

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 12 January 2006

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, S.B.S., 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 BERNARD CHAN, J.P.

THE HONOURABLE CHAN KAM-LAM, S.B.S., 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 WONG YUNG-KAN, J.P.

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

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

THE HONOURABLE LAU KONG-WAH, J.P.

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

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 TOMMY CHEUNG YU-YAN, J.P.

THE HONOURABLE ALBERT CHAN WAI-YIP

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, G.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:

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE LAU CHIN-SHEK, J.P.

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

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

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE RAFAEL HUI SI-YAN, G.B.S., J.P.

THE CHIEF SECRETARY FOR ADMINISTRATION

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

THE FINANCIAL SECRETARY

THE HONOURABLE WONG YAN-LUNG, S.C., 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., J.P.
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 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.

(As the Chief Executive was entering the Chamber, Mr LEUNG Kwok-hung rose to his feet and displayed a placard)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung

MR LEUNG KWOK-HUNG (in Cantonese): Pan-democratic Members met with the Chief Executive on 4 December, but they have not been able to submit their views to him so far. However, there is no cause for worries because I am not going to talk about constitutional development today. My only intention is to submit the signatures of residents who oppose tariff increases proposed by the Hongkong Electric Company Limited (HEC). I have collected 7 000 signatures, but my entry was always refused every time when I tried to submit them.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please submit the signatures to his aide.

(The aide to the Chief Executive was prepared to take the placard and signatures)

MR LEUNG KWOK-HUNG (in Cantonese): Could Mr Rafael HUI be asked to come out to receive the signatures?

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

MR LEUNG KWOK-HUNG (in Cantonese): He has been talking about strong governance for the people, hasn't he?

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please hand over the signatures to his aide.

MR LEUNG KWOK-HUNG (in Cantonese): He has to first read the slogan on the placard carefully — Coterie elections, worse than pigs and dogs.

PRESIDENT (in Cantonese): Please do not cause delay our Question and Answer Session.

MR LEUNG KWOK-HUNG (in Cantonese): Have you seen that?

PRESIDENT (in Cantonese): There is very limited time for our meeting.

MR LEUNG KWOK-HUNG (in Cantonese): No. He must take in the signatures — Tariff increase by richest tycoon LI Ka-shing of the HEC signifies collusion between the Government and business.

PRESIDENT (in Cantonese): It is the Chamber here.

MR LEUNG KWOK-HUNG (in Cantonese): I came across the Chief Executive at the entrance just now

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, if you still remain nonstop

MR LEUNG KWOK-HUNG (in Cantonese): But the Chief Executive simply walked straight ahead.

PRESIDENT (in Cantonese): You better sit down.

MR LEUNG KWOK-HUNG (in Cantonese): Will he take in the signatures?

PRESIDENT (in Cantonese): There is no such need.

MR LEUNG KWOK-HUNG (in Cantonese): Not taking in?

PRESIDENT (in Cantonese): You should give the things to his aide who is now waiting to take them in.

MR LEUNG KWOK-HUNG (in Cantonese): Secretary Dr Sarah LIAO is sitting so near and she is also the Secretary responsible for supervising the HEC

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, if you continue with all this pestering, I will, Please sit down.

(Mr LEUNG Kwok-hung handed the placard and signatures over to the aide and took his seat)

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

CHIEF EXECUTIVE (in Cantonese): Madam President, at the beginning of the new year, I would like to wish all Members good health and happy work.

Before Members ask their questions, I wish to say a few words to them. All controversies over constitutional development have come to a close by now. It has also now been known what arrangements should be adopted for the elections in 2007 and 2008. The conduct of these elections shall be based mainly on the existing electoral arrangements, supplemented by the enactment of local legislation to introduce the technical adjustments necessary for their smooth running. I must state it very clearly that the present Government will not put forward any new packages within its remaining term of office. However, I will discuss the specific arrangements for implementing universal suffrage in the Committee on Governance and Political Development under the Commission on Strategic Development (the Commission).

In the remaining term of the present Government, I plan to complete the two stages of work which I have raised in the Commission. In the first stage, that is, in the first half of this year, concepts and principles will be explored. In the second stage, studies and discussions will be conducted on designing the systems for electing the Chief Executive and the Legislative Council based on universal suffrage. I very much hope that conclusion could be reached in this respect early next year. I very much hope that through rational discussions, consensus could be reached and the necessary condition created, to facilitate the promotion of democratization in Hong Kong in a steady, solid and orderly manner. We will also launch a public consultation exercise on a review of the functions and structure of District Councils within the first quarter of the year.

Now that the controversies are all over, we need to gather up ourselves and concentrate on economic and livelihood issues which are the greatest concerns of the people. Members have been very familiar with the themes of my governance: namely strong governance for the people, the promotion of social harmony and the enhancement of economic growth for the welfare of the people. All the initiatives of the SAR Government under my leadership will be "people-based" and meant for the people's well-being. I have always been deeply grateful to the people for the trust and support they have shown towards me down through the days of my public service to the present time when I am a politician. To reciprocate the people's trust, the SAR Government will definitely continue to pursue strong governance for their benefit. Since the people are most concerned about economic and livelihood issues, we will surely address these issues with concentration, with a view to achieving the desired results.

Members all know that I paid a duty visit to Beijing late last month to report to President HU Jintao and Premier WEN Jiabao on the latest conditions in Hong Kong since my assumption of office in June. My report covered the latest social, economic and political conditions in Hong Kong and I also mentioned the current and future prospects for Hong Kong. Meanwhile, when I met with Premier WEN Jiabao, I have also talked about a number of specific economic issues, including the intensification of the RMB business, the expeditious finalization of cross-boundary infrastructure projects and the expansion of some existing measures such as the Individual Visit Scheme, in the hope of bettering and intensifying the work in all these aspects.

The State leaders showed very great concern about, and also a thorough understanding of, the conditions in Hong Kong. President HU and Premier WEN both approved of the work of the SAR Government, maintaining that the overall situation in Hong Kong was favourable. They also expressed the hope that the SAR Government and the various social sectors could treasure this favourable situation, which was not easy to achieve, and would quicken the pace of development and foster harmony. The Central Government will continue to support us in governing Hong Kong in accordance with the law and adopt policies and measures to enhance interflow and co-operation between the Mainland and Hong Kong.

The trend of economic development in Hong Kong is very promising. Following the GDP growth of 8.2% in 2004, we also recorded a GDP increase of 7% last year, that is, 2005. Given the rapid growth with low inflation for two years in a row, the economy of Hong Kong has undoubtedly entered the best shape since the Asian financial turmoil. We expect that the development this year will continue to be good, but the growth rate will of course not be as high as those of the past two years. Currently, we are witnessing not only the growth of foreign trade and inward investment but also an increase in domestic demand. In the recent Christmas and New Year holidays, there was a boom in the local retailing, catering and tourism industries, reflecting that consumer confidence continues to be strong.

However, Hong Kong is also facing fierce competitions. With globalization, our neighbouring places are all developing very rapidly, posing challenges to Hong Kong in many different ways. "Delay for just a brief while and we will lag behind others for years". We must not miss any opportunities but must enhance our competitiveness, keep abreast of the times and maintain our strengths. In order to enhance our competitiveness, we must upgrade our efficiency and lower our costs, must improve our quality and strengthen our services and must encourage innovation and explore new horizons. The SAR Government will make efforts in six different respects, with a view to promoting economic development and creating job opportunities: (1) consolidating the strength of our market systems; (2) lowering market transaction costs; (3) helping to open up new markets, both overseas and locally; (4) promoting infrastructure construction; (5) nurturing local talents and attracting foreign ones; and (6) enhancing our existing strengths while at the same time closely monitoring market changes to make sure that we can respond consequentially in a timely manner to the demands of industries in the light of economic growth that

is newly emerging. In all these respects, we need to make good preparation for what must be done for the period of time to come.

In conjunction with the strive in fostering economic development, we must make concrete efforts to improve people's livelihood. As our economy becomes better, the employment situation in Hong Kong has shown some improvements, and the unemployment rate has dropped to the lowest level in four years. Job opportunities have been increasing and in some industries, there is even a manpower shortage, but the overall unemployment rate is still higher than 5%, illustrating that there is a mismatch between part of our workforce and market demands. Now that competitions have turned fierce under economic globalization, the employment market has been changing ever more rapidly, thus exerting much greater work pressure on all people, the middle class and grassroots alike. Increasing job opportunities and alleviating unemployment are still matters which Hong Kong people think must be tackled on first priority basis. Attaching great importance to protecting the rights and interests of middle-class and grass-roots workers, the SAR Government will adopt positively measures and means to increase job opportunities and enhance the people's ability to be employed.

My principal officials and I are currently conducting a serious review of the policy agenda for each policy area on the basis of Hong Kong's long-term prospects and people's expectations, with a view to responding positively to the political and economic situation in the wake of the recent development in constitutional reform. The priorities for the promotion of policies and measures will be set, and the focus of our work in the next 18 months will be rearranged, the purpose of which is to implement the established policies, and to concentrate on promoting economic development and improving people's livelihood.

Understandably, there may sometimes be competing interests among different policy objectives. One example is that while we want to reduce air pollution and improve air quality, we also need to ensure that there is an adequate energy supply to cater for our economic development and people's daily needs, and that meanwhile, the costs of such energy supply will not run too high. For this reason, we must enhance our efforts to co-ordinate in accordance with people's wishes, smooth over conflicting demands and align them to produce a collated effect, so as to ensure the right priority in governance. All these are no easy tasks. All principal officials and I will continue to listen to the views of the masses through different channels, including visits to the various districts, and we will also strive to set the priority of economic and livelihood

issues on the basis of public opinions. The implementation of all such work will require the support of Members. In order to enable the Legislative Council to understand the Government's future programme of work, that is, the programme of resetting priorities, I intend to make arrangements for another Question and Answer Session after the Government has set its priorities for the coming 18 months, so that Members could be briefed on the Government's arrangements.

We will continue to work on the fostering of social harmony, while at the same time liaise and communicate with various social sectors, so as to promote tolerance and understanding, and we will also enhance our co-operation with organizations that are supportive to the Government with the objective of maintaining social stability and harmony. In my policy address last October, I mentioned that I would actively promote contacts and exchanges between the SAR and the Central Authorities. Apart from me, all principal officials, Permanent Secretaries and civil servants will have more opportunities to visit the Mainland for communication and exchanges. In order to achieve success in the work of fostering their exchanges and contacts with the Central Authorities and the Mainland, Members must make joint efforts to bring about friendly overtures and be prepared for sincere interaction. Besides, as part of our major sustained efforts, we will continue to promote the achievements and status of Hong Kong overseas, with a view to expanding business opportunities and consolidating Hong Kong as a metropolis, for it to become our source of pride.

The recent suicide of two school teachers has aroused widespread concern among the mass media, teachers, Members and the community. I would also like to take this opportunity to say a few words on this. The decision of a person to end his own life should never be a simple one and there must be many complicated reasons lying behind. In any case, the act of ending one's own life is always regrettable, which should warrant our serious concern and consideration.

In the city of Hong Kong, life is being conducted in very fast tempo, with people working in different industries facing definite degrees of pressure. The causes of such pressure are many and they may, or may not be, work-related. Whatever the circumstances, I hope people can realize that they are not facing their pressure all on their own. The Government will continue to make efforts to assist people in deepening their understanding about the issue of suicide, such that preventive measures could be adopted as much as possible and assistance provided.

Over the past two days, lots of arguments and discussions have been heard regarding the causes of the two teachers' suicide. Honestly speaking, I do not quite know the causes of their suicide, but I must say that whatever the causes may be, we should not make speculations based on any incomplete understanding of the cases and impose causes of suicide on the deceased, for apart from being disrespectful to them, this will not help us in conducting any rational discussion on this significant issue either.

Education reform involves changes in curricula and the mode of education, which is why it will undoubtedly increase the workload of teachers and exert mental pressure on them. But we must not thus ignore the many benefits brought about by the reform to students. We notice that primary school students have now become happier and more active in the learning process, that secondary school students have gradually come to master the methodology of independent learning, and that the reduced frequency of school examinations and tests has avoided the need for many unnecessary drills. As revealed by the various assessments conducted in the past few years, Hong Kong students have achieved sustained progress in their learning. This means that what we must think about is not the halting or abolition of the education reform. What we must think about should be how support can be offered to teachers and how schools can be assisted in implementing the reform. Over the past few years, the Government has been providing teachers with various forms of support and we will not slacken our efforts in the future. Only yesterday, the Secretary for Manpower and Education has announced three measures on helping the administrative and teaching staff of schools to cope with their difficulties, with a view to alleviating the workload and pressure of teachers. These measures will involve a considerable spending of public money, but if Members happen to have other suggestions that can better assist teachers or better utilize these public funds, we will be happy to listen to their views.

I have learnt from the press that according to the statistics compiled by academics, the suicidal rate of teachers is actually lower than that of other trades. But, of course, life is invaluable, so even one case of suicide is already too many to us. I hope that everyone can face life proactively and treasure all lives.

As a matter of fact, work pressure is also greatly affecting all walks of life in Hong Kong. Market changes and the social demand for ever better services have caused a gradual increase in work pressure on the majority of the employed population in recent years. The impact on white-collar employees, in particular,

has even been increased markedly without being noticed. Subsequent to repeated consideration, I have decided to set up a working group comprising representatives from the Civil Service Bureau, the Financial Services and the Treasury Bureau and the Efficiency Unit to actively explore the proposal and various schemes on implementing a five-day week within the SAR Government starting from 1 July this year.

My idea is to cause the new arrangement to be applicable to all government offices. At the same time, for the sake of ensuring the continued delivery of quality government services to the community, the new arrangement will not be applicable to counter-services that should compulsorily be provided on Saturdays. We will seek to reduce those services that are not required, but will maintain the daily emergency services currently provided by the Government. Following the implementation of the new arrangement, the number of conditioned hours per week will remain unchanged and civil servants will still have to work 44 hours a week. This means that there should not be any increase in civil service establishment. The new arrangement may produce a very slight impact on government expenditure, but it will, at the same time, help government offices conserve energy.

The working group will report to the Chief Secretary for Administration, and I will also fully consult civil servants on the implementation of the new arrangement.

The implementation of a five-day week will not only enable employees to have more time to spend with their families but will also boost consumption, thus producing positive impacts on economic development and the employment situation. I understand that some sectors such as the banking industry are also actively considering the implementation of a five-day week. I hope that other industries will also support this arrangement.

Madam President, from my past experience of attending the Chief Executive's Question and Answer Session, I know that Members are very keen on asking questions. I am therefore more than happy to extend the Question and Answer Session from 60 minutes to 90 minutes in the future. As for the issue of frequency, I wish to point out that on top of the four Question and Answer Sessions arranged for each year, I shall be glad to attend extra sessions to answer Members' questions if in the future, both Members and I agree that

there is a need for holding such sessions to discuss a specific topic. I have already agreed to attend an extra Question and Answer Session some time later for the special purpose of briefing Members on the Government's programme of work in the next 18 months. With a 50% increase in the duration of a Question and Answer Session and a higher frequency of such sessions, I look forward to a 100% increase in the time I will spend on meeting Members in the Chamber and answering their questions during my term of office.

I do not know whether I am able to cope with the 90-minute session today. But I will do my best. I have to move to a new residence today and in the morning, I would still have to attend to some business. Therefore, I hope that Members can bear with me. Madam President, I am now ready to take questions from Members.

PRESIDENT (in Cantonese): The Chief Executive shall now answer Members' questions. A Member may put forward a short follow-up question after his or her question has been answered. But the content of the follow-up question is restricted to seeking the Chief Executive's clarification on his reply. Members asking a question should stand up.

MR ALBERT HO (in Cantonese): *Madam President, Chief Executive, I would make use of the first opportunity to ask a question. First of all, on behalf of my colleagues, I wish the Chief Executive every success in his work in the new year, good health and also tranquility of heart and mind. (Laughter)*

Regarding the constitutional reform, the first thing I would like to say is that I understand that the Chief Executive and the state leaders all feel sorry and regrettable that the constitutional reform package has been voted down. However, I can tell the Chief Executive that Members who have voted against the motion share the same feeling. In fact, I felt that faced with no other alternative, we could only express our views. At any rate, however, as the Chief Executive said, we should gather ourselves together and reconsider our way forward.

Concerning the Chief Executive's speech just now, I have two relevant questions. First, the Chief Executive said that no new package would be submitted again. May I ask why has such a possibility been ruled out? Will

there be a situation where Members of the democratic camp or Members who have voted against the package will have the opportunity to contact and communicate with the Beijing leaders within this period? Will it be possible for a consensus to be reached expeditiously again in the Commission on Strategic Development (the Commission) so that there will be a chance to submit a new package again? Why has the Chief Executive ruled out such a possibility so soon?

Secondly, the Chief Executive mentioned local legislation. Has the Chief Executive seriously considered whether he will do his best to improve the elections of the functional constituencies by converting all corporate votes into individual votes and incorporating the confidence voting system in the Chief Executive election even though he will not be submitting a new constitutional reform package again? Has the Chief Executive considered such a situation?

CHIEF EXECUTIVE (in Cantonese): Mr HO, as everybody knows, constitutional development is a serious and rather complicated issue. Before proposing the package, we had launched a very lengthy public consultation exercise and a lot of efforts had been made in the compilation of several reports. The package finally proposed had been carefully considered and public opinion heard. Within the framework decided by the NPCSC in 2004, we had submitted a package which we considered should be acceptable to most people.

In my opinion, any proposal should be subject to careful consideration and cannot be submitted in a rash manner. As for this proposal, Members have already made a decision and we have also accepted the decision of the Legislative Council without trying to wrangle over it. However, should any proposal be made, we will have to go through the same procedure in a serious manner and cannot just propose another one after this one has been turned down. What will be the basis for the second proposal? Will it be possible for the second proposal to be better than the previous one? In my opinion, the previous package was already close enough to the wishes of the majority people, and has won the support of the majority of Hong Kong people as well as that of more than half of the Legislative Council Members. What other proposal can reach such a standard? Mr HO, I really cannot see that such a task could be accomplished within this period of time. As my term of office will only last for a year or so, it would be better for me to devote my time and energy on other matters. On livelihood and economic issues, on which greater weight has been attached by the people, I can make more contribution. I think it would be better still if together we can find out the way to work for and serve the people.

Just now, Mr HO asked whether I could deal with the issue relating to the functional constituencies of convesting corporate votes into individual votes. If his memory serves him well, he should remember the Constitutional Development Task Force had also discussed the issue in its fifth report. When the public was consulted, they had also fully discussed this question and package. Neither is this a new package. You may remember that the "nine new constituencies" package before reunification, which aimed at enlarging the functional constituency seats, had led to the setting up of another stove and the demolition of the through train. Furthermore, this package may even be more controversial. Frankly speaking, such a package would not lead to consensus at all. After deliberation, we considered the likelihood of such a package being accepted by the public is less than that submitted for voting in last December. Nor will it be supported by the two-thirds majority of Legislative Council Members. So, I believe we should focus on other economic and livelihood issues now and these are more important.

Concerning the local legislation we are obliged to table to this Council, Madam President, as I just said, it is a technical issue, the purpose of which is to ensure the smooth processing of the Chief Executive Election in 2007 and the Legislative Council Election in 2008. We will clarify some points of doubt. But I think it will be impossible for us to propose a new motion and a new package outside these scopes without consultation. Should we do so, Mr HO will say that he is disappointed and so will we be. I do not want to involve in any excessive wrangle over this issue. So, why not just forget about all these things and look for something else to do which will have wide appeal? This would be a better thing to do. Thank you, Mr HO.

MR ALBERT HO (in Cantonese): *Madam President, once again, the Chief Executive first emphasized that we had to deal with livelihood issues. Even though he has labelled us as the opposition party, we will try our best to co-operate with him and pursue the matter on the basis of public interest.*

That said, at the same time, there is still time and room for us to work more for the constitutional system. First of all, concerning the functional constituencies, if the elections were to be changed into an election for functional constituencies which will be returned by "one person, two votes", as a result of which millions of people can cast their votes, the controversy in 1994 and 1995 will be revived. However, if we simply replace the corporate votes with

individual votes, thus leading to a possible scenario in which the existing hundreds of votes will be transformed into tens of thousands or several thousands of votes, then a controversy of that sort may not be aroused. Will such a possibility still be ruled out by him? Although we have many different views concerning the functional constituencies, this is still a partial reform package considered feasible. This is the first point.

Secondly, why should we rule out the possibility that during this period of time we may still be able to reach consensus, in particular over the timetable for our constitutional development, with the leaders of the Central Authorities and even members of the Commission? If more consensus on this issue can be reached, why should we rule out the possibility of a breakthrough? Why should the submission of a new package to the Legislative Council be totally denied?

CHIEF EXECUTIVE (in Cantonese): Regarding the reasons why it is impossible to submit a new proposal, I have already given a clear explanation and will not repeat them. But for a very crucial point mentioned by Mr Albert HO, I would like to say that we will not just sit back and do nothing concerning our constitutional development. Rather, we will take proactive actions. Regarding the elections in 2007 and 2008, Members have already made a decision which I will not and should not wrangle over any further. As for the development after 2007 and 2008, however, I will continue to contribute my efforts. In this area, as I have explained, the Commission will certainly do its job. We will carry out a fundamental study in the hope that the design of the universal suffrage can be finalized in a year, and we also hope that a very good roadmap could be drawn. In this aspect, we will come to a conclusion which will then be communicated to the Central Authorities.

As regards the arrangement for communication with the Central Authorities, Mr HO may recall that I have made considerable efforts during the three months when I was an acting Chief Executive and during past six months after I have formally assumed the office. I understand that if universal suffrage is to be implemented, it is imperative that the mutual trust between the politicians in Hong Kong and the decision-makers in the Central Authorities will have to be enhanced. In this aspect, everybody can see that I have made some efforts and I will elaborate this no more. However, undoubtedly, the voting on 21 December has led to a lot of disappointments. Just now, Mr HO said that he was disappointed, so were I and the leaders of the Central Authorities. Under such circumstances, we cannot deem nothing had happened. But I still very

much believe that in future insofar as further contact is concerned, the door is still open on condition that there is positive interaction, a show of sincerity, goodwill and mutual respect. In this aspect, I believe we have to make further efforts. I very much hope that Members can, just like us, draw some findings on the matter. From this incident, we should learn how to conduct interaction and come up with compromise instead of refusing to budge on the very mention of our stand. It will be very difficult for us to discuss our constitutional development in future if there is not the slight convergence at all.

In this aspect, I hope the voting on 21 December can be regarded as an inevitable stage in our constitutional development. And we should look at it from a positive prospective although we have to admit that it has happened. When something has happened, we would have to shoulder the consequences.

PRESIDENT (in Cantonese): Chief Executive and Members, 26 Members are on the list to ask questions. I think questions are in fact lengthy and the answers are also too thorough. *(Laughter)* So everybody, please be concise and precise so that more Members can have a chance to ask questions.

DR LUI MING-WAH (in Cantonese): *President, after the voting down of the constitutional reform package in December 2005, the Chief Executive told the mass media that in the remaining 10 months or so of his term of office, he would concentrate on the economic development of Hong Kong. This is a far-sighted and wise decision, something that Hong Kong people have been looking forward to. My question today is that in view of Hong Kong's special economic structure, its future economic development must have a close affinity with its economic positioning. Therefore, may I ask the Chief Executive to explain how the future economic positioning of Hong Kong will be? Will the economy of Hong Kong be positioned as one of an independent economic entity, or will it be positioned as a metropolitan economy? What are the corresponding economic policies, specific measures, targets, timetable, and the functions to be discharged by the Government in promoting economic development? I know that detailed discussions on this topic can be turned into a very nice thesis for a master degree, but I would still like to ask the Chief Executive to give a brief reply within this limited timeframe today. (Laughter)*

CHIEF EXECUTIVE (in Cantonese): Madam President, I

PRESIDENT (in Cantonese): Chief Executive, this is a topic that touches upon a very wide scope. I know that it will be tantamount to giving you a difficult job if you were asked to give any brief reply, and you may not be able to give a comprehensive answer either. Therefore, I am sorry that I have to request the Chief Executive to make his own decision.

CHIEF EXECUTIVE (in Cantonese): First, I am a Hong Kong resident nurtured by an economic system of a capitalistic nature. Consequently, I myself will not talk about any concepts of planned economy such as general economic positioning or positioning as a metropolitan economy. My views are that developments in general market trends should be followed.

Of course, the positioning of Hong Kong has been set out clearly in the Basic Law — Hong Kong is to be a financial centre and also a commercial and shipping centre. All these are the services that we can provide to the State, which is at present facing a shortage of infrastructure facilities. If we can do all these, we will be able to complement the needs arising from the rapid development of our country. Therefore, as I mentioned in my speech, we will make efforts in six respects, namely consolidating the strength of our market systems, lowering transaction costs, opening up new overseas markets, promoting infrastructure construction, nurturing local talents and attracting foreign ones, as well as enhancing our existing strengths. At the same time, we will also need to adjust to market demands, so that we can respond to rapid changes. I suppose all these should more appropriately be done in the role as the Government. What I am saying is that even though we intend to achieve a certain objective, we should not allocate funds to promote it rightaway. This may arouse even more controversies.

However, we can observe, on the basis of all the existing strategies, that the trend of our recovery is very obvious. The economy of Hong Kong recorded a growth rate of 8.2% the year before last, and the economic growth rate last year was 7%. I do not know how the situation would fare this year. When the Financial Secretary announces the Budget in March, he will disclose the growth rate. I believe there will be a rather substantial increase. But undoubtedly, it must be noted that there is still a big gap. If there are demands in the market, we will respond to them. As in the case of the textile and garment industries, despite the restrictions imposed on China following the opening of the American and European markets, new opportunities are still being opened up for us. We have made some efforts in respect to market response,

encouraging some Hong Kong manufacturers to shift their production lines back to Hong Kong. I believe that the relevant schemes will soon be announced. They are all the outcomes of consensus between the labour sector and manufacturers, which are something very desirable and something that tells of how the Government has responded to market demands.

Members must bear in mind that what we should do is to respond to market demands. We know that economically, we must depend on the development in other places. But we must also have confidence in our infrastructure — our banking sector, economy, technologies and talents. We will make further efforts in every respect, but people must not depend totally on the Government for prescribed development directions. This may not be the most reliable way in utilizing resources.

MISS CHOY SO-YUK (in Cantonese): *President, I very much agree with what the Chief Executive said earlier that we should gather up ourselves to pay attention to our economic development and people's livelihood. I believe the livelihood issues mentioned by the Chief Executive earlier are not restricted to the lives of human beings but should also include the right of all living things on this world to live harmoniously with each other.*

Recently, the number of cases on animal abuse has increased and the number of stray cats, stray dogs and stray cows has been on the increase. At present, the Government does not have any policy on the welfare of animals. For certain good acts, such as five-day work week and energy-saving measures, the Chief Executive has been able to push ahead vigorously with the drive of "acting what he thinks". Will the Chief Executive respond to certain requests made by the public in respect of animal abuse, with actions including an increase on penalties, identifying suitable places for the building of parks for cats and dogs and formulating a better set of policy and legislation? Since the Chief Executive likes keeping koi, I believe he is also an animal lover. Will he respond with the same drive to address as soon as possible to requests in this respect made by most members of the community?

CHIEF EXECUTIVE (in Cantonese): This is a new topic. I know some people in Hong Kong have great concern in this respect and had already organized two marches to express their opinions. Miss CHOY, if you have any specific opinion, you may let us know. I will ask my colleagues of the Agriculture, Fisheries and Conservation Department to discuss specifically with

you after the meeting to see what we can do. However, it is undeniable that owing to the limited area for development in Hong Kong as well as the scarcity of space in the urban area, there is not much room available for pets to move around. In fact, the space available for people to move around is also very limited given the scarcity of roads and the large number of vehicles and people. However, Hong Kong is a civilized place; the arrangements we make should be better than the present ones. Perhaps we could study this topic more substantially.

MR ANDREW LEUNG (in Cantonese): *The Chief Executive has mentioned that a working group will be established to conduct a review of the arrangements for implementing a five-day week after 1 July. Does he expect small and medium enterprises (SMEs) to follow the Government's example in implementing a five-day week? If yes, what kind of consultation will the Chief Executive conduct? And, will there be any assessment on the impacts of this arrangement on Hong Kong's competitiveness and economy?*

CHIEF EXECUTIVE (in Cantonese): This is an internal decision of the Government, but I know that the banking industry is prepared to follow suit. As for SMEs, whether they will also do so is entirely voluntary. The Government will not make any mandatory requirements. SMEs may have their own needs. For example, in the case of some retail businesses, it is simply impossible for them to implement a five-day week and their employees must work on Saturdays and Mondays. This is also the case with some factories and no change could be possible.

As for those internal government posts providing emergency services, such as firemen and policemen, services will continue to be provided 24 hours every day without any breaks. The arrangement will only be implemented for back-end offices. In the case of SMEs, much will have to depend on individual needs. SMEs are engaged in a wide range of businesses; it may well be possible to implement this arrangement for some office workers or insurance traders. I notice that currently, some banks still operate on Saturdays and even Sundays, so I suppose all will have to depend on the needs of the industries concerned. They will have to make their own decisions and the Government will not impose any mandatory requirements on them. All will have to depend on whether the arrangement is suitable for the enterprises concerned. If yes, they may implement the arrangement, if not, they may continue to operate on Saturdays and Sundays as usual.

However, as I mentioned earlier on, although the Government is going to convert the working week into five days, there will be no reduction of conditioned working hours. The number of such hours will still be 44 per week. Therefore, our daily working hours from Monday to Friday will have to be extended to cope with this change. Currently, some civil servants are already working whole-day from Monday to Friday and go to work on alternate Saturdays. We are only required to make very little adjustments to the present pattern.

MR ANDREW LEUNG (in Cantonese): *In other words, the Government does not intend to enact any legislation on implementing a five-day, is that right?*

CHIEF EXECUTIVE (in Cantonese): No, we do not have such an intention. The enactment of legislation is a very complex matter, and there is no need to do so either. I think that every employer, company or enterprise can make its own decision on what to do and how to strike a very good balance between staff benefits and market needs. I think this is the best way.

MR WONG TING-KWONG (in Cantonese): *President, last week, there was a family tragedy, in which a mother had plunged to her death from a building in Guangzhou, as a result, a three-year-old girl was left stranded in that city. Besides raising questions on the adequacy of family support services in Hong Kong, this tragedy also highlighted the inadequacy of assistance to those Hong Kong people who have encountered accidents in the Mainland. Currently, nearly 500 000 Hong Kong people are already living in the Mainland on a permanent basis, and 200 000 others must frequently go to the Mainland on business. When they run into trouble in their daily life, they often have no where to look up for help. In the past, the SAR Government has set up an office in Beijing, and since 2002, a Guangdong Office has been in operation too, but their functions are restricted to trade and economic issues and they will not handle complaints and requests for assistance from Hong Kong people. May I ask when will the Government finalize the plan on expanding the functions of the Guangdong Office? It is mentioned in the Chief Executive's policy address that trade offices will also be set up in Shanghai and Chengdu. Will the Government expand the functions of these two offices, so as to provide services and immediate assistance to Hong Kong people?*

CHIEF EXECUTIVE (in Cantonese): Madam President, our country is developing very rapidly. Currently, there are 30 autonomous regions, provinces and municipalities where Hong Kong businessmen and tourists will often go. Hong Kong is such a tiny place, so it is impossible for it entertain the request for setting up a permanent office in every place in the Mainland. Besides, in the context of Hong Kong, no consulates can be set up, so Hong Kong does face resource constraints if she were to provide the requested services in the Mainland.

However, in order to cope with the current commercial needs, we have decided to set up two additional economic and trade offices in the Mainland, one in Shanghai and the other in Chengdu. As a result, there will be main offices in the east, south, west and north of the whole country. The staff members of these offices are responsible for business and investment promotion. Naturally, if it is within their capability, when the Hong Kong people who have run into trouble are just nearby, or if it is convenient for the staff members to help, they will definitely offer assistance. In Chengdu, for example, if any Hong Kong resident runs any difficulties, he may seek help from the office there. But if a Hong Kong resident runs into difficulties in places farther away, such as Chongqing and Kunming, can the office offer immediate assistance? There will certainly be some difficulties. However, with all the advanced means of communications nowadays, anyone in trouble can telephone his family members or friends in Hong Kong. And, the Immigration Department also have some sort of means to provide assistance.

Members can see that Hong Kong has provided very speedy assistance in the recent case of the girl, NG Mei-hang; actually, whenever any Hong Kong residents encounter problems in the Mainland, we can provide some assistance. However, it will not be at all possible for us expand into every place, province, city or county and respond swiftly and provide assistance whenever anything happens in a certain locality. The offices in Shanghai and Chengdu will be responsible mainly for promoting trade and investment. Their main scope of work is to facilitate trade. However, they will certainly utilize their limited resources to help any Hong Kong residents who have encountered problems.

MR WONG TING-KWONG (in Cantonese): *Speaking of resources, some non-governmental organizations have already set up quasi-service bodies in the Mainland. May I ask whether the Government will co-operate with them, in order to provide the services required by Hong Kong residents in the Mainland?*

Besides, will the Government provide any support in resources to these organizations?

CHIEF EXECUTIVE (in Cantonese): We will try our best to do what we can in this respect, and let us see what we can achieve. As Members are aware, we will need to obtain funding approval from the Finance Committee before we can do so, and we must also ensure the effective use of public funds. If we allocate any public fund to these organizations, we will face the difficulty of monitoring their spending and practices. I believe that the Government will still need to work out a feasible approach for this first. However, I do understand Members' intention and many people have in fact expressed views of this kind to us. Over the past few years, there has been an increase in such views. But we must note that once outside of Hong Kong, we will have to abide by the local laws and regulations of the relevant places. I very much hope that these two new offices in the Mainland can be established in autumn which will at least enhance services in this respect.

MR LAU WONG-FAT (in Cantonese): *President, Chief Executive, despite the fact that there is no employment relationship between the Government and District Council members, may I ask the Chief Executive, will the Government, in a bid to attract and retain talents to participate in assembly work and to serve the community, consider putting in place a sound and feasible retirement protection scheme for people participating in different levels of government and political affairs, such as end-of-service gratuity or provident fund and so on, with a view to deterring members from ending up in dire straits in their old age? (Laughter)*

CHIEF EXECUTIVE (in Cantonese): I know Mr LAU Wong-fat is referring to the "Uncle Piu"¹ incident. I also feel sorry for him. However, taking part in government and political affairs is full of risks (*laughter*), which is something I cannot agree with more. Yet, we must tackle this issue step by step. As far as the Legislative Council is concerned, I know that in recent years, Members in this Council have time and again raised this issue. We will certainly put this into our consideration and consult the opinion of the commission on the remuneration of Members of the Legislative Council. I take an open attitude towards this issue. We fully understand that, in the past, people participated in

¹ "Uncle Piu" is the nickname of Mr LAM Chak-piu, a member of the Urban Council from 1983 to 1991.

government and political affairs in a part-time capacity, but now we can see from Members' workload and dedication that they have assumed a different attitude towards this job. With regard to this incident, I will take into account the actual situation of Members and adopt more positive and proactive measures. Mr LAU, perhaps we could start with the Legislative Council and consider this issue step by step.

DR FERNANDO CHEUNG (in Cantonese): *President, after the constitutional reform package was voted down, the Chief Executive has said time and again, and as he also reiterated today, that he would spend more time specifically on issues relating to the people's livelihood and the economy. I would like to ask the Chief Executive this: In his view, what exactly are the most pressing issues relating to the people's livelihood in Hong Kong at the moment? What specific solutions are there to address these pressing issues of the people's livelihood?*

CHIEF EXECUTIVE (in Cantonese): To me, the most important issues are employment and improvement of the lives of workers. I think the livelihood of the grassroots is most important. We will carry out work in several aspects. With regard to employers who are harsh to their workers, we will do something in this respect. To create employment opportunities, we are conducting a series of work. With regard to labour protection, Members had a very long debate yesterday, and I can well appreciate their views. As I said in the policy address, I hope that some conclusions can be drawn through the Labour Advisory Board (LAB) on standard working hours and minimum wage which have been consistently promoted by the labour sector. We will make continuous effort to carry out work in these aspects.

Besides, in relation to the training of workers and enhancing their competitive edge, the Government will increase its provision in this area every year. All these are what we are currently doing, and we will work in these directions. In other words, from the working environment of workers and their wages, up to their competitiveness, the reward given to them by society, and so on, we think that efforts must also be made in all these areas. Particularly in respect of the employment opportunities for young people and workers aged over 50 who do not have professional skills, I hope that more can be done for them. Resources are being injected and efforts being made in these aspects. We will keep on reviewing the relevant work in these areas. I think these are issues of the utmost concern to Hong Kong people.

DR FERNANDO CHEUNG (in Cantonese): *I am very glad to hear that the Chief Executive can directly show his concern for issues relating to the most fundamental rights and welfare of workers. However, we have discussed the issue of minimum wage for many years and at present, hundreds of thousands of full-time workers are still earning a monthly income of less than \$5,000. I would very much like to know that in respect of the protection of these low-income workers, does the Chief Executive have other policies to assist them apart from conducting lengthy discussions on the issue of minimum wage?*

CHIEF EXECUTIVE (in Cantonese): The discussion has now gained some momentum, and we have also made certain undertakings. If no conclusion can be reached in the LAB, we will refer this issue to the Commission on Strategic Development to elevate the discussion to a higher level. Yet, I am confident that on this issue, the LAB can reach an agreement that it could have never reached before. Recently, on the issue of labour importation, an agreement has been reached with the understanding of workers and employers, and I think this is a good start. I think if such an attitude were adopted in dealing with minimum wage and standard working hours, we will certainly achieve some results. I entirely agree with the comments made by Members that it would be a major problem if the total wages earned by a couple at present are lower than the payment of Comprehensive Social Security Assistance. This is not just a question of caring for the disadvantaged. Rather, it concerns the sustainability of public coffers in future, and this is what we should consider thoroughly. So, I am personally very anxious about this. But on this issue, community views are diverse. I understand that employers have genuine worries, and these worries warrant our discussion and understanding. I really hope that the LAB can take these into careful consideration and conduct in-depth studies and it would then be desirable for it to come up with a proposal acceptable to all sides.

MR CHEUNG HOK-MING (in Cantonese): *President, it is mentioned by the Chief Executive in his policy address that the boundary of the border closed area will be reduced. The news, on its release, has been well-received by Hong Kong people. Residents in the border closed area are especially elated. However, several months have passed since the announcement of the policy address, but we have not heard of any positive actions on the part of the Government. The DAB and the Heung Yee Kuk, in particular, have conducted*

in-depth studies and probings on the development of the border closed area. They have even compiled reports which they submitted to the Government a long time ago. But there has been no response up till this day.

Today, I wish to ask the Chief Executive, what concrete measures have been formulated on border development, the extent of the boundary and the future planning on its land use? In some forums, certain industrialists expressed the hope that pilot industrial zones could be set up in Sha Tau Kok to attract the return of such industries as watch-making and furniture-making. I hope that the Chief Executive can give his response in this respect.

CHIEF EXECUTIVE (in Cantonese): Mr CHEUNG Hok-ming, perhaps we should not talk about what concrete measures could be taken in respect of industries first.

To begin with, it is not true to say that we have done nothing in respect of the opening up of the border closed area. In the middle of this year, the Security Bureau will put forward specific views on the new boundaries for the border closed area. It is still necessary to maintain a border closed area because border smuggling is still rampant. The problems particularly with Sha Tau Kok, which has been mentioned by Mr CHEUNG Hok-ming, are difficult to solve. Currently, an open style border control is being adopted, so if there is inadequate protection, many illegal activities will occur. Therefore, I hope that we can look at the matter from several angles. First, we will put forward a detailed plan and proposal for public consultation. Besides, we may need to enact legislation as well as erect a new fence for the newly reduced border defence closed area and carry out other work processes. We hope to complete all these work altogether. The Security Bureau has received Mr CHEUNG Hok-ming's proposal. We may still need to study the whole aspect in greater detail. The proposal we eventually put forward will certainly take account of the relevant views. However, I must say very frankly that Sha Tau Kok is a great problem, certainly not a small one. Smuggling activities are still detected in this area. Therefore, we must still conduct detailed discussions on promoting commercial development and the prosperity of the area on the one hand, and the prevention of smuggling activities on the other. However, I believe that once the extent of the border closed area is reduced, we will be able to release new land for commercial and recreational purposes. The border area will thus turn more prosperous in future.

MR ABRAHAM SHEK (in Cantonese): *President, the Chief Executive has just proposed the arrangement of a five-day week, and I believe that all wage earners as well as their families must be very happy on hearing this proposal. However, there are tens of thousands of workers, especially workers in the construction industry, who are off seven days a week, because they are out of job. The Chief Executive said in the policy address that he is very concerned about these workers and hoped that their unemployment rate can be lowered — the unemployment rate in this industry now stands high at a two-digit figure of about 12%. The Chief Executive said that the many public works projects and the project at the Tamar Site (Tamar Development) would be expedited. President, I would like to ask the Chief Executive this: Insofar as the next two years are concerned, can he provide a timetable to set out how many projects will be launched and how many job opportunities will be created? This is the first question. Second, there is now opposition to the Tamar Development. In view of this, will the Chief Executive cause the Tamar Site to be resumed once again? President, the construction industry hopes that the Chief Executive will not do so.*

CHIEF EXECUTIVE (in Cantonese): First of all, I understand that a lot of sufferings and pain are hidden behind this general unemployment rate of 5.3%, and this has been so with the construction industry in particular, fortunately the unemployment rate of the trade has dropped from 20% a year ago to 10%, but it still stands at a high level and is almost double the unemployment rate in other industries in general. Moreover, not only the grass-roots workers are affected. Even professionals relating to the construction industry are also affected. So, I am very anxious about this. On the one hand, I hope that the Government of the Hong Kong Special Administrative Region can maintain an annual provision of \$2.9 billion in this respect, and on the other hand, I hope that our projects can be launched one after another. In the past, we have carried out some large-scale projects, such as the Disneyland, the Deep Bay project and the Hong Kong-Shenzhen Western Corridor. All these projects are already completed, but many other large-scale projects still have been shelved, such as the Kai Tak Development, phase II of Wan Chai Development, the Central-Wan Chai Bypass, and so on. As it is necessary to conduct extensive consultation, these projects have been slowed down, and the funding to be injected by us this year, next year and the year after next will hence be affected. As Members can see from my policy address (and I know that large-scale projects are bound to be controversial), I hope to speed up the less controversial projects as far as possible, such as the maintenance works at community halls, minor projects and rural projects. I hope that these projects can be kick-started one after another. I

hope that these labour-intensive projects can somehow meet their needs to some extent, but this is still not enough. There must be large-scale projects in order to maintain the level of our provision and the number of workers in employment.

I know that these various projects can provide jobs to a large number of workers. But apart from these 120 minor rural projects, I am actually giving consideration to the major project on the Tamar Site. I know that some Members of the Legislative Council may have different views or even reservations on this issue, but I will do everything I can to convince them, because the Legislative Council may not necessarily reach a consensus on other proposals, in which case delays would be caused to the progress of works. The Tamar Development has already been discussed in the Legislative Council at length, and the project was not implemented before because we did not have adequate funding. But since we have secured the necessary funding now, it should be launched expeditiously. As Members may have noted that we are currently carrying out work at the initial stage, and I hope that in the second quarter of the year, that is, around summer, after the proposals on this project are received, the formal tender proposal can be officially prepared and submitted to the Finance Committee for funding approval. I hope that all these can be done in summer this year, so that works for the Tamar Development can be officially launched in 2007.

Moreover, we also have other projects, such as the Sha Tin to Central Link, of which construction works will soon commence. We are still studying — I must be careful with my words (*laughter*) — the Northern Link of the Kowloon-Canton Railway, and feasibility studies of the South Island Line are also underway. These projects are implemented not only because there is a need to develop public works and infrastructure. We hope that these projects can commence without delay also because of a special reason and that is, for the sake of the employment of workers. Each project will entail thousands of job opportunities. Certainly, given that these projects are different in scale, if Members would like to have the detailed information, I can provide it in writing. But I hope that in addition to the minor projects, major ones can also be implemented with the consensus of the Legislative Council.

MR ALBERT CHAN (in Cantonese): *President, the Chief Executive said in his address earlier that rational discussions would be conducted on the constitutional reform in future and that he would continue to deal with this issue with emphasis*

on fostering social harmony. However, it is often necessary for these remarks to be supported by actions and policies, not rendering them just empty talk. In respect of the constitutional reform, the Government failed to pursue these two aims or principles in its work during the past two months or so. On the contrary, it kept on expanding the contradictions and creating conflicts, and continuously sought to serve its own purpose by smearing and distortion. President.....

CHIEF EXECUTIVE (in Cantonese): President, can I ask for a further explanation of the question? If I do not understand the question, I cannot answer it. What did I smear? What smearing have I done? How did I distort and smear?

PRESIDENT (in Cantonese): Mr CHAN, you may go on asking your question.

MR ALBERT CHAN (in Cantonese): *I thank the Chief Executive for expressing so much concern about tactics of smearing and distortion. I have explained these remarks many times in past debates of the Legislative Council, but it seems that the Chief Executive has not heard about it at all, or the message has never been conveyed to him, and that is why he has kept on employing these tactics of smearing and distortion.....*

CHIEF EXECUTIVE (in Cantonese): In fact, opportunities.....

MR ALBERT CHAN (in Cantonese): *President, please let him explain later.*

I absolutely do not wish that the constitutional reform will turn the Chief Executive from a lonely salesman into a barbarous salesman devoid of integrity. After the constitutional reform package had been voted down, the Chief Executive arranged to meet with the senior management of some media organizations, telling them that six members had promised to support the constitutional reform package. Members from the pan-democratic camp have kept on repeating that they had never promised the Chief Executive that they would support the constitutional reform package. Such being the case, did the Chief Executive lie,

or did he distort the words of or smear those people who had not made this undertaking to him? I hope that the Chief Executive can take this opportunity today to clearly explain to us whether those six people had personally made this undertaking to him, promising that they would support the constitutional reform package, or was he told by a third party or in a most roundabout way that those people would support the Chief Executive? I hope the Chief Executive can clarify this point and if possible, I hope the Chief Executive can disclose the names of those six people. I think if that is really the case, the 25 Members from the pan-democratic camp will not object to the Chief Executive disclosing the names of those six people. If the Chief Executive refused to disclose the names of those six people or said that their names could not be disclosed, will the Government please stop employing such nasty, despicable and shameless tactics?

CHIEF EXECUTIVE (in Cantonese): First of all, as the Chief Executive, I will honour my words, and there are no lies or whatsoever embedded in what I have said. I think the adjectives used by Mr Albert CHAN are not at all appropriate. But I had talked to these Members, and I will certainly keep my promise to them; I cannot disclose their names and the contents of our discussion lightly. Otherwise, I would do damage to my integrity, and if I have really damaged my integrity, then the adjectives used by Mr Albert CHAN would really be appropriate descriptions. So, I think I must not disclose their names, and I am not willing to do so. I very much believe that these friends of mine or Members of the Legislative Council do not wish either that I should do it. What is more, I all the more believe the general public in Hong Kong will think that I should not do it.

MR ALBERT CHAN (in Cantonese): *President, he, being the Chief Executive, told some members of the media in private that six Members had indicated support for him but he is unwilling to disclose their names. This is a question of integrity. Unless those six Members have raised objection — May I ask whether the Chief Executive will consult their views? Today, most pan-democratic Members are in this Chamber, and of the 25 Members, only Mr LAU Chin-shek is not here. I believe Members from the pan-democratic camp have no objection to his disclosure of the names. I would like to ask this: Did those six people give him this undertaking in person, or was he actually told of it by a third party or a fourth party in a most roundabout way, or by a "eunuch" or "empress"?*

Did those six Members give him the undertaking personally that they would support the package?

CHIEF EXECUTIVE (in Cantonese): What I can say in reply is that if Mr Albert CHAN is so curious, I can tell him that those six people had given me this undertaking in person at different times. But since Mr CHAN has asked me this again, let me say this once more: He is not one of those six people. Will it do if I put it this way? *(Laughter)*

MR CHAN KAM-LAM (in Cantonese): *President, I am very glad to hear that the Chief Executive attaches so much importance to the employment and livelihood problems of the general public. I believe the Chief Executive must have also noticed that recently several cases of fire broke out at places such as the squatter areas, rooftop huts and partitioned rooms. The living conditions of these places are very bad, and it can be said that there is no protection for the residents' lives and properties at all. Since this is not compatible with Hong Kong's status as a world city, therefore I would like to know whether the Chief Executive will consider expeditiously addressing the problem relating to the poor living conditions of the squatter areas, rooftop huts, and so on.*

CHIEF EXECUTIVE (in Cantonese): President, this is indeed a crucial issue of the housing problem. To date, a lot of work has been done at the squatter areas or rooftop huts, and eligible residents have been relocated to suitable accommodation as far as possible. For instance, residents who are waiting for public housing flats will surely be allocated a flat within three years, provided that they are eligible. Even if they are not eligible, they will still be rehoused in temporary housing areas where the living conditions are, under certain circumstances, better than that of the squatter areas and rooftop huts. However, very often the residents concerned were reluctant to move out. The task of overcoming such difficulties poses a great challenge to us. But anyway, the purpose of the existing public housing scheme is to take care of particularly people living in substandard accommodation, with a view to improving their living conditions. We have made such an undertaking and a housing policy is in place to take care of them. In this regards, if Mr CHAN Kam-lam thinks more should be done in any respect, I hope he will put forward concrete views to the Secretary for Housing, Planning and Lands for discussion. Follow-up actions will definitely be taken. All right?

MR CHAN KAM-LAM (in Cantonese): *President, I believe the Government has indeed done a lot to address the housing problem, the living conditions of the grassroots are nevertheless extremely bad. Will the Chief Executive, I wonder, join us in response to our invitation on a visit to the squatter area residents at the grass-roots level to understand the actual situation?*

CHIEF EXECUTIVE (in Cantonese): Let us find an occasion, find an occasion.

MR HOWARD YOUNG (in Cantonese): *President, I would like to ask the Chief Executive this question. As we all know, the middle-class people pay the most tax but enjoy the least welfare. This was especially so in 2003 when the Government increased the salaries tax. I have recently noticed that, since the economic conditions have improved, the Chief Executive has indicated that there is room for tax reduction. Therefore, will the Chief Executive discuss with the Financial Secretary whether the emphasis should be placed on reducing the tax burden of the middle-class people, if room for tax reduction does exist? For example, such measures may include restoring the salaries tax to its previous level, so as to alleviate their burden.*

CHIEF EXECUTIVE (in Cantonese): Before assuming the office of the Chief Executive, I had once been working as the Financial Secretary. At that time, I very much hoped that I could be given a free hand in my work. Therefore, in this regard, I would have great respect for the decisions of Financial Secretary Henry TANG.

With regard to the question of whether the Government can do something in terms of taxation since the grassroots and middle class are under great pressure of life, I believe every Financial Secretary would take it into consideration whenever he proceeds to draft the Budget. And I strongly believe that Financial Secretary Henry TANG will also take this into consideration. However, on a personal level, I definitely respect his decisions.

MR ANDREW CHENG (in Cantonese): *Madam President, first of all, I am sorry for being a bit late as I had been attending a meeting of the Tai Po District*

Council. On my way of driving back to the Council, I was very delighted to hear that the Chief Executive was discussing the five-day week system. It is because the Government will be taking the initiative to implement the five-day week system. However, in reply to a question raised by Mr Andrew LEUNG, the Chief Executive said that he did not intend to enact legislation to prescribe the standard working hours.

I would like to raise two follow-up questions to the Chief Executive. First, if only the 180 000 civil servants in the Government can enjoy the five-day week system, but over 3 million wage earners in Hong Kong still have to work overtime continuously, to the extent that their own lives, family lives and their rest time, and so on, are all affected, does the Chief Executive think that this is appropriate?

Secondly, after the introduction of the five-day week system, the law to prescribe the standard working hours is still not yet enacted. Although the Chief Executive said that civil servants definitely work only 44 hours a week, if the Government allows the present situation to go on without enacting legislation to prescribe the maximum or standard working hours, how can it guarantee the implementation of the five-day week system? They may have to work 10 to 12 hour a day before they can satisfy all the requirements of their work. How can the Chief Executive ensure that, on the assumption that there will not be any standard working hours, the five-day week system can make the work of the civil servants more efficient, but at the same time, they would not be subject to greater work pressure?

CHIEF EXECUTIVE (in Cantonese): First of all, the present five-day week system was not invented by the Hong Kong Government. Besides, as I look at the situations of all the governments in Asia, Hong Kong is the only place that has not implemented the system. Singapore already implemented the five-day week system a long time ago. We are the only ones still working six days or five and a half days. Therefore, such an arrangement is not any special measure that has not been implemented by other governments.

Besides, many companies in Hong Kong have already implemented the five-day week system, and the SAR Government is not alone in taking this course of action. I very much believe that if the Government really implements this new initiative..... The banking sector which has a large number of

employees has already implemented this. As for other industries, if they find the arrangement does not have any adverse impact on their efficiency and instead it makes their employees happy, I strongly believe that they will also consider adopting it. It is not necessary for the Government to enact any legislation to enforce the implementation of this arrangement. Besides, enacting legislation to enforce its implementation will cause unnecessary hindrance to the overall commercial activities. It is most important that the different trades and industries should be allowed to adopt respective suitable methods for themselves. The Government will not adopt the five-day week system on a full scale. Many emergency teams and posts will continue working seven days a week and 24 hours a day.

With regard to the standard working hours, as I have just said, at present, if we wish to impose any restrictions in this regard, they have to be discussed by the Labour Advisory Board (LAB). And, incidentally the LAB is actually discussing this issue currently. I do hope they can come up with a conclusion. I think the LAB has made considerable achievements in the discussion of other subjects, and I hope they can also make concrete progress in this aspect. I know many of our colleagues in the Government have always worked for more than 44 hour a week. And if I had the opportunity, I would like to ask them who can work for 44 hours only. I believe no one works for so few hours. Some people work for longer hours voluntarily, some do it out of their own enthusiasm in work, some do it for repaying the people's trust in them, and some are even motivated by vanity reasons. There can be many reasons for it. *(Laughter)*

There is one advantage in implementing the five-day week system. If they do not have to go to work on Saturdays, they can at least unwind on that day. In making their own time planning, they may have to make some make-shift arrangements to suit their own purposes. But insofar as standard working hours are concerned, the internal guideline in the Government has prescribed 44 hours.

MR ANDREW CHENG (in Cantonese): *Madam President, if the question of who can work only for 44 hours is asked, who dares to raise his or her hand? I also believe that the working hours would not be so few. The point is, the overtime work culture has already been established in society and it has*

constituted great pressure for the people. Now, the high suicide rate has already become a problem in Hong Kong, and work pressure is another problem. Therefore, the thrust of my question is, in order to establish the five-day week system, the Government must take the initiative, and then next it will make society gradually accept a reasonable standard of working hours, and then eventually it will lead to the implementation of standard working hours. With this step-by-step approach, the target will be achieved eventually. May I ask whether the Chief Executive would work in this direction and strive ahead for the successful accomplishment of the goal?

CHIEF EXECUTIVE (in Cantonese): I think logically we can put it this way: The initiative should first be implemented by the Government, and then, subject to the feedbacks of the business sector, we will decide whether it is necessary to enact legislation to enforce it according to the prevailing circumstances. In my opinion, it will be very difficult to enact legislation on this as different industries have different work requirements. However, with regard to the issue of standard working hours, it has already been handed over to the LAB for conducting studies on problems related to the enactment of legislation. The LAB is studying the issue and will work in various directions. However, I hope that, after the Government has taken the first step in this regard, the business sector will also respond to it positively. I strongly believe that, as I have said earlier, with enhanced efficiency without incurring additional expenditures, many companies will also consider adopting the initiative.

MR JASPER TSANG (in Cantonese): *I think the Chief Executive should give commendations to those Directors of Bureaux who work for only 44 hours a week and manage still to solve all the problems.*

When the Chief Executive reported on his work in Beijing, Premier WEN Jiabao once mentioned that there were some deep-rooted problems that have not been resolved fundamentally. Now, two weeks have lapsed, I would like to ask the Chief Executive and the relevant officials whether they have considered such problems and gained a clearer understanding of such so-called deep-rooted problems and proposed ways of solving them? With regard to the six aspects of economic development mentioned by the Chief Executive just now, are they targeted at resolving such deep-rooted problems?

CHIEF EXECUTIVE (in Cantonese): I know what the Premier had referred to was caused by economic problems; and from their point of view, the economic restructuring of Hong Kong still has not been completed. Therefore, the internal situation of Hong Kong society is still very stressed.

On the one hand, we aspire to becoming an international commercial centre with very strong competitiveness. But on the other hand, our commercial costs are higher. There is a contradiction between these two aspects. However, this is a contradiction that cannot be avoided in capitalist economies. So we can only address such deep-rooted problems by resorting to some fundamental measures. As such, I have mentioned in my earlier speech on how to reduce the costs, enhance our opportunities and explore new markets, and so on. I feel that these are the only ways we can ameliorate the present deep-rooted problems. However, these problems cannot be eliminated completely. They will inevitably exist in any capitalist society, and the only difference may well be whether such problems are prominent in different economies.

The most important point is whether we can do our best in this regard in order to enable Hong Kong to have the competitiveness to do what our neighbouring countries cannot do. In this way, we can overcome the present problems of high salaries, high rents and high costs, and so on, and then through the provision of high value-added services, we can offset such pressure. It will involve work in many different domains and may not be achieved overnight. As I have said just now, this kind of contradiction always exists in capitalist economies. This is an inevitable phenomenon.

MR JASPER TSANG (in Cantonese): *The Premier was alleged to have said that this kind of deep-rooted problems have not been resolved fundamentally. But according to what the Chief Executive has said just now, does he think that such problems can never be fundamentally resolved in a capitalist society? It seems the Premier does not have an in-depth understanding of the capitalist system? (Laughter)*

CHIEF EXECUTIVE (in Cantonese): Certain problems, such as the wealth gap between the rich and the poor or the disparity of capitals, and so on, are capitalistic in nature. It would be fine if such problems are accepted as a kind

of inevitable phenomena in society. However, if they are regarded as something that would lead to social contradictions, then we must admit that this is actually something that cannot be resolved. Then what is the solution for us to alleviate such contradiction? In fact, some measures have been implemented in Hong Kong such as the provision of the Comprehensive Social Security Assistance (CSSA) and retraining, and so on, so as to enhance workers' employment opportunities, raise their wages and facilitate value enhancement by both employers and employees, and so on. Although such measures can reduce contradictions, it is impossible to remove such contradictions completely. This cannot be achieved unless we are living in a socialist state in which everyone receives the same wages.

I dare not say..... Perhaps I have mistaken or maybe the Premier was thinking about some other problems or issues in other areas. However, insofar as my interpretation is concerned, I think the deep-rooted problems refer to our economic problems, so I have spoken on the difficulties we now face in terms of competitiveness in our society.

The natural phenomenon we see now, including the wealth gap between the rich and the poor mentioned just now, is the common characteristics of cities with financial markets such as New York, London, Hong Kong and Tokyo, and so on. The wealthiest people are gathered in such cities, but the poorest people also make their way to such cities. So such contradictions will always occur. However, we should not give up. We must continue to identify ways of enhancing the employment opportunities for the poor people and strengthen their value-adding capability. And we hope that they will not remain permanently poor. Instead, we hope these poor people can rise beyond the poverty line in a few years, to earn more money and prevent the occurrence of inter-generational poverty. These problems are the reality that must be accepted by certain societies, especially capitalist societies.

MR CHEUNG MAN-KWONG (in Cantonese): *President, Mr Donald TSANG, I would like to share with you my views. I have not voted against the education reforms. I have not intended to abolish the education reforms. I have been very cautious in the wordings I used recently in discussing education reforms, that is, there should be priorities in education reforms; the acceptability of schools have to be taken into consideration; if some measures are unreasonable, unhealthy and unnecessary, consideration must be taken to eliminate them. I hope the Chief Executive can listen to these words carefully and will not be misled. Anyway, the fact that two teachers committed suicide in four days is*

really saddening to the education sector. I do not approve of suicide. I also agree that there are many factors contributing to any suicide. However, Fanny LAW remarked that if the suicides were related to the education reforms, why only two teachers had committed suicide. May I ask the Chief Executive how he felt on hearing such remarks made by Fanny LAW? For many teachers who are pressurized by the education reforms, may I ask the Chief Executive how does he feel? Can the Chief Executive appreciate their sad feelings, as well as their sorrow in not gaining the sympathy?

CHIEF EXECUTIVE (in Cantonese): Having heard about the suicides of two teachers, I believe all Hong Kong people feel saddened. In particular, the professionals who are engaged in the work of education must have had very strong feelings. Insofar as Mrs Fanny LAW's remarks are concerned, she had already said that she was not prudent enough in making that response, and she had already openly apologized to you. In the education sector, Mrs LAW has been doing her best during the past few years. She has spent every minute on fighting for the interest of the education sector, and she has never relaxed her effort for even a minute. I believe this is evident to everyone. Regarding this incident, she has already given an adequate clarification and she has also conveyed her feelings to Hong Kong people.

This incident has prompted us to conduct a speedy review in this regard. The three measures proposed by the Secretary yesterday have responded to the difficulties in this area and I hope the measures will not only alleviate the sad feelings and pressures of teachers, but I believe the allocated funds, if properly made use of, can also release the workload and pressure of teachers in terms of their work.

As I have just said, life is too precious; even one single life is too many to be sacrificed, not to mention the loss of two now. Therefore, the Government will definitely give much thought to this. During the past few days, the Government has been discussing this issue internally. Fanny has borne the brunt of it. So she must have thought very clearly about it. Like me, she is also very concerned about this issue. She may even feel more strongly than I do because all through these years, she has devoted herself completely to this cause. I respect the work she has done. I understand the pressure she has been under, and as such, a slip of the tongue could occur. This could happen to anyone. This could happen to Mr CHEUNG Man-kwong, this could happen to me, and

this could happen to every Honourable Member because this is human nature. But let us not be too insistent. All of you can see her performance over the years, but why should we be unforgiving about her remarks? In this regard, she has kept on lobbying the Secretary and other colleagues to allocate a considerable amount of money — to spend \$1.55 billion in three years — to remedy the incident. I find this very good. Regardless of the reasons for the suicides of the teachers, I find the Government's response very positive. I hope the education sector and Mr CHEUNG Man-kwong can accept this arrangement, and stop insisting on finding fault with Fanny's remarks. I feel that we should adopt an open mind and be lenient and kind on this issue.

MR CHEUNG MAN-KWONG (in Cantonese): *President, I am of course most grateful to the Chief Executive for his concern about education and my thanks are also due to the Government for some measures it has proposed recently. However, I am not completely satisfied with these measures. Anyway, I hope the Chief Executive can listen to this: In 2000, when Fanny LAW introduced the education reforms, she told the teachers that those teachers who could not stand the heat had better leave the kitchen; and if they did not like the game, and if the education reforms were not their cup of tea, they should be shown the way out. If she has been adopting such a mentality during the past six years in implementing education reforms, then does the Chief Executive think that the teachers would amiably support her without any objection? If her remarks this time are regarded as just a slip of the tongue, and if her mentality six years ago has been continuing to this day, then are such remarks simply a slip of the tongue, or a plain reflection of what she sincerely thinks? Anyway, I would like to thank the Chief Executive for his concern about the issue of teachers' pressure, and I have also written to the Chief Executive to express my longing for an opportunity to discuss this issue with him and his colleagues. I hope the Chief Executive can give me a positive response. I wish to have a good occasion to hold a discussion with the Chief Executive.*

PRESIDENT (in Cantonese): Chief Executive, do you want to give any more response? If not, I shall call upon another Member to raise his question.

CHIEF EXECUTIVE (in Cantonese): If Mr CHEUNG Man-kwong would like to string together all my slips of the tongue during the past 39 years, I think there

must be a lot more than this. If we string together all the slips of the tongue of any individual public officer, there will also be a lot of such examples. I hope all of us can adopt a lenient attitude in considering this issue, and do not target our criticisms at any individual over any particular incident.

I have only noticed one fact, that is, Mrs LAW's enthusiasm in education is no less than anyone. Over the years, she has dedicated herself completely to the conduct of education reforms. Her work is not limited to the primary schools, the secondary schools or the universities. Even on the work of competing for resources, she has also attained the goals successfully. Of course, she does have the support and co-operation of the Secretary. In fact, she has done a lot behind the scene. I hope all of us can view the issue from a macro point of view, and I also hope that the teachers can view the issue in a lenient and kind light. When we work, we are all stressed and the working hours are very long. However, very few people would work for such long hours every day like Fanny does. I hope we can have Mr CHEUNG Man-kwong's understanding on this point.

As for the issue of arranging for a meeting between us, we have been meeting each other quite frequently. If he wants to discuss educational issues, the Secretary is the expert, and Fanny is also the expert. If, after holding discussions with them, he still thinks that I can be of help, I will certainly participate in such meetings.

MR RONNY TONG (in Cantonese): *President, the Chief Executive just said that he had noticed our debate last night. I do not know whether the Chief Executive has noticed that, the functional constituencies led by the Liberal Party continued to play the role of the opposition camp on people's livelihood issues and they managed to vote down the motion of "Comprehensive review of labour legislation" which was supported by 31 votes with their mediocre 15 votes. Chief Executive, please note that this motion just asked the Government to conduct a review; but to our surprise, even a review was not allowed.*

In fact, over the years, the Chief Executive must have noticed that the so-called free-economist opposition camp would always exercise their power to veto some motions that are related to the people's livelihood, thus creating inequality, intensifying division and highlighting the handicaps and imbalance in our constitutional system.

The Chief Executive has just mentioned that — when he ran in the election he had also said that — he would like to make it one of his prime duties to build up a harmonious society. So, what kind of specific proposals does he have in his mind that can resolve the deep-rooted problems arising from the situations of the rich bullying the poor?

CHIEF EXECUTIVE (in Cantonese): In our open society, employers and employees do have a lot of differences. It is most important that there can be sufficient occasions for study. So frank discussions can be held among the various parties to identify which issues can be solved and which cannot.

During the past few years, we can see that the labour problems have been solved one after the other and now we are coming to work on those fundamental issues such as prescribing the minimum wage and standard working hours. Regarding this issue, we do have some forums for discussion now. I do not know the exact wordings of the motion, and maybe some Members were dissatisfied with the wordings, so they did not support the motion. This did not necessarily mean that the employers thought that the existing system was completely acceptable and could not be changed at all. I believe this must not be the case. However, we cannot adopt a high-handed approach to impose this on them with a motion. This can only be achieved when both sides are prepared to accommodate each other. I can see that our present labour system is making progress every year. I think a important point is for us to move forward to do something in a more sincere and bolder manner, on the premise of not affecting the harmony in society.

MR RONNY TONG (in Cantonese): *President, I think I must have put the question in an inappropriate manner because the Chief Executive has completely failed to grasp my question. The thrust of my question was constitutional system and people's livelihood are inseparable. As the Chief Executive has said, the pro-democracy camp had voted down his constitutional reform package. Likewise, some Members are in possession of the power to veto motions on the people's livelihood in this Council. No matter how hard we have tried to reach a consensus, this fundamental handicap does exist in this constitutional system. May I ask the Chief Executive how he can remedy this fundamental handicap?*

CHIEF EXECUTIVE (in Cantonese): Constitutional arrangements are institutional arrangements. If we want to change such arrangements, we can only do it through amending the laws and the system. Are we not doing some work right now? I think we have already put forward some proposals in the Fifth Report of the Constitutional Development Task Force.

What Mr Ronny TONG has said now are deep-rooted problems, which must be addressed step by step. Some Members did not like the package put forward by us. There is nothing we can do about it. So we have to go back and think up another package. But I shall not be able to accomplish this task within my term of office.

MR RONNY TONG (in Cantonese): *President, the Chief Executive said that he would dedicate himself to addressing issues related to the people's livelihood, instead of discussing constitutional issues. May I ask the Chief Executive whether he agrees that the two issues actually cannot be separated? What I have just said is a very good example. I hope he can have a specific solution.*

PRESIDENT (in Cantonese): Mr TONG, you have already exhausted your rights in raising questions. Please sit down. You have not observed our rules and have asked one more question than you should. However, in order to save time, I am not going to pursue this with you. Chief Executive, if you want to answer it, of course you can. Otherwise, I shall call on another Member to ask another question.

CHIEF EXECUTIVE (in Cantonese): I very much agree with one point mentioned by Mr Ronny TONG, that is, politics cannot be completely separated from the people's livelihood. There must be certain connection between these two, but we must deal with them individually. And regarding issues of the people's livelihood, there are ways of addressing them from the perspective of handling the people's livelihood. Mr Ronny TONG, sometimes you have to accept the given political framework, and we can only proceed to improve our work processes and improve our environment within the framework. These are what I am doing. On the other hand, I am also studying whether it is feasible

for us to expand the existing framework, so that we can be more relaxed when dealing with such issues. The Commission on Strategic Development is doing work in this regard right now. We cannot implement universal suffrage in 2007 and 2008, so we may proceed to do work outside the ambit of 2007 and 2008. I shall keep on making an effort.

MRS SOPHIE LEUNG (in Cantonese): *President, at one meeting of the Panel on Welfare Services of the Legislative Council, a certain slogan — "from the heart" — came up during the discussions. We were at that time discussing domestic violence and other social problems and we expressed the hope that all relevant front-line workers or non-governmental organizations could do something "from the heart" instead of simply relying on some hardware or resources. We also considered that "from the heart" is a proper attitude. I am very happy because on one occasion about social services recently, all present agreed that the slogan "from the heart" should be chanted much more loudly. I believe government officials have all been doing things from the heart. May I ask the Chief Executive how government officials can be encouraged to do things from the heart? Is it necessary to take some actions, or to bring this slogan into the community, so that all can do things from the heart instead of chanting empty slogans?*

CHIEF EXECUTIVE (in Cantonese): I think Hong Kong is a civilized society, where it is only naturally for everybody to do things according to their conscience. If public officers do not do things according to their conscience, they will not get the proper reward. I believe that public officers must bear a certain degree of pressure and burden. Sometimes, even when we are condemned on certain occasions, we must still put up with the expletives — Members all heard Mr Albert CHAN's remarks just now, so they should have an idea of the kind of language used by him. But deep down my heart, I am receptive to what he said because I know that his words are well-intentioned. I also hope that he can accept me because I have always been doing things with benign intentions. And, I believe that all principal officials have been serving the people of Hong Kong according to their conscience. If we can all do so, there will be true harmony. If we can know and accept ourselves, accept others, frankly express our worries about each and every issue, then, I believe many unnecessary disputes can be avoided.

MRS SOPHIE LEUNG (in Cantonese): *President, the Chief Executive has in fact answered part of my question already. But I still wish to highlight the point that in regard to some livelihood issues, the Liberal Party does not want to offer any sugar coated poison to the people and make society bear the consequences in future. In regard to the consequences of these sugar coated poisons, how can we encourage society to look at them from a deeper or longer-term perspective?*

CHIEF EXECUTIVE (in Cantonese): I am sorry, Mrs Sophie LEUNG. Do you mean "deeper", or "deep at heart"?

MRS SOPHIE LEUNG (in Cantonese): *Both.*

PRESIDENT (in Cantonese): This is only the personal opinion of Mrs Sophie LEUNG. I do not think the Chief Executive should give any response. We still have enough time for one last question from Members.

MS EMILY LAU (in Cantonese): *President, the Chief Executive said that we must not think that nothing has happened after vetoing the constitutional reform package last month, and that we must bear the consequences. Some in the community think that the Chief Executive is behaving just like a child who will stamp his feet after losing a game. The Chief Executive also said that our relationship with the Central Authorities has turned abnormal. The Chief Executive has recently met with the Central Authorities, and in a press conference held in the small hours on the day after our vetoing of the constitutional reform package, the Chief Executive and the Chief Secretary for Administration repeatedly referred to us as the opposition camp. Later on, they even rallied support for the royalist faction. Can the Chief Executive tell us how abnormal our relationship with the Central Authorities has turned? Is our relationship with the SAR Government very abnormal? Have they formed a ruling coalition with the royalist faction? Will they suppress us and ostracize us in various ways in the future?*

CHIEF EXECUTIVE (in Cantonese): To begin with, the term "opposition camp" does not carry a negative connotation, so there is no need for such

anxieties. In political science, "opposition camp" simply denotes a relative positioning, as opposed to the rulers and their supporters. And, as a political concept, "opposition camp" is just the reflection of a phenomenon or fact. Its connotation is therefore neither positive nor negative. In a pluralistic society like Hong Kong, there is bound to be an opposition camp. The only question is what actual role the opposition camp itself wants to play. Perceived positively, the opposition camp can play the role of a prefect and monitor the operation of the Government, offering constructive criticisms about its inadequacies of governance. But the other role is rather negative in nature — in order to demonstrate its position as the opposition camp, the opposition camp will raise objection on all fronts, to the extent of departing from public opinions. Consequently, I think that Members should really consider very clearly which role they want to play. And, there is also no need for such obstinacy.

To us, as I have mentioned, the incident has happened and we cannot pretend the otherwise. Members should not treat the whole thing as a simple game because the issue involved was a very serious one. On such an important occasion, Members exercised the power vested with them in one of the Annexes to the Basic Law and voted on a very serious proposal, a reform package we put forward after 18 months of work. This was no simple game at all. Under such circumstances, I as the SAR Government must conduct a review and draw conclusions from the experience. I hope that Ms Emily LAU and other Members can also draw conclusions from the experience, so as to avoid the recurrence of similar incidents and refrain from wasting our time and people's expectations. We should really make it possible for the political system to take forward steps.

I believe communication will certainly continue, but it must be based on sincerity and guided by interactions instead of any bundling tactic. I think it is all elementary politics when one claims that one's position is immutable and unchangeable, and that one will never accept any compromise. I think we must be more advanced and adopt an interactive approach.

MS EMILY LAU (in Cantonese): *President, the Chief Executive has not answered me how abnormal our relationship with the Central Authorities has turned, nor has he told me whether he has formed a ruling coalition with the royalist camp. I so ask because the Government frequently rallies support for them these days. Many people would like to know the current position of the*

Government. As for the vetoing of the constitutional reform package, we do not think that we have treated the whole thing as any simple game. But we also do not think the Government is right in saying that it can do nothing more after the defeat. The reason is that everybody wants to expand the electorate base. Therefore, the authorities should still have many things to do.

President, the Chief Executive frequently says that he is prepared to talk with us; we in the pan-democratic camp have started to express our wish of talking with him since October last year, but there have never been any dialogues so far. As many people and the Central Authorities know, we have repeatedly expressed the wish of talking with the Chief Executive, but no one has ever responded to our appeal. Is this also a kind of elementary politics?

CHIEF EXECUTIVE (in Cantonese): I just think that if any Members are basically unwilling to change their stance, that is, if they make it very clear that the Government must formulate a timetable in order to gain their acceptance, then, my only alternative will be to check whether there is any room for manoeuvre, whether it is possible to get the support of some others. I suppose this is something that must be done. Can Members expect any changes to emerge from a discussion held among more than 20 people? I have never found it possible to achieve good progress in a political issue of such nature by holding open discussions on any public occasions. This is rarely possible and has never happened in history so far. For this reason, I had better do my best to work out a solution to the problem as soon as possible by examining if there is any leeway. But I also think that this is a very difficult task. What I mean is that if we are to succeed in resolving the matter and achieving any progress, there must first be healthy interaction, good intentions and sincerity as well as mutual trust and respect. I think there has not been enough healthy interaction, sincerity, good intentions and mutual trust and respect. One of the sides must still make more efforts.

The Government will of course lobby Members to support our proposals and policies. We would definitely expect to spend more time with Members who are willing to listen to what we have to say, listen to our side of the story, and listen to our rationale. If some Members are not ready to listen to our explanation and insist that their stance will never change according to newspaper reports I have seen, they state that their positions are immutable — how can I expect to change their minds? How can that be done?

Therefore, should any Legislative Council Member express support for the motion put forward by the Government after thorough public consultation, I will definitely talk to him. If there can be room for negotiations and discussions, I will definitely talk to him.

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, no applause is permitted in the Chamber. By convention, Members shall tap the bench if they wish to express any appreciation.

(Some Members tapped the bench, and Mr LEUNG Kwok-hung even spoke while remaining seated)

PRESIDENT (in Cantonese): That's about it, you are not allowed to speak. It is not your turn to do so now, and the meeting today has ended. Totally 18 Members have asked questions today, and we must thank the Chief Executive for his replies. I understand that those Members who have not been able to ask questions in the meeting today must be a bit disappointed. But in the next Chief Executive Question and Answer Session, they will have a greater chance of asking questions. Here, I wish to thank the Chief Executive for attending an extra Question and Answer Session. I hope that this can be a "rule" rather than an "exception".

While the Chief Executive is exiting from the Chamber, will Members please rise.

CHIEF EXECUTIVE (in Cantonese): Thank you, President. Thank you, Honourable Members.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 11.00 am on Wednesday, 18 January 2006.

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