact on the production and manufacturing industries will be greater, leading to a possible drop of 0.8% to 0.9% in GDP. As for Hong Kong, therefore, it is a serious problem in the long term. Regarding diesel oil for the transport sector, I know that Financial Secretary Henry TANG is studying the issue. When the study has been completed, he will give Members an account in due course. We fully understand the problem.

Secondly, for the transport sector, particularly for the truck drivers, we will try our best to strive for more favourable arrangement such as "four up, four down" according to the co-operation framework between Guangdong and Hong Kong. Another arrangement is "one driver for each truck". We will make efforts in these aspects in order to lower the costs, and Financial Secretary Henry TANG will make a reply as soon as possible.

MS MIRIAM LAU (in Cantonese): *Madam President, I thank the Chief Executive for saying that the issue is being studied by Financial Secretary Henry*

TANG and a response will soon be given. However, people in the transport sector are living in pain every day. To put it simply, the pain of the sector will be relieved if the Government can do one thing and that is, to lower the fuel duty. Will the Government consider this measure?

CHIEF EXECUTIVE (in Cantonese): Financial Secretary Henry TANG is considering the issue. This is one of our considerations.

DR KWOK KA-KI (in Cantonese): *Madam President, Mr TUNG, I was glad to hear in the address of Mr TUNG earlier that health care reform would be one of the major tasks he would carry out. Recently, you made two major appointments, including the appointment of Secretary Dr York CHOW and Chairman Anthony WU. When I talked with friends of mine, many of them told me that they were gravely concerned about it. Certainly, we know that whenever there is a new appointment, there will be a different work style due to personnel changes. I also anticipate that these changes would have an impact on the health care reform. Nevertheless, I cannot but tell Members that under the existing health care system, two or three years are actually simply too long as far as patients and front-line health care workers, especially young doctors are concerned. Why have I mentioned this? Members of the public and the sector are concerned that since the terms of these two high-ranking officials are less than three years, since they do not want to deal with this hot potato and provoke the interest of many people or that of the public by carrying out the health care reform as time is running out, will the Government and your colleagues be prone to take on simple matters and evade difficult tasks in face of the predicament or in planning the reform?*

CHIEF EXECUTIVE (in Cantonese): I believe that whenever we carry out a reform, we have to consider if there is social recognition of it. With regard to extensive reforms, there will definitely be different opinions, very often, one half of people would wish this, and the other half would prefer that. For that reason, the time factor is not necessarily the cause which gets in the way of a reform. We will study issues in this respect carefully and we will make a decision after discussing the matter with the sector and everybody.

DR KWOK KA-KI (in Cantonese): *Madam President, Mr TUNG, it seems that you have not answered my question. What I wished Mr TUNG to elucidate was that you should have given confidential briefing in person during the appointment of Secretary Dr CHOW or Chairman WU. In short, have you told these two important officials that "you may go ahead at full steam", or "let us wait and see first as three years will pass swiftly, we had better calm ourselves down first"?*

CHIEF EXECUTIVE (in Cantonese): Dr KWOK, neither of them are true. This is what I told them, "You are facing a huge problem, you have already assumed office, please study the issue, come up with a conclusion and give the Government your recommendation regarding the optimum solution for the problem as soon as possible."

MR WONG TING-KWONG (in Cantonese): *Madam President, Mr TUNG, the port of Shenzhen has been developing rapidly in recent years and poses certain threats to the port development of Hong Kong. Mr TUNG, does the Administration have any measure to increase the competitive edge of the port of Hong Kong?*

CHIEF EXECUTIVE (in Cantonese): In fact, it involves issues in three areas. The first is the transportation cost. Just now Ms Miriam LAU said that the cost of shipping a container to Hong Kong, say from Dongguan, was higher than shipping it to Shenzhen; the shipping cost to Hong Kong was higher. How can we lower the cost? Firstly, the quicker the boundary crossing arrangements the better it would help reducing our cost. For that reason, the Western Corridor is important to us. With regard to other arrangements such as the "four-up-four-down" arrangement, they are also helpful measures.

Secondly, the operating costs of container terminals in Hong Kong are rather high, but the most important thing is that Hong Kong has the higher efficiency. Therefore, besides its efficiency, I believe Hong Kong has the competitive edge in every aspect.

In fact, what is the biggest problem we have now? Exports and imports of the Pearl River Delta Region are growing rapidly; there are simply not enough container terminals in the Region. On this premise, every place is developing

new container terminals. What is the biggest problem now? For instance, we said that we have to build Container Terminal 10, and the project is being studied. It takes 10 years from the day the decision was made to the completion of the project, because it involves the design and environmental assessment work, thus it takes 10 years to build. However, Shenzhen, on the other hand, does not need such a long lead time. For that reason, we lose our edge in this respect, and this is what we should worry about. All of these are issues waiting for a solution, and we can only regain our competitiveness after these problems are solved.

MR WONG TING-KWONG (in Cantonese): *Mr TUNG, the import and export industry is the pillar of Hong Kong economy, so if we lose our competitive edge in the import and export industry, it is quite distressing. Has Mr TUNG noted that with regard to inbound container trucks passing the Lok Ma Chau/Huanggang crossing, as soon as the expansion works commence on this side, the traffic volume has already saturated on the other side. It is saturated before expansion works begin, so it seems that the SAR Government's foresight is quite flimsy. What is Mr TUNG's view in this respect?*

CHIEF EXECUTIVE (in Cantonese): The Western Corridor is under construction, and we will carry out infrastructural projects as soon as possible, thus both sides are making an effort to carry out the works. But what has happened in reality? Imports and exports are growing rapidly, that is something out of everybody's expectation; we have not thought of that either. We hope the Western Corridor will be completed as soon as possible. As to other crossings, we would also try our best to accomplish them and we will keep on working on them.

MR TONG KA-WAH (in Cantonese): *Madam President, Mr TUNG, how do you do? Just now you said that you had watched the television last night, so I believe you must have also learnt that our colleagues had been "burning the midnight oil" until 1 pm last night. We discussed two major issues relating to the people's livelihood. One of the motions was about minimum wage and maximum working hours, and the other was about issues concerning welfare and Comprehensive Social Security Assistance of people with disabilities. Unfortunately, both were negated. If Mr TUNG had watched the telecast, he*

might have noted that over 90% of the directly-elected members supported the two motions. In other words, they represented over 90% of voters all over Hong Kong. Mr TUNG always says that he will listen to the voice of the people of Hong Kong. May I ask whether Mr TUNG has heard their voices? If he has heard that, what substantive action will he take to address the two vital livelihood problems of the people?

CHIEF EXECUTIVE (in Cantonese): Mr TONG, regarding the proposal of minimum wage and maximum working hours, I have just now commented that this proposal is an amicable one, at least it would bring short-term benefits to the labour sector. As to the long-term effect and their impact on Hong Kong's economy, we still have to analyse it in detail. Nevertheless, I wish to point out the fact that the problem will not have a simple "yes or no" or black or white answer. The best solution, in my opinion, is to leave it to the Task Force on Employment led by Financial Secretary Henry TANG for further study and review. I know that the Labour Advisory Board will discuss the issue first and then submit that to Financial Secretary TANG for examination. I hope Members will express their views actively. We should assess not only the short-term effects, but also the long-term ones.

Moreover, with regard to CSSA, I wish to inform Members that the second-phase reduction has been implemented since 1 October, but I wish to emphasize that if anyone has difficulty in making a living, the Government will definitely give him a helping hand.

Secondly, we will keep a close watch on the inflation and respond to the situation as soon as we can.

Thirdly, I have told Secretary Dr York CHOW that, when he assumed office, he could conduct a review of this issue. We would make efforts in these respects, but the most important thing is that we are concerned about this matter and we would start working on it. Moreover, we would proceed according to the agreed procedure.

MR TONG KA-WAH (in Cantonese): *I wish to follow up the question about the welfare of people with disabilities. Does the Chief Executive know that this Council has passed motions in the last two years which urged the Government to*

improve the welfare of people with disabilities, but we have been waiting for two years and nothing has happened. Does Mr TUNG consider that it is time to expeditiously find a solution to their welfare problems?

CHIEF EXECUTIVE (in Cantonese): Mr TONG, Secretary Dr York CHOW responded to that yeaterday, right? I think you should give Secretary Dr York CHOW some time since he just assumed office not long ago

MR TONG KA-WAH (in Cantonese): *Do you mean that it is difficult to respond right now?*

(The Chief Executive did not give any response to that question)

MR DANIEL LAM (in Cantonese): *Madam President. Chief Executive, I believe everybody knows that residents living in remote rural areas and outlying islands are deeply troubled by the high travelling expenses. I also know that the Secretary for the Environment, Transport and Works had once advocated the formulation of a fare adjustment mechanism which allows for fare increases and reductions of public transport. Will Mr TUNG inform us the progress of the formulation of the relevant mechanism? What is the current plan of the Government, and how could it help residents living in remote rural areas and outlying islands?*

CHIEF EXECUTIVE (in Cantonese): Mr LAM, in fact, we have been very much concerned about the fare issue of public transport all along, and we have been reviewing these issues with public transport operators. From July 2002 to now, in terms of concessionary policies, there were about 70 in total. We also know that travelling expenses are rather high, in particular those long-distance bus routes. I know that Secretary Dr LIAO is studying ways to address this problem. Of course, we have to discuss that with public transport operators. At present, this would not be an easy task as the oil price is high, but we will keep working in that respect.

As to this highly transparent fare adjustment mechanism which allows for fare increases and reductions, it is still under consideration and hopefully we can

let Members know the progress in due course. But we are unable to give a timetable yet.

MR DANIEL LAM (in Cantonese): *Madam President. Mr TUNG, I hope that before this mechanism is announced, effective ways could be found to alleviate the burden of residents who have the need.*

CHIEF EXECUTIVE (in Cantonese): Fine.

PRESIDENT (in Cantonese): Chief Executive, one hour has passed swiftly. Can you please take three more questions?

CHIEF EXECUTIVE (in Cantonese): Fine.

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

MR LEUNG KWOK-HUNG (in Cantonese): *Mr TUNG, how do you do? Where ignorance is bliss, 'tis folly to be wise. I have heard you repeat many times that you need to go back and study the matter. I wish to seek your advice on one question. Yesterday, you should have watched the television, and were it not for the bicameral model and the bi-system model, the minimum wage motion should have been carried and the decision of cutting CSSA should have been revoked. I am elected by 60 000 voters, you are selected by 800 people, so we have our respective of mandates. May I ask you, why you said that the current system of Hong Kong had been running effectively? Do you consider that the welfare of millions of people, millions of wage earners, and people with disabilities and the elderly, which is being decided by Members selected by the small circle and a small number of people, this minority rules arrangement, is a good system? If you consider that it is not a good system, why have you instructed Chief Secretary Donald TSANG to inform the Central Authorities that such a system should be preserved? I really wish to seek your advice on this matter. I think that you have a little bit sense of propriety, justice and honesty, but you lack the sense of something else.*

PRESIDENT (in Cantonese): Mr LEUNG, have you finished with your question?

MR LEUNG KWOK-HUNG (in Cantonese): *I am asking you a question, please reply immediately. Why should you preserve a system which distorts public opinions and makes the majority suffer so much? You are the Chief Executive.*

PRESIDENT (in Cantonese): Mr LEUNG, the Chief Executive will have no chance to reply if you keep on asking. He can only reply after you have sat down.

CHIEF EXECUTIVE (in Cantonese): The political system works in accordance with the Basic Law, and everyone should respect the existing political system. Some people like it, others do not, but all of us should act in accordance with the Basic Law. This is my first point. Secondly, I have just mentioned earlier that many of the questions you have just raised, such as minimum wage, maximum working hours, is an amicable proposal, which has won the sympathy of a lot of people, especially in view of the present-day circumstance. Nevertheless, I believe different Members will have different considerations, so everybody will have different considerations, some being short-term, some others long-term, and there are other considerations for different interests. Just because of that, the Labour Advisory Board will discuss the issue once again and the Task Force on Employment will discuss that once again, and I think it is good to make a decision in the long-term and overall interests of Hong Kong.

MR LEUNG KWOK-HUNG (in Cantonese): *I have asked you whether you consider the system was distorted*

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, you are not allowed to interrupt. You should let the Chief Executive reply, and then you can have the chance to follow up. You will have the chance to follow up, please stop the interruption.

MR LEUNG KWOK-HUNG (in Cantonese): *in compliance with the Basic Law, of course I know that it is in compliance with the Basic Law, I have a copy of Basic Law with me*

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, if you interrupt again, I will reprimand you.

(The Chief Executive indicated that he will let Mr LEUNG KWOK-hung continue with his question)

PRESIDENT (in Cantonese): Chief Executive, have you replied? Mr LEUNG Kwok-hung, please raise your question.

MR LEUNG KWOK-HUNG (in Cantonese): *I think you have not answered my question. I was asking you whether it was fair and you should have seen if this system was fair. You did not answer my question; you just said that it worked in accordance with the Basic Law. I know that you are implementing the Basic Law. According to the terms of reference in the Basic Law, you have the responsibility to represent the people of Hong Kong. If the Central Authorities amend Annex II and ask you to start it, we have already been deprived of our rights; now we request you to convey the needs of the people of Hong Kong to the Central Authorities. How can you evade your responsibilities? It will be useless for you to use the Basic Law to explain that.*

I am telling you now that it is all right even if you are not going to reply this question, I hope that you can go back and question yourself. Only now I feel that

CHIEF EXECUTIVE (in Cantonese): I do not know, Mr LEUNG, I have no idea of what your second question is.

MR LEUNG KWOK-HUNG (in Cantonese): *You told me that to stay was difficult, it was really difficult. I wish to present you with some gifts today, they*

are with me now. Do you want me to give these gifts to your aide, or should I give them to you direct?

PRESIDENT (in Cantonese): You should give them to his aide, because Members are not allowed to cross the floor, as the Rules of Procedure stipulates that no Member shall cross the floor of the Council. You should sit down after you have raised a question.

MR LEUNG KWOK-HUNG (in Cantonese): *You only need to answer me in short. I will shut up if you consider the bi-system model and minority rules system are just and democratic.*

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, have you finished with your follow-up question? Please sit down and let him reply if you have finished your question.

CHIEF EXECUTIVE (in Cantonese): Mr LEUNG, just now I have answered your question, I am not going to repeat it.

MR LEUNG KWOK-HUNG (in Cantonese): *You did not say whether it is democratic and just.*

MR LI KWOK-YING (in Cantonese): *Madam President, Mr TUNG, how do you do? Many colleagues have earlier mentioned the newly appointed Secretary and Chairman of the Hospital Authority. Recently, Mr TUNG appointed two new members to the Executive Council. May I ask Mr TUNG what his expectation of the two new Members is? What new game plan does the newly formed Executive Council have to better answer the expectations of the general public?*

CHIEF EXECUTIVE (in Cantonese): With regard to the two new Executive Council Members, one of them is Mr Bernard CHAN (Mr Bernard CHAN has

just left this Chamber) whom you should know quite well. He has been making significant contribution to the community in various aspects for quite a while. He has been serving the Legislative Council for a long time and he is the chairperson of The Hong Kong Council of Social Service. He can reflect the views of the grassroots as he is enthusiastic about social work, therefore I consider that he can bring different voices from society into the Executive Council, and that would facilitate our work. Mrs Laura CHA has been serving in the financial services sector for a long time. She has worked in senior posts in the Securities and Futures Commission of Hong Kong and the China Securities Regulatory Commission, with extensive experience in the financial sector. She is a talent in the sector. We all know that it is very important for Hong Kong to maintain its position as the international financial centre, and the relationship between Hong Kong and the Mainland in terms of financial services is also very important. Moreover, she has a legal background as you do. For that reason, I believe she can also bring different voices from society into the Executive Council, which will be helpful to the overall operation of Hong Kong.

MR LI KWOK-YING (in Cantonese): *Mr TUNG, the Executive Council is almost a think-tank for you. Will the new Executive Council line-up conduct more communications with Members of the legislature and members of District Councils, or will officials get in touch with the public more often than before in order to gain a better understanding of their views to facilitate administration?*

CHIEF EXECUTIVE (in Cantonese): We will definitely do that, definitely.

PRESIDENT (in Cantonese): Last question.

MRS SELINA CHOW (in Cantonese): *Madam President. During this past Legislative Council Election which I have participated, I met a lot of middle-class professionals in various districts who had expressed many opinions. Just now Mr TONG Ka-wah said that in yesterday meeting they had spoken for 90% of people all over Hong Kong. But I have reservations about that. I consider that not all the 90% of people agree with the idea of minimum wage and maximum working hours. Nevertheless, the middle class often have a feeling*

that even though they have paid all the taxes, they are not eligible for any social welfare. In addition, a lot of people from the middle class, including Legislative Council Members, would fight for more welfare for the general public, especially the grassroots. These middle-class people consider that not only their voices are ignored, they could not get fair treatment in terms of resource allocation.

May I ask the Government how it will respond to the voices of these middle-class people, of which most are professionals? How would their discontents be addressed? As far as action is concerned, what action will the Government adopt in order to placate the discontents? Will that include the so-called 600 people consultation forum organized by the Home Affairs Bureau? Or will there be any other more comprehensive programmes, or will there be some all-encompassing programmes which would include the participation of all Policy Bureaux to take actions to address the discontents?

CHIEF EXECUTIVE (in Cantonese): In the course of economic transformation, every stratum in society will suffer a lot; the impact on the middle class in particular is the most serious. I consider that since the economy is recovering now, the most important thing is to maintain a steady recovery, then the middle class will genuinely enjoy the fruit of economic recovery, provided that we have a sustained recovery. To date, the outlook is quite promising. This is the first point. The Government will make an effort to facilitate economic recovery and do its job properly in this respect.

Secondly, we should indeed allow the middle class to air a louder voice, in the course of policy formulation; we should let their voices out, so that we can gain an understanding of their opinions and thoughts. In this respect, the Government looks at this issue in a very sensitive way. We hope that we can invite more middle-class people to join various consultative frameworks, with a view to helping us to do our jobs better.

Thirdly, no matter how difficult the task is, we have to give the professionals as many opportunities as possible, and that should not be limited to Hong Kong. They should also be enabled to participate in the provision of services in the Mainland. We will make efforts in various aspects.

MRS SELINA CHOW (in Cantonese): *Madam President, just now I was asking about an overall plan, especially we also understand that the Bureau Directors will be subject to huge political pressure from time to time. May I ask whether the Government has any comprehensive and consolidated measures to pinpoint these middle class, SMEs, professionals and the majority public who have largely been neglected, in particular their thoughts, opinions and values and reflect such a balance struck in administration?*

CHIEF EXECUTIVE (in Cantonese): We have carried out tasks in this respect, but I believe we have no centralized organization to consolidate all of these efforts. Nevertheless, now that you have made this suggestion, we would follow it up. Thank you.

PRESIDENT (in Cantonese): I would like to thank the Chief Executive for answering the questions raised by 17 Members at today's meeting.

PRESIDENT (in Cantonese): 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, 20 October 2004.

Adjourned accordingly at twenty-five minutes to Five o'clock.