

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 12 October 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

DR THE HONOURABLE RAYMOND HO CHUNG-TAI, S.B.S.,
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, G.B.S., 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.

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

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

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

THE HONOURABLE VINCENT FANG KANG, J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LI KWOK-YING, M.H., J.P.

DR THE HONOURABLE JOSEPH LEE KOK-LONG, J.P.

THE HONOURABLE DANIEL LAM WAI-KEUNG, S.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

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 COMMERCE, INDUSTRY AND TECHNOLOGY

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

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

THE HONOURABLE DENISE YUE CHUNG-YEE, G.B.S., J.P.
SECRETARY FOR THE CIVIL SERVICE

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.

THE CHIEF EXECUTIVE'S QUESTION AND ANSWER SESSION ON THE POLICY ADDRESS

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

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

CHIEF EXECUTIVE (in Cantonese): Madam President, I am most delighted to again meet with Members today. The theme of yesterday's policy address is "Proactive, Pragmatic, Always People First", which responds to my personal view that "Always People First" is a cornerstone of the "Strong Governance" implemented by me. Despite that the Government's policy decisions are made very meticulously and resolutely, but the enforcement of policies to achieve the desired result must seek to be "Always People First". If the administration of a government can meet the actual needs and aspirations of the community, its policies will naturally command popular support.

The publication of the annual policy address is actually a process of building consensus among the society. For instance, before drafting this policy address, I consulted and listened widely to the views of people from all walks of life, political parties and various deputations, and held more than 30 consultation sessions. After that, consideration was made on the priorities in the year to come and details of the policy address. I earnestly hope that in so doing, a consensus will emerge within the community, and on this we implement a broad blueprint that can promote the forward development of society.

Certainly, different people may have different philosophies of governance. What I emphasize is pragmatism, and I also wish to highlight that administration is not empty words. We must not engage in ideological debates but be pragmatic, and handle specific problems in a pragmatic manner. Furthermore, we must progress with the times and enhance our efficiency of administration continuously. Vision is not the only thing we need in administration, but the specific means to realize it. I believe the proper articulation of policy concepts and enforcement specifics is precisely the pragmatism which I have emphasized time and again.

However, pragmatism is only an attitude of solving problems, but not a political belief, and it is impossible to be pragmatic without principles and directions. In fact, my philosophy does not differ significantly from that of Members and the general public. We all hope that Hong Kong will progress with the times politically, economically, socially and in terms of the quality of life. Being the Chief Executive and the person-in-charge of various executive departments, I am obliged to realize these philosophies. We should not allow our remarks to become empty slogans, thereby letting the opportunities slip away. Therefore, I have been pressing forward my pragmatic governance underpinned by a proactive principle.

My term of office will last for another eight months, and I will solve our short-term problems under the policy direction of "Can-see, Can-do". At the same time, I will try to share with the public my views on the long-term challenges that Hong Kong is facing, including the need for the role of the Government to progress with the times; the need to build up a consensus on the further development of a democratic political system; the need to strike a balance between development and the environment, and the benefits in humanities, as well as the need to place the grassroots' discontent high on the agenda of building a harmonious society. I hope that the general public and Members will join hands with the Government to boldly rise to these challenges with the spirit of pragmatism, and address the social problems prevailing in Hong Kong. I believe, by so doing, the economic and social development of the community will certainly succeed in scaling new heights.

Madam President, I am prepared to answer questions from Members.

PRESIDENT (in Cantonese): The Chief Executive will now answer questions on the policy address raised by Members. A Member whose question has been answered may, if necessary and for the purpose of elucidation only, ask a short follow-up question.

MR ANDREW CHENG (in Cantonese): *The Chief Executive has proposed, under strong governance, the Goods and Services Tax (GST) which he often claims as a good medicine, albeit bitter to the tongue. While "strong governance" is often criticized for not being a good policy, "good medicine" may not necessarily good either, but definitely tastes bitter. In view of the*

increasingly serious problem of the gap between the rich and the poor in Hong Kong now, the introduction of GST, the good medicine that tastes bitter, may be a government act to "fleece" all citizens. Misfortune will infest a man with no money, who will most likely be given the good medicine that tastes bitter by the Government. I have this question for the Chief Executive. Since he said "Always People First", so if over 70% of the public consider that the GST should not be introduced, whereas 70% opine that the Government should immediately implement the minimum wage mentioned by us time and again lately — nothing has yet been done by him — under this circumstance, why does the Government not put more efforts on work that is "Always People First" or what people want us to do, instead of hard selling the GST?

CHIEF EXECUTIVE (in Cantonese): Mr CHENG has actually raised two questions: one concerning the GST and the other about the reason for not implementing the minimum wage policy. He has raised a double-barrelled question.

First, the GST is not a new topic at all, and we have explained time and again the reason for introducing the GST on many occasions. The most important point is, we have been studying this issue for nearly six years, and our tax base is very narrow, as stated by a number of rating agencies, international rating companies and the International Monetary Fund. And after the Asian financial turmoil, we have been unable to fully recover. Should we fail to broaden our tax base, we will be vulnerable to future crises and our evaluation and ratings will therefore be affected. The proposal has been carefully considered and it has also been studied by an internal committee organized for the purpose before it was released for public consideration. I think it is now the right time for it is obvious to all that the population of Hong Kong is ageing, which drives up the various livelihood demands, as well as government and public expenditures, including those on health care, social welfare and education. Under these circumstances, we should know what to do when we actually face a downturn next time. In this light, coupled with the fact that the public can see for themselves the Budget is now balanced, they should be in a better mood to discuss the issue in an objective manner. I think that we, being the Government, are obliged to raise issues for public discussion. Otherwise, it is a dereliction of duty on our part. Not everything the Government did could win the applause of the public, and I think this is most important.

Finally, will the proposal be given the green light after discussions? The decision lies with you, but not the Government. Therefore, all decisions on tax adjustments lie with the Legislative Council. I hope that all Members will face the reality like we do. These are the problems that we face now, so should we not first look into them? Is the ageing population a problem? Is the narrow tax base a problem? If so, what solutions do we have? Is there other options if the GST is not introduced? Discussions must be conducted. Mr CHENG has got a point in saying that about 60% to 70% of the public oppose the GST as there will be an increase in tax. Nearly 80% of the public, however, request that the discussion should continue until we come up with an answer. That is where the challenge lies. Therefore, I eagerly hope that Members will work together with me, with a constructive attitude and a spirit of co-operation, to see how we should face the problem and resolve it for the public. For this reason, we must hold discussions.

By the same token, any proposed legislation on a minimum wage is also subject to the approval of the Legislative Council. In this connection, the problem lies in front of us is, when approval is sought from the Legislative Council, it takes some time to form a consensus. Legislation is not a panacea, and I believe Miss CHAN, being the representative of the labour sector, also knows that when society is in dire straits, it is imperative that our workers receive their salaries and are protected without being exploited. I think this is of the utmost importance. I only think that there is a lack of consensus in the community. Insofar as bills are debated in this Chamber, it may take months and amendments will probably be made. In the interim, I think the minority employers in the community, who intend to exploit their employees, will continue to do so. What should we do then? What we are doing now shows the determination of the Government. I really hope that we can find a way to expeditiously put forward an option for the protection of workers and set the minimum wages for two trades. We must protect these trades, and on the other hand, tell the employers that we are determined to tackle this problem if they decline compliance, particularly the minority employers who fail to look after their employees. Therefore, I am of the view that the ongoing plan is a good initiative. We said that a movement would be launched, which will carry such parties as the trade associations, employers, federation of organizations for buildings which employ cleansing workers and watchmen, will be informed categorically of the wages to be paid, as well as the required wage levels on a quarterly basis. They will then draft the employment contract according to the

prescribed wage levels. The employment contract itself carries a binding effect to protect workers. Furthermore, since the level of wages will be made known to all, the irregularities detected in respect of wage levels will be reported and the minority non-compliant employers will be identified as well. By then, the whole plan will be almost ready for implementation. It is binding and the workers will be protected immediately. If the movement really does not work after a certain period of time — yet I think the majority of employers in Hong Kong are good employers — we will then resort to legislation if it fails, and we will state clearly what will be done. However, there will be no denying of this by then. Everyone of us in this Chamber considers that there is a need for legislation, so if those employers still decline compliance two years later, we will have no choice but to enact legislation.

We have to prove that sometimes the purpose can be achieved without legislation. If we really hope to make it work, given the lack of consensus in the community and this Chamber, I must point out that it is the best available option where the interests of workers can be protected immediately. Frameworks have been established for monitoring by the media and the general public, the Director of Labour Department is launching the promotion in full swing, there are even hotlines for reporting irregularities, as well as standard contract terms and conditions. We are now ready to go for it. I really hope that we can look at this problem with sincerity, and it will be better to handle the problem in this way. In case a bill has to be tabled, it is better to start the drafting work at once as it may take a couple of months. As soon as it is ready, it will be tabled before the Legislative Council for debate, and yet, I have no idea how many months the discussion will last. Furthermore, even if some employers would like to pay the minimum wages in the meantime, they will not initiate such a change, but will, anyhow, wait until the very last moment. In the end, who will benefit? Members should think about my explanation.

Sorry, President, I have spoken too much already.

MR ANDREW CHENG (in Cantonese): *President, in order to save time, I will only follow up the part concerning the GST. With regard to the GST, I hope the Chief Executive will understand that, the main point of the question raised by me earlier is the proposed GST has caused widespread opposition from the public. It may even dampen the tourist industry and reduce the public's consumption*

desire, thereby affecting the retail and catering sectors. The Chief Executive said he would raise a proposal for discussion in the Legislative Council, but I can see that all the major political parties and Members of the Legislative Council are opposed to it. So, should he not consider with the Financial Secretary about withdrawing the consultation paper expeditiously, and instead, channel their efforts, time and resources to such issues as a fair competition law, minimum wage which he has explained in detail just now, or even the environmental protection effort like the Action Blue Sky Campaign, with a view to building a more harmonious society?

CHIEF EXECUTIVE (in Cantonese): I thank Mr CHENG for his suggestions.

MR ABRAHAM SHEK (in Cantonese): *Chief Executive, members of our sector strongly supports your policy address which uses the "always people first" theme as a starting point to outline a new roadmap for Hong Kong, enabling Hong Kong to scale new heights and secure a favourable position in the world. However, the construction industry does have a grave concern, about which we have talked to you many times, that is, the unemployment rate of the industry remains at a high level of 11 %. Chief Executive, though this policy address has not explained clearly how and what will be done, we are confident that the Chief Executive does care about this group of unemployed workers for they are not even able to earn minimum wages at present. Therefore, it is hoped that the Chief Executive will, during his remaining tenure of eight months, create more jobs for this group of workers. In the past few years, \$29 billion were allocated for the construction of public facilities by the Government, but in the year 2005-2006, only \$26.5 billion were allocated for this purpose, thus many projects have not yet been commenced and thus many workers who want to work remain unemployed. President, I would like to hear the Chief Executive explain how the problem can be solved.*

CHIEF EXECUTIVE (in Cantonese): First of all, the issue should be considered from two aspects. At present, job opportunities for construction workers come from two sources, one from public-sector investment and the other from private-sector investment. For the time being, on these two fronts, it seems that many large-scale government projects have suddenly been completed,

but is not succeeded by the commencement of small-scale projects. This problem does exist. On the part of the Government, as I have gained the support of Members to launch the project at the Tamar Site, it will soon commence and I believe it will create a few thousand posts. Moreover, to prepare for the staging of the Olympics, facilities will be renovated one after another, and in the course of establishing new facilities, some projects will be launched. In addition, there will be the development in East Kowloon. I very much hope that a new blueprint can again be drawn up upon the completion of the consultation. If the project is endorsed by the public, I earnestly hope that it will bring about a number of large-scale projects, including the construction of the cruise terminal and new sports complex. Such construction works will be brought on stream.

With regard to this issue, the most important point is, Mr SHEK, as I have said in the 70th paragraph of the policy address, that I think what we are concerned and discussing at the moment is that development has somehow become mutually exclusive with environmental protection and cultural conservation, which has thus resulted in the insufficient investment in large-scale infrastructure on the part of the Government. Also, I think we are now capable of doing such work, but the problem is that we are not making sufficient investments, and the pace of public-sector investment is slower than I expect. In this respect, I believe co-operation among the business sector, the legislature and green groups is needed for the reaching of a consensus to make it possible.

Recently, there is a prevailing trend that every development is regarded as undesirable, and that all developments must be stopped while the land for development should be turned into lawns. For all development, the building of high-rises, for example, is considered undesirable, and only low-rise buildings can be built. However, sometimes, it is not a matter of whether high-rise or low-rise buildings should be built, but rather the reason for doing so. I think society and the green groups concerned must reach a consensus. I hope all members of community will take part in discussions of this kind, and we should adopt a constructive attitude in handling this issue. We must bear in mind that we must make investments to maintain the vitality and competitiveness of our economy, so I very much agree with what you said.

MR ABRAHAM SHEK (in Cantonese): *President, I would like to ask a short follow-up. President, I have to thank the Chief Executive for giving such a*

detailed explanation. This Council has also reached a consensus, particularly on the outstanding projects of the two former Municipal Councils. We earnestly hope that the Government can implement these projects expeditiously. Perhaps the Chief Executive may help following up in this respect.

CHIEF EXECUTIVE (in Cantonese): As for those projects, we will do our best to implement them. However, with regard to the outstanding projects of the two former Municipal Councils, some do not involve any works projects but are only project titles, of which the sites for the project and other particulars have not yet been fixed. These projects should thus be treated separately. As for those projects which sites have already been identified, they will be launched in succession in the next few years and carried out continuously. I am also following up a number of projects myself. I will follow through with these projects and hope that we can maintain adequate momentum in investment.

(A man on the public gallery shouted aloud)

PRESIDENT (in Cantonese): People on the public gallery should keep quiet.
(Paused)

(The man continued to shout aloud)

PRESIDENT (in Cantonese): Please stop shouting.

(The man continued to shout aloud)

PRESIDENT (in Cantonese): Security officers, please take him away.

(Several security officers approached the man and tried to stop him from shouting aloud, but he continued standing and shouting aloud, and at the same time, Mr LEUNG Kwok-hung also shouted aloud)

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

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, you should make no hubbub here.

MR LEUNG KWOK-HUNG (in Cantonese): No coterie elections!

PRESIDENT (in Cantonese): If you continue to shout aloud, I have to ask you to leave again. You should stop shouting.

(Mr LEUNG Kwok-hung paid no heed to the President's advice and continued shouting aloud)

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

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, this is an ultimatum. Mr LEUNG Kwok-hung!

(Several security officers then escorted the man shouting on the public gallery out of the public gallery, but Mr LEUNG Kwok-hung kept shouting aloud in his seat)

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

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please leave, and you need not come back insofar as today's meeting is concerned.

MR LEUNG KWOK-HUNG (in Cantonese): Someone was protesting on the public gallery. He represented the voice of the public. He is my friend. I think my friend was doing the right thing. As for him, he is lying, for every year, regarding the legislation on minimum wages.....

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

MR LEUNG KWOK-HUNG (in Cantonese): there are 30-odd votes against 10-odd votes.....

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, please leave the Chamber.

MR LEUNG KWOK-HUNG (in Cantonese): even if the case is brought to Court, we will surely win.....

PRESIDENT (in Cantonese): Clerk, will you please ask Mr LEUNG Kwok-hung to leave.

(The Clerk approached Mr LEUNG Kwok-hung and indicated his departure, but Mr LEUNG Kwok-hung kept shouting aloud)

MR LEUNG KWOK-HUNG (in Cantonese): I am protesting here, there is no such thing as

PRESIDENT (in Cantonese): You are a Member and you have to observe the Rules of Procedure of this Council. If you don't, you have to leave. Please.

MR LEUNG KWOK-HUNG (in Cantonese): 30-odd votes against 10-odd votes considered that minimum wages should be set.....

PRESIDENT (in Cantonese): Please leave.

MR LEUNG KWOK-HUNG (in Cantonese): no Member comes forth to correct you, you are lucky then. But since someone was protesting, I could not but tell you that. You are a Catholic, you should be mindful that others may say that

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, if you do not leave the Chamber now, I will have to suspend the meeting. Leave, please.

MR LEUNG KWOK-HUNG (in Cantonese): Of course, I will leave, for it is really boring, only they like to listen to it. *(Laughter)* You just see, after I have left, it will not*(Laughter)*

(Mr LEUNG Kwok-hung left his seat under the escort of the Clerk, but kept shouting aloud all the while)

PRESIDENT (in Cantonese): You should not raise a hue and cry here. This is the Chamber and you are a Member, you are obligated to observe the rules. Please leave.

MR LEUNG KWOK-HUNG (in Cantonese): Members should be upright and tell the truth. Mr Andrew CHENG was also reminding him that

PRESIDENT (in Cantonese): Please leave.

MR LEUNG KWOK-HUNG (in Cantonese): You need not be so angry.....

(Mr LEUNG Kwok-hung continued to shout aloud)

PRESIDENT (in Cantonese): What you are doing now prevents the meeting of the Legislative Council to carry on as usual. Your act is totally illegal and unreasonable.

MR LEUNG KWOK-HUNG (in Cantonese): he is lying..... Mind you, Donald TSANG..... *(Laughter)*

(Mr LEUNG Kwok-hung, under the escort of the Clerk, turned to leave the Chamber)

PRESIDENT (in Cantonese): Mr MA Lik, I am sorry, please ask your question now.

MR MA LIK (in Cantonese): *President, we support the approach of introducing the "education voucher system", as proposed by the Chief Executive in the policy address, to expand the scope of subsidy to cover early childhood education because we have fought for this for a long time. However, I wish to take this opportunity to ask the Chief Executive why he has given such weight to the "education voucher system"? Since, at present, as far as the subsidization of education is concerned, other than full subsidy, there is direct subsidy. Why is this new approach, rather than the more traditional ones, adopted?*

CHIEF EXECUTIVE (in Cantonese): Because I personally strongly believe that, by adopting this approach, the best result can be achieved with limited resources, but it is, ultimately, the choice of the parents.

I hold Hong Kong parents with great respect. They are the smartest and they love their children. We should let them choose the school they want their children to attend. Letting the school to choose its students may not necessarily be the best option. This is my intention.

Moreover, this approach should not be adopted in other levels of education, as they are already well-developed, but it can be adopted for kindergarten education. On the management front, we do not wish to use the approaches that have traditionally been adopted by the Government, which entail too much government involvement in school management. By adopting this approach, we let the kindergartens take charge of school management, in particular on such aspect as teachers' salaries. Our only requirement is that the kindergartens have to inform parents of the number of teachers and the proportion of teachers who have attained degrees or the relevant qualifications, that parents can make an informed choice. As long as this criterion is met, I hold that this is a good approach. Moreover, this approach allows a speedy implementation, for it can be implemented in the next school year. This is the theory underlying my approach.

MR MA LIK (in Cantonese): *It seems like a "money-goes-with-the-student" approach. If this is a good approach and effective in implementation, will it be*

extended to secondary education (for example, primary and secondary education) or other higher levels?

CHIEF EXECUTIVE (in Cantonese): We do not have the intention to do so because kindergarten education is not compulsory education. It is only a subsidy scheme. In other words, it is different from primary education, for the nine years of universal free education is compulsory. The Government is duty-bound to make all school places available so as to provide adequate places and sufficient teachers to meet the demand of the general public, and this is their right as well.

However, this is not what I mean to achieve in early childhood education. I believe some parents may not want their children to start schooling at the age of three, or two or so. As far as I know, some children start schooling at the age of four or five. This is up to the parents to decide whether their children can cope with the school environment. This is also something that needs to be considered. I do not know if parents have encountered difficulties in this respect for some three-year-old children simply do not want to go to school. I have had this problem before. I do not know if other parents have encountered the same situation. In any case, this is a voluntary and non-compulsory approach, which is very much different in nature from primary and secondary education. Even if this system works well in implementation, we do not need to extend it to primary and secondary education.

DR JOSEPH LEE (in Cantonese): *President, I wish to ask the Chief Executive: In the policy address, he did not specifically mention the policy on care for the elderly. In fact, the Legislative Council, in the last Session, did deliberate and reach a consensus on this issue, which is to implement a policy on care for the elderly geared to "healthy ageing". I also noticed that regarding early childhood education, he has introduced the "education voucher system" as a form of subsidy. I wish to ask the Chief Executive whether he has considered applying the concept of "education voucher system" here by introducing "medical vouchers" for Hong Kong people aged over 65 to join medical schemes to, for example, have regular checkups of their eyes and teeth. I believe it will be very helpful to them if there is a "medical voucher system" in place.*

CHIEF EXECUTIVE (in Cantonese): Regarding helping and caring for the elderly, my concept is to approach this issue using the core members of the family as a start. They should take care of the old and young in the family. If necessary, the Government can provide special assistance to them or their families in handling these problems. This is my basic concept.

Regarding the financing problem, you suggested adopting the approach of "subsidy vouchers". I believe Members are also aware of the bigger issue of health care financing and wish to know how I would handle it. Honestly, we have not yet figured out a more satisfactory proposal. The Government has not yet come up with a good proposal internally. We wish to formulate a comprehensive proposal to take care of the elderly in particular. The major problem now is that the elderly are the one in real need of medical services and using the largest share of the resources, and we thus need to find out the best way to deal with this issue. I believe the format of "medical vouchers", as proposed by Dr LEE, can be considered. However, the concept of "medical vouchers" must be supported by substantial medical and financial resources, in particular when we now face a relatively unstable social structure and a continuously ageing population. How would we approach the many other problems thus brought about in the future?

When we discuss on health care financing, I believe Dr LEE's proposal will be a feasible option that merits consideration.

MR TIMOTHY FOK (in Cantonese): *The Chief Executive has proposed in the policy address the setting up of a Hong Kong Film Development Council (HKFDC) to help the film industry. I believe the film industry will welcome this. However, I wish to know how the Government can create a better business environment, ensure the position of Hong Kong as the film centre, as well as intensify the assistance under CEPA?*

CHIEF EXECUTIVE (in Cantonese): I think there are several specific aspects. On the SAR Government front, we often discuss, under the framework of CEPA, with the Central Government on how to expand the distribution of Hong Kong-made films in the Mainland without being subject to the same restrictive framework on foreign films. In this respect, we have already obtained the recognition of the relevant Central Authorities. We are particularly concerned

about whether Cantonese films produced in Hong Kong can receive special treatment in Guangdong and Guangxi Provinces so as to strengthen their distribution and sales. There is a large populace in the Mainland and this is where we will do the promotion work.

By setting up a statutory body or a council to handle this matter, we hope to highlight the importance the Government has attached to this industry. We see in it new development opportunities which can render the entire Hong Kong film industry to scale new heights. We therefore hope that all interested parties, professionals and people in the industry can join hands to achieve this.

There are also other special proposals, one of which is about providing assistance to film producers. The request of providing government funding in this respect is controversial as, by so doing, the Government will be taking part in commercial activities. I hope that after the establishment of the HKFDC, advisory bodies can conduct a specific study on this matter and deliberate with the public on the details and whether the Government should commit to this. I hope we can proceed with prudence so as to find a way we think best handles this matter.

MR TIMOTHY FOK (in Cantonese): *It is clearly stated in the policy address yesterday that the HKFDC will include mainly members of this industry. If you can say a few more words, they will feel reassured.*

CHIEF EXECUTIVE (in Cantonese): I made it a point to discuss this in the policy address because I very much hope that while we have to identify the needs of the film industry itself, we also have to know that when we take part in market activities, we have to assess the need of doing so and the price that we have to pay. I think we have to consider it carefully. Nevertheless, we truly wish to help the film industry as far as possible in production, distribution and sales. On the part of the Government, we will exert our best to do what we set out to do.

MR FREDERICK FUNG (in Cantonese): *President, I am rather disappointed with this year's policy address as opposed to the previous one because there is no mention of policies or work related to poverty alleviation. Although we have set*

up the Commission on Poverty (CoP) and proposed some projects for such purpose, such as the allocation of \$30 million for social enterprises, the number of people who can be helped is minimal. According to the figures provided by the Government, there are 170 000 households with one breadwinner earning an income below half of the median wage. According to such an indicator, the current situation of some districts such as Tin Shui Wai and Yuen Long are worse than that in last year. In term of age, the poor population of zero to five and 15 to 19 has increased.

May I ask the Chief Executive whether there will be some policies in this year's policy address that can really tackle the poor population? The allocation of \$30 million for social enterprises can neither cope with the 170 000 households nor the situation in the districts and poverty problem faced by young people just mentioned.

CHIEF EXECUTIVE (in Cantonese): What Mr FUNG said is a big challenge for any open and advanced society, especially a financial centre like Hong Kong. Why did I say in the policy address that there are three challenges for the next Government? This is one of the most important reasons. First, the economy keeps doing well. Some industries which can keep abreast of the current development such as the financial and high-tech industries are high income earners. On the contrary, those people with low educational attainments are struggling for survival or in the lowest stratum of society. We believe this is not simply an issue about such basic necessities as clothing, food, housing and transport. Rather, it is an issue of income discrepancy which is very significant. No region in the world can come up with an effective measure to deal with this problem and we are still exploring what can be done.

Besides, I would like to tell Mr FUNG that I cannot address so many issues in the policy address. But I would like to say what I can do in the remaining eight months. I need to have foresight on the issue and to point out the long-term challenges for the next Government. I may not have mentioned a lot of important initiatives. But that is not the end of the matter. I hope Members can spend some time going through the policy agenda in which all the current initiatives will continue, all the current policies will be pursued and all the pledges will be fulfilled. For example, in pages 30 and 32 where references to poverty alleviation are made, we have clearly stated our pledges.

So, regarding this issue, we have not forgotten it. Moreover, in my conclusion, the most important part of the policy address, I have also highlighted the important issues to be tackled.

MR FREDERICK FUNG (in Cantonese): *President, one of the problems concerning the CoP is that it is only an advisory committee with a tenure expiring in March next year. Will the Chief Executive consider turning it into a long-term commission with actual power?*

CHIEF EXECUTIVE (in Cantonese): The most important point is to understand what the CoP can do to really help and benefit the people. This is the most pragmatic thing. No matter how we are going to change the institutional set-up, we have to come up with pragmatic solutions. In this aspect, I would like to hear Mr FUNG's views on how to enhance its effectiveness after a reorganization. I am sure that the Financial Secretary, as Chairman of the CoP, will be interested in hearing views and we will certainly help him in this regard. I dare admit in public that poverty alleviation is a priority task to us.

MR KWONG CHI-KIN (in Cantonese): *Chief Executive, everybody knows that wages in the guarding and cleansing service trades are very low. Some employees are earning as little as \$10 an hour. They can only earn a monthly income of around \$3,000 by working 30 days a month. I am sure the Chief Executive will agree that wages in these two trades are below the reasonable level, otherwise, he would not have singled out these two trades and said in the policy address that something needed to be done for them.*

To put it simply, under the Trade Boards Ordinance (TBO) (Cap. 63), if the Chief Executive considers that the wage of a certain trade is below the reasonable level, he may appoint a board to formulate the minimum wage for the trade.

Chief Executive, my question is very simple. Will you invoke the Chief Executive's power under the TBO to appoint two trade boards in order to formulate the minimum wages for these two trades?

CHIEF EXECUTIVE (in Cantonese): As far as I know, the TBO you mentioned was enacted 60 years ago. It was about 1940 when the TBO was enacted in response to the situation then prevailing. But it has never been applied after enactment. Having gone through some provisions of the TBO, I found that many are outdated and incompatible with the current needs and standards of our society. So, its applicability is very low. If we invoke the TBO, it will be very difficult for us to do anything. Moreover, we cannot just do so in a straightforward manner because we will face a lot of legal challenges. So, after deliberation, my colleagues and counsel have come to the view that it is impossible to formulate a minimum wage for a particular trade by virtue of the TBO without facing legal challenges.

MR KWONG CHI-KIN (in Cantonese): *I certainly disagree with the Chief Executive's reply. Although it is an old law, it is still a current law in Hong Kong. The fact that it has never been invoked is another matter.*

In my opinion, apart from section 5(5) concerning the onus of proof which should be deleted, the law is basically applicable. But today I am not going to talk about this. Although I am not happy with the Chief Executive's reply, I thank him for clearly telling us that he will not invoke the TBO to appoint a relevant board. His reply has helped us a lot. Maybe the Chief Executive has also noted that Miss CHAN Yuen-han has expressed an intention to seek judicial review and I have just had some exchanges with Mr Albert HO concerning some legal issues. The Chief Executive's reply just now means that he has made an executive decision.....

PRESIDENT (in Cantonese): Mr KWONG, what is your follow-up question?

MR KWONG CHI-KIN (in Cantonese): *I would like to express my thanks to the Chief Executive and then my question will be finished. The Chief Executive has made an executive decision that the TBO will not be invoked. This has provided a basis for our judicial review.*

PRESIDENT (in Cantonese): It is time for you to ask question, not to make a statement.

MR KWONG CHI-KIN (in Cantonese): *Then I have no more questions. I just want to tell him.....*

PRESIDENT (in Cantonese): You should not mention what you are going to do. Please sit down.

MR KWONG CHI-KIN (in Cantonese): *Thank you, President.*

MS MARGARET NG (in Cantonese): *President, I thought this latest policy address was indeed the Budget. I would like to ask a question about the policy address. In the conclusion, the Chief Executive mentioned three future challenges, namely, sustainable development, the development of a political system and how globalization would deal a blow to social harmony. However, these are not challenges of the future. In the past few years, we have indeed been facing these challenges. To deal with these circumstances, a consensus must be reached. More often than not, this will touch on some deep-seated and prevailing conflicts and contradictions in society which must be settled by the man in the office of Chief Executive. That means he has to work for reconciliation to enable both sides to take a step further, or that the Chief Executive has to propose some options to resolve.....*

PRESIDENT (in Cantonese): Ms NG, what is your question?

MS MARGARET NG (in Cantonese): *However, it seems that the Chief Executive has not done that, neither had he done so in the past. Take infrastructure mentioned earlier as an example, in fact, for infrastructure projects he intends to carry out, he has already*

PRESIDENT (in Cantonese): Ms Margaret NG, what is your question for the Chief Executive?

MS MARGARET NG (in Cantonese): *President, yes, I am asking my question. With regard to the infrastructure projects the Chief Executive intends to carry out,*

he thinks that green groups are against him, but they indeed just want to have discussions with him. Then, as the Chief Executive has all along taken such an attitude, is it thus evident that he has failed to solve the problem? The forthcoming period, which is only nine months to him, is in fact quite a long period to the people of Hong Kong, will the Chief Executive be confident of changing his practice and enter into genuine discussions with others instead of seeing them as hostile opponents? When proposals are put forth by others, will the Chief Executive be willing to consider them?

CHIEF EXECUTIVE (in Cantonese): I also appeal to Ms Margaret NG to not to regard the Government's proposals as hostile propositions. We must work together wholeheartedly and honestly to arrive at the best solution. As we work in politics and participate in public affairs, I think the most important point is to know when to compromise. If one cannot compromise, but consider his or her practices unalterable and must be followed by others, which he or she will not comply otherwise, it is not going to work. I am prepared to do so. Actually, not only I myself but also my colleagues are prepared to do that. Take the Tamar site project as an example, this project has been discussed for a long time. During the early stage of the project, I remember Ms Margaret NG seemed to be in support of the first proposal at that time and had taken part.....

MS MARGARET NG (in Cantonese): *You've got it wrong.*

CHIEF EXECUTIVE (in Cantonese): Have I? I do not know. I thought in the earliest proposal endorsed by the Legislative Council Commission (LCC), Ms Margaret NG also had a part to play. Was it? Was it not? Am I wrong?

PRESIDENT (in Cantonese): Chief Executive, the LCC only discussed issues relating to the construction of the Legislative Council Building Complex.

CHIEF EXECUTIVE (in Cantonese): Does it mean that only the Legislative Council Building Complex but not other buildings can be built?

PRESIDENT (in Cantonese): We cannot consider other buildings for it is beyond our terms of reference.

MS MARGARET NG (in Cantonese): *Excuse me, the Chief Executive is making slanderous remarks, I hope he will not talk about the LCC. President, if the Chief Executive mentions the LCC, he is instead saying in open that I am being self-contradictory and violating my own stance. If so, President, I need some time to elucidate this. So, will the Chief Executive please*

CHIEF EXECUTIVE (in Cantonese): Alright, I will not talk about this; I will stop talking about this then.

MS MARGARET NG (in Cantonese): *This incident should not be revealed, for you*

CHIEF EXECUTIVE (in Cantonese): Perhaps I reveal another incident, may I? *(Laughter)*

MS MARGARET NG (in Cantonese): *President, the same principle applies. If you are making slanderous remarks, I will surely make a response, Chief Executive.*

CHIEF EXECUTIVE (in Cantonese): I will not. Let me reveal other incidents, may I?

The second challenge mentioned earlier is the method for political reform. Last year, after thorough deliberations, extensive discussions, discussions on various issues and continued discussions held at numerous work meetings and by the Task Force, an outcome which the majority of the public considered desirable was reached. It was hoped that when the proposal was submitted to the Legislative Council, it would be endorsed subject to certain amendments. However, Members were unwilling to compromise, so that was the outcome. At that time, we took heed of the views, revised the proposal and submitted it to the Legislative Council again. But it still failed to win the endorsement of two thirds of Members. Therefore, it is not that we had not done so; we did make an effort in this respect.

The third issue is about the harmonization of society. The scope of this issue is relatively extensive. A number of motions on the welfare front or other fronts also face these circumstances. However, I hope you will understand that I fully accept your opinion, that is, one should never stick obstinately to one's own idea, considering one's idea definitely feasible and thus adamantly refusing to compromise. I think all issues can be discussed.

MS MARGARET NG (in Cantonese): *President, the Chief Executive's criticisms of others actually apply to himself. Take environmental protection as an example. Many green groups (including the one on the West Kowloon project) which came to the Legislative Council, in fact, did not oppose the Government's construction plan there. They all had their own suggestions and wished to discuss with the Chief Executive. However, the attitude of the Chief Executive suggested that he considered he had already heeded enough opinions and that amendment would not be made or was not allowed to be made once the proposal had been proposed. In fact, the political system reform which he mentioned earlier is a case in point. After he had put forth the political system reform, many members of the democratic camp in fact approached him for discussion, among which, the Civic Party*

PRESIDENT (in Cantonese): Ms NG, please ask your follow-up question.

MS MARGARET NG (in Cantonese): *The Article 45 Concern Group did also hold discussions with him. But he was the one who was unwilling to discuss and refuse to make amendments. Chief Executive, I would like to ask you once again. Are you confident that you will change your approach, that is, your unwillingness to make any amendment despite having listened and talked to others and your reluctance to make any amendments in response to the views of others?*

CHIEF EXECUTIVE (in Cantonese): I will continue to listen to the views from all sectors. Also, after giving thoughts to the views from all sectors, I will make appropriate amendments in response to views which we considered will have the consent of the majority. However, the executive, after all, will have to make the administration decision. The final proposal has to be presentable and be tabled for voting. In any democratic system, parliamentary system or

executive system, this final procedure must be completed and this responsibility falls on the Chief Executive. Irrespective of the number of procedures involved and discussions held over and over again, when the amended proposal is eventually submitted, it represents the position of the executive. You cannot say that though the Chief Executive does not allow amendment, you still want to discuss it after all. If so, what can we do at the final stage? At the final stage, the executive thinks that it has already put forth the best proposal. Though our representatives state that it is the best proposal made by the executive, you still find it unacceptable. No matter what issue, you will always overturn it and demand amendment. If so, it will be very difficult.

PRESIDENT (in Cantonese): Members, Ms Margaret NG, in the course of asking questions in a Question and Answer Session, Members are not allowed to make clarifications. Members may make clarifications of their own accord after the meeting. If I allow Members to make clarifications here, it may result in heated exchanges and other Members will not have the opportunity to ask questions. So, I hope Ms Margaret NG will co-operate, will you?

MS MARGARET NG (in Cantonese): *President, I would only like to explain to you personally. I understand the rules and appreciate that many colleagues are waiting for their turns to ask questions, but the Chief Executive sometimes does give remarks that distort the facts. If I remain silent, it will appear I have accepted his remarks, which is most unfair to me. So, President, I would like to have this put on record.*

MR HOWARD YOUNG (in Cantonese): *President, Chief Executive, all along, the Liberal Party has been concerned about the issue of air pollution, for this is not only an issue that affects the people's livelihood and every member of the public, but also the investment environment in Hong Kong, as many multinational companies may not be willing to choose Hong Kong as their base. We are glad to see the mentioning of the Pearl River Delta (PRD) in the 52nd paragraph of the policy address, for the Liberal Party has all along been advocating the standardization of emission standards adopted in Hong Kong and that in the PRD. We are thus glad to see in the 52nd paragraph that the PRD would also adopt the National III standards, which are on a par with Euro III standards. Efforts made in this respect are also mentioned in the 59th*

paragraph. In this connection, may I ask the Chief Executive whether adequate negotiation has been conducted with Guangdong Province? For instance, have they indicated when the standards will be adopted, and when the standards are adopted, whether they will, as we advocate, include the standardization of ultra low sulphur diesel of the two places?

CHIEF EXECUTIVE (in Cantonese): I think in respect of the discussions on the details mentioned by you, we have been examining the issue with the relevant authorities of Guangdong Province. I think they have already had a plan in mind, instead of merely laying down a simple standard. They have also taken into account the adequate supply of ultra low sulphur diesel, for they have to cater for the demand in this respect, providing matching support to make the plan viable. Therefore, with regard to the timing, I am not sure when this or that will be achieved. However, they do have full confidence about this. They particularly hope that Guangzhou will follow Shanghai, Beijing and other places to adopt the Euro I, II and III standards as soon as possible.

MR HOWARD YOUNG (in Cantonese): *The Chief Executive said earlier that he was not sure about the timing, this makes me worried. As it is mentioned in the 59th paragraph of the policy address that Hong Kong is now heading to the adoption of Euro IV standard, will this give rise to another kind of disharmony by then? When we move forward.....*

CHIEF EXECUTIVE (in Cantonese): We will always be in the front.

MR HOWARD YOUNG (in Cantonese): *This may then result in disharmony.*

CHIEF EXECUTIVE (in Cantonese): This is not disharmony. When we can keep our air cleaner, they will also follow us and keep their air cleaner. I think there will not be the question of disharmony. You cannot demand that for every step taken in Hong Kong, the Mainland as a whole must follow. We can only hope that we will influence places in the vicinity, hoping that these places will speed up their pace in this respect. This is what we can do. In other words, we have two options. First, we may do it even when the Mainland has not yet

done so. Or, we will wait for them and do not take the lead to do so. Do we want to act in this way? No, we do not. If we do not want to act in this way, we have to take the lead and hope that we can persuade the Mainland to follow suit. When the Mainland can produce this kind of diesel, they will naturally start doing it. I am concerned about this just as you are, and I hope that the Mainland can adopt a standard same as ours, which uses diesel with the lowest content of sulphur.

MR JASPER TSANG (in Cantonese): *President, regarding "positive non-intervention" — when this issue was highlighted in the policy address, the Chief Executive called on people from all walks of life to hold concrete discussions on the different roles of the Government, as well as when and to what extent the Government should ever intervene in the market, on the premise of "big market, small government" and public expenditure not exceeding 20% of the Gross Domestic Product (GDP). May I ask the Chief Executive to specifically give his personal views on the Government's role and when and to what extent the Government should intervene in the market?*

CHIEF EXECUTIVE (in Cantonese): It is impossible to give a broad description of our approach. There should, however, always be plans and proposals, and discussions on when the proposal will be put forward and how the public will react to it, in order to come up with a collective decision. Under certain circumstances, for instance, during the financial turmoil in 1998 when we faced great difficulties, the extent of government intervention was probably greater than usual for the purposes of gaining strength for society and energy for the economy.

Nevertheless, the same approach cannot be used when there is no financial turmoil. I think the underlying reason is because, before the government intervenes in the market, there must be adequate consultation and open discussions to state the time, merits and demerits of such intervention, with a view to reaching a consensus eventually. Such decisions entail the use of public funds, the establishment or public works projects, and nearly all of them are subject to debates by the Legislative Council before approval is granted. Therefore, I believe this cannot be claimed as a standard as this so-called standard may not be appropriate two years later because the examples cited by us

may no longer be applicable given the prevailing economic elements. I therefore opine that it is best to hold discussions on all issues, and I think the same approach will also be adopted in other advanced countries.

However, it is imperative for the Government to avoid being commercially-oriented. This is the responsibility of the market and the business sector, instead of the Government. The Government is merely following what it is. Should the market, which is operating as a major force, encounters obstacles that necessitate government intervention, we will intervene. And yet, the Government should not intervene if more can be done by the market itself, so that it will stand a greater chance of getting things done. Furthermore, I am more concerned about the extent of intervention. On the whole, public expenditure should be no more than 20% of the GDP, which is, in fact, a very good indicator. During the financial turmoil, our GDP shrank all of a sudden and pushed up public expenditure to over 20% of the GDP for a short period of time. After many years of effort, it has now been suppressed. Coupled with a downsizing establishment and a reduction in salary, public expenditure is only 16% of the GDP at present, whereas total public expenditure, after counting in the Judiciary, is 18% only. I think this is the best adjustment to be made. However, in times of emergency, I believe we need to do more in the light of public pressure and consensus in the Legislative Council.

MR JASPER TSANG (in Cantonese): *Will the Chief Executive use the concrete scenario of "here and now" as cited by Mr Timothy FOK earlier regarding his concern about the film industry as an example, to illustrate how the principles and approaches mentioned by him right now can be applied?*

CHIEF EXECUTIVE (in Cantonese): This is a very good topic for us to have an open debate. I am a bit worried because I have no idea about the details. It is of the utmost importance for the proposal to spell out the details and state the extent of government intervention for an open discussion. I think this is the best way to handle it. At present, by merely looking at the relevant papers, I feel a bit worried as these areas do not justify government intervention. Yet, I do respect the in-depth study conducted by the parties concerned on the problems in question. Perhaps I have not grasped the details of it, so we will continue to follow up and study into the matter.

MRS SELINA CHOW (in Cantonese): *Chief Executive, Mr James TIEN moved a motion on air pollution on 7 December 2005, during which Mr Jeffrey LAM requested the Government to provide tax concessions for such environmentally-friendly vehicles as hybrid vehicles that run on a combination of petrol and electricity, and those driven on natural gas, which include heavy and medium goods vehicles and buses. This time, we strongly support the concessionary scheme for vehicles which you proposed in the policy address.*

Fresh air is, I believe, the common wish of the majority of Hong Kong people. I wish to ask the Chief Executive: Since the policy address is usually released in October, which then necessitates the seeking of funds and is subject to the approval of the legislature before any measure can be implemented, so generally speaking, even if we do not have to wait for one year, there will at least be a couple of months of waiting. However, there are only eight months left for the Chief Executive, so may I ask him when the two good initiatives mentioned by him earlier as set out in the 59th and 60th paragraphs are expected to be actually put in place? I mean the actual implementation of these initiatives, but not merely making a start now, followed by a series of steps. Or take another example, regarding those vehicles, we agree with your approach, which is result-oriented. The Financial Secretary explained that the most important result to achieve is low emissions and high fuel efficiency. When will we be informed of the type of vehicle to be used? How can the Government promote community support for an expeditious implementation of these good initiatives?

CHIEF EXECUTIVE (in Cantonese): I hope that the new initiatives will be launched in the next financial year, that is, from 1 April onwards. It will require legislative amendments, of which the majority is subsidiary legislation, and serious consideration will have to be given. Despite the need for legislative amendments, I hope that the proposed concessionary scheme will be implemented on 1 April 2007.

MRS SELINA CHOW (in Cantonese): *Do you mean that we will have to wait until 1 April even if there are 10-odd such types of vehicles available? Why do we not launch the scheme at an earlier date?*

CHIEF EXECUTIVE (in Cantonese): Just now I said that we may have to amend the law, so I think we must, first of all, complete the necessary

amendments and let the Financial Secretary finish with his calculations. I believe consensus has been reached among us and I hope that it will be implemented on schedule. The 1st April is not so late a date because the time will be just right should you reserve a car now. *(Laughter)*

DR LUI MING-WAH (in Cantonese): *Chief Executive, you have laid down in the policy address a number of policy objectives for the coming year, which involve considerable sums of public money. However, you pointed out clearly in the 70th paragraph of the policy address that, "To attain these progressive goals, however, we must keep up the momentum of economic growth, otherwise this is all empty talk." I cannot agree with you more. On the other hand, you said that in the coming year, economic development and wealth creation will be at the top of your policy agenda, and yet you did not state clearly how wealth is to be created. How does wealth facilitate economic development? Where does wealth come from? You did not mention it at all. Social wealth should be used for earning foreign exchange instead of Hong Kong money, and that is why it is called social wealth.*

There are strong voices in society calling for a neo-industrialization of Hong Kong to trade products for foreign exchange, through which the economic structure can also be adjusted. May I ask the Chief Executive whether consideration has been given to setting up a committee of neo-industrialization under your leadership, which will comprise government officials and representatives of the industrial, commercial and academic sectors, to be responsible for studying, planning and formulating development objectives, concrete measures and policies with a view to promoting neo-industrialization and development of manufacturing industries in Hong Kong, just like what we did before the '90s in the last century, when the bulk of Hong Kong products were exported for earning large amounts of foreign exchange and in turn created lots of job opportunities? Will you consider this suggestion?

CHIEF EXECUTIVE (in Cantonese): Dr LUI, I think there have been numerous debates on this issue. Regarding the issue of industrial development, with continuous progression after World War II, Hong Kong economy has been progressing upwards. We have gradually transformed from a primitive fishing village to one established with a system of cottage factories. Thereafter, we changed from production to trading, and again from trading to the existing service industry, and our *per capita* GDP now reaches US\$28,000. Under this circumstance, what kind of manufacturing industry can be successfully

developed to maintain this level of *per capita* GDP? The answer does not lie with me, but with society and the business sector because they are most capable and also the most sensitive to the market, and they know which industry should best be developed.

If the Government takes the lead in setting up an industrial committee to guide the development of a particular industry, I believe the result will not be so desirable. Furthermore, I wonder if Members can recall that efforts have recently been made by us in the hope of bringing the garment industry back to Hong Kong. A labour importation scheme was also formulated with the assistance of Miss CHAN and the labour sector. Yet, it failed in the end because, given the other conditions, we found that it was impossible for Hong Kong to manufacture products that give us a *per capita* income of more than US\$20,000.

I very much hope that these industries can develop naturally without the need for the Hong Kong Government to lead the way. On the other hand, I was so delighted to see that the competitiveness of local products has been enhanced as a result of the recently implemented CEPA, whereby direct export of products to the Mainland has increased. I hope that this trend will continue. However, the same can be achieved without the need for the Government to dictate instructions, telling people to do this and do that. Therefore, Dr LUI, I can see that the competitiveness of the market lies in its autonomy, which enables it to get things done in the light of the prevailing market situation and its established matching facilities without the need for government intervention.

PRESIDENT (in Cantonese): Dr LUI Ming-wah, are you not raising a follow-up?

DR LUI MING-WAH (in Cantonese): *I wish to tell the Chief Executive that, while manufacturing industries have disappeared from Hong Kong, those of other countries, say, Singapore, Sweden, Switzerland, and so on, have flourished. Why did you say that it was impossible for Hong Kong to develop its manufacturing industries due to high land price and high wages? Second, in view of the fact that the manufacturing industries of other countries, for instance, Korea, Taiwan and Singapore, which are all led by their governments, have proceeded to the second phase, why has the Hong Kong Government failed to do so?*

CHIEF EXECUTIVE (in Cantonese): Earlier, we have been discussing the need for the Hong Kong Government to intervene in the market, which is basically a philosophical problem. We believe in one thing, and that is, our Government is not almighty and decisions that require the best wisdom are made by the business sector. There is no need for government intervention as the Government only plays a supporting role, and this is precisely our belief. But other countries, which adopt different policies and may have different beliefs and philosophies, may have developed successfully. It has been our traditional belief for so many decades and it has been proved successful. Dr LUI, it is impossible to change all of a sudden by turning this Government into one bent on great achievements, asking it to do this and do that. It is because, in so doing, we are indeed going back to the same old pattern and doing what we used to do.

However, I am not saying that Hong Kong has no potential for industrial development at all. If the industry of Hong Kong really takes off, we, being the Government, will certainly render our support by providing ancillary facilities and launching promotions. We will definitely do so. Yet, I hope that you will take my point, and not to request the setting up of a high-level industrial committee which will designate the industries to be developed in Hong Kong and rule out the development of others, as well as advise on where the resources should be put, especially when it involves the investment of taxpayers' money. I believe it will be very difficult to reach such a consensus in Hong Kong.

MR RONNY TONG (in Cantonese): *President, some academics have conducted surveys on various districts in Hong Kong including Yuen Long, Tin Shui Wai, Sheung Shui and Tai Po. We found that the average monthly income of the working women is \$4,800. In the past two years, however, they have been unemployed for 21 months on average, that is, they wanted to work, but could not find a job. It is difficult for them to work in other districts because of the exorbitant travel expenses. The Chief Executive, however, has hardly touched on the economic development of these remote districts in the policy address. As far as I can remember, you have said only one sentence on it, saying that you are prepared to listen to views on invigorating economic growth in local communities.*

May I ask the Chief Executive whether you, by saying so, think that the Government cannot do much about it? In view of the existing situation of

women living in North District, do you think that the family support measures you have in mind cannot actually help them? Moreover, this also brings forth another issue, that is, if the overall policy fails to narrow the gap between the rich and the poor, a harmonious society, which is something you want to promote, cannot be achieved. Chief Executive, do you agree?

CHIEF EXECUTIVE (in Cantonese): I do agree that we certainly need to do more work in Tin Shui Wai and North District. I have acknowledged in paragraph 49 of the policy address that owing to the failure to pay more attention at balanced planning at the early stage of development, there is some imbalance in planning for Tin Shui Wai and North District. I say so because I very much hope that the whole package of measures under current planning can be expeditiously implemented. As of now, I am aware that there is a library, but we want to set up a permanent library, as well as a games hall with a heated swimming pool, a recreation centre, basketball courts, more open space and a general out-patient clinic. Moreover, the placement support scheme of the Labour Department also seeks to help residents find jobs. The sentence you quoted just now should be: Although a lot has been done, I will continue doing work in this respect. You are most welcome to voice any other opinions that you may have to me as I will continue to do such work. This is what I meant to say and I did not mean that I will do nothing and ask you what I have to do. We will follow up those work as mentioned by me just now.

MR RONNY TONG (in Cantonese): *We cannot help people find a job by building libraries and heated swimming pools. I wish the Chief Executive will consider measures that other countries have tried, such as lowering the rates in remote districts so that the rents in these districts can be lowered and the local industries can be developed, thereby creating more job opportunities. Moreover, he can consider expanding the transport subsidy scheme so that people can take up jobs in other districts. I think these measures are more pragmatic, do you agree?*

CHIEF EXECUTIVE (in Cantonese): Mr TONG, we define pragmatic work like this: Instead of allocating government resources to create job opportunities, or in the form of subsidy as you have suggested just now, the Labour Department has set up two job centres in Yuen Long and North District to specifically help

people find jobs. I believe what Hong Kong people value is not subsidy, but the ability to stand on their own feet and find a job with their own ability, while we will seek to provide assistance to them in doing so. At present, as far as North District or Yuen Long is concerned, we have expedited the establishment of the two job centres of the Labour Department and the result has been satisfactory. If you have the opportunity, perhaps you should visit these two centres.

MR ALBERT CHENG (in Cantonese): *Chief Executive, on 20 August, Mr Albert HO was assaulted in a place not far from here. Your response at that time was that you would track down the culprits to the edge of the earth. It has been almost two months now. I do not know if the police have tracked down the culprit to the edge of the earth. I myself am also a victim of violent crime. Be it physically or emotionally, I feel for him. Despite the fact that Mr Albert HO has almost recovered, Ms Emily LAU has been pursuing this issue perseverantly with the "Chief" of the Hong Kong Police Force, Mr LEE Ming-kwai. I do not know whether Mr LEE Ming-kwai will act the same way as you do. After the release of this policy address, the media and many people remarked that the things you can do are limited because you only have eight months left in your term of office. The "Chief", on the other hand, has disclosed his departure from the Police Force soon. Is it the case that he has not tracked down the culprits, or that he does not know where the edge of the earth is? Have you told him where? Have you followed up this incident and can you give us an answer on whether you will continue to track down the culprits and bring them to justice?*

CHIEF EXECUTIVE (in Cantonese): Mr CHENG, we have not given up at all and we will continue to track down the culprits. I have also regularly followed up this issue with the Commissioner of Police. The Commissioner of Police is a post, be it Mr LEE, Mr CHAN or Mr CHEUNG, the one in this post will be responsible for following up this case.

MR ALBERT CHENG (in Cantonese): *President, but Ms Emily LAU has openly remarked that she will, once every month, pursue.....*

CHIEF EXECUTIVE (in Cantonese): Okay.

MR ALBERT CHENG (in Cantonese): *But he did not heed at all. I wish you can follow up this matter.*

CHIEF EXECUTIVE (in Cantonese): Perhaps because Ms Emily LAU did not ask him in the right manner. *(Laughter)* I find him very courteous, and he often responds to my questions.

DR YEUNG SUM (in Cantonese): *President, I will ask my question in a very good manner. (Laughter)*

President, my question is on governance because the Chief Executive has stated that there lies ahead three challenges: one is sustainable development.....

CHIEF EXECUTIVE (in Cantonese): The major one, the major one.

DR YEUNG SUM (in Cantonese): *..... the other is the political system and third is poverty. In fact, all three challenges are related to his governing ability which may not purely hinge on him, but also hinges on the political system. I believe the three questions he has mentioned just now basically cannot be solved. Why? Because the interests of the community are too divided, the opinions too diverse and the ideologies too diversified, so there can never be a proper solution.*

To solve this problem, there can only be one way, that is, he either has obtained in the community the mandate of the people for him to govern in accordance with his policy, or he has secured in this Council the majority votes so that the system complement his governance. In other words, if he wants to obtain the mandate of people in the community and the support of the political party with the largest number of seats, there has to be universal suffrage for the election of the Chief Executive and the Legislative Council. Only by so doing can he win the support of multi-seat political parties as mentioned by Prof DIAMOND of the Stanford University.

Without universal suffrage for the election of the Chief Executive and the Legislative Council, he cannot obtain the mandate of the people, nor can he win

the majority support of the Council. This is the fundamental problem. However, he has not touched on the universal suffrage timetable in this policy address at all, neither has he made an effort to do so. Since the solution to strong governance basically entails a system of universal suffrage, without the latter he will only be, I believe, running away from this goal. Can he tell us whether he will have a breakthrough? I believe he stands a big chance of being re-elected the Chief Executive again. Will this prompt him to make an extra effort to introduce a universal suffrage system?

CHIEF EXECUTIVE (in Cantonese): Unfortunately, I do not have another opportunity within this term to write another policy address. I want this policy address to be short and succinct, and only touch on topics that should be talked about. Many people remarked that why I did not mention this or that. In fact, I have devoted seven paragraphs to political reform, which is quite a lot already. There are 70-odd paragraphs in the policy address and seven paragraphs are on this issue, so this is not a small number.

I entirely agree with you on one point and, that is, on universal suffrage. This is our common aspiration that can be achieved under the Basic Law. I wish to come up with the best arrangement in accordance with the procedures stipulated in the Basic Law. However, I hope Dr YEUNG Sum would not come away with the impression that having universal suffrage can make the whole world at peace, nor is it the antidote to all problems. If we look at many other places with a fully democratic system, we will find that they also face many other problems in the community, for which a consensus is not easy to forge. Yet, basically, I fully agree with him that we need to work hand in hand on this front and I will make an extra effort to work with the Commission on Strategic Development on this. If he has read my address in detail, he will find that I have clearly said that it is unfortunate that we cannot carry out any reform in 2007 and 2008, but the next opportunity will be in 2012. Now we can discuss this matter again in greater detail, which is what I am working hard on in the Commission on Strategic Development. I am grateful to the Democratic Party for putting forth concrete views on this matter and I very much hope that other political parties can also put forth their concrete views for open discussion, so as to identify their pros and cons and to see whether they can be translated into positive models for development. I think such work is more pragmatic and I will not give up on that.

DR YEUNG SUM (in Cantonese): *President, I hope the Chief Executive would not always regard his as a guardian government and think that matters day in day out can always serve to lay a solid foundation for the future. There are still eight months in his term of office. Can he propose a timetable for universal suffrage within these eight months?*

CHIEF EXECUTIVE (in Cantonese): *If there was a consensus design proposal, I would certainly be able to propose a roadmap and timetable. However, the problem is that we have not even started the design, how could we elect the Legislative Council? I stated just now that the Democratic Party has a proposal, but, as I have heard, few people agree with it; while Sir David AKERS-JONES has another, few people agree with it either. I am now looking forward to other political parties putting forth more proposals for open discussion and to reach a consensus on them. If we do not know the goal, how could we proceed? Should we proceed to the left, or to the right? To the East, or to the West? I am, therefore, as concerned as he is and I dare say the Central Government is equally concerned about it and determined to do it properly.*

MS EMILY LAU (in Cantonese): *Madam President, the design is not that difficult.*

CHIEF EXECUTIVE (in Cantonese): *Really?*

MS EMILY LAU (in Cantonese): *Everybody hopes that universal suffrage by "one person, one vote" can be implemented, no matter it is proportional representation or other systems, especially for the election of the Chief Executive who should be elected by "one person, one vote". However, President, in paragraph 71 of the policy address, the Commission on Strategic Development (the Commission), a black-box operation, is mentioned. In that paragraph, it is said that the Commission has conducted some studies, progress has been made on various fronts and their efforts have been positive and constructive as much as they have been effective. President, I am afraid you have also noticed that the Commission organized a workshop last Sunday — President, you can hear that my tone is very good — and in the workshop, someone pointed out that the*

differences in views had been narrowed and the most important thing to do now is to ensure that the candidates for the Chief Executive election can be accepted by the Central Government. In response, some members in the workshop suggested that the list of persons who wished to be nominated should be submitted to the Central Government for selection so that it could eliminate those who were not its favourites or allow the Nomination Committee to hold pre-election — President, just like the election of Deputies to the National People's Congress (NPC) who are decided by the Nomination Committee. Does this mean that the differences have been narrowed? Where can the aspirations of millions of Hong Kong people be found?

So, I hope the Chief Executive will not complicate matters which are actually very simple. What we long for is universal suffrage. The Democratic Party has submitted a package. If election by "one person, one vote" is held without pre-election of candidates, I believe we can soon reach a consensus. Can the Chief Executive tell us whether those unacceptable and undemocratic packages proposed by the Commission will be announced in the next few months in order to tell the community that this is your direction?

CHIEF EXECUTIVE (in Cantonese): No government consultation or constitutional framework is perfect, Ms LAU. But there is one point I cannot agree with you and that is about the black-box operation of the Commission. All papers of the Commission are open to public inspection and reports on all discussions are published. All relevant papers will also be uploaded onto the Internet revealing the matters discussed in order to invite the public to participate in the whole discussion. So, the packages discussed in the workshop are just a few of them. That the differences in views are narrowed during the discussions is no surprise at all. But this does not mean that we have made progress in reaching consensus in the community.

Besides, I can see the inadequacies of the existing packages. Many people are as dissatisfied as you are. Just now, I was talking with open arms, hoping that you can tell us your design if you have brilliant ideas. After your proposal has been submitted to the Commission, we will certainly have the sincerity to hold a workshop in order to discuss it. If you consider anything unsatisfactory, further discussions can be held. But you cannot simply say that "one-person, one-vote" election should be implemented and we must do whatever we can to achieve this goal. This will not work because under the

existing model, there are a lot of options. Just now, Dr YEUNG Sum said that the Chief Executive should secure the support of the political parties in the Legislative Council. In that case, it is necessary to amend the Basic Law because this is related to the executive-legislative relations and the proposal has departed from this principle and will be highly controversial.

So, I am grateful to Ms LAU's concern about the Commission and look forward to your active participation. I hope you can reflect your different or opposing views to me or the Secretary for Constitutional Affairs on different occasions so that we can hold discussions together. This is exactly the question that has to be discussed. But there is one thing that I will certainly refrain from doing and that is, I will not say that we have reached a consensus in society before we have really done so. I will certainly listen to the views of all sectors so that we can conceive a package that will be considered feasible by all. But when we have come to a consensus, it may not mean that everybody consider the package perfect. We still need the compromise and acceptance of each and every one of you.

However, we should bear in mind that when studying a system, we should adhere to one approach instead of thinking it feasible just because those who have participated in the discussion in Hong Kong opine that it is the right choice. We need the tripartite consensus in accordance with the Basic Law. It means that it is endorsed by two-thirds majority of the Hong Kong Legislative Council Members with the consent of the Chief Executive. Besides, on the part of the Central Government, it is necessary to have the approval of the Standing Committee of the NPC. The final package can be worked out only with the tripartite consensus instead of mere wishful thinking. So, we have to centre round this question, trying to find out the solution. I also hope that Ms LAU can take part in these discussions.

MS EMILY LAU (in Cantonese): *President, I said that the Commission is a black-box operation because they hold closed meetings and we have no knowledge of their discussions. Moreover, most of the members are not people's representatives and thus without any mandate.*

President, the Chief Executive said that I had not participated. I think he is wrong. We in the Frontier have submitted a document to the Commission and our name appears on its papers. When I met with the Chief Executive to discuss

the policy address, I also exchanged views with him on how to implement universal suffrage for the election of the Chief Executive and the formation of the Legislative Council. However, the Chief Executive is just like Mr TUNG Chee-hwa, or even worse than him, because Mr TUNG at least said that he would leaf through the Democratic Party's papers. Maybe we are nobody and our views are too trivial for the Chief Executive to take a glance! So I do have participated. However, what is the result of my participation? It is all to no avail because just now Secretary Stephen LAM was talking about the three packages, meaning that the candidates will be selected, pre-elected or vetoed by the Central Government. Even though Mr LEE Wing-tat and Mr LEE Cheuk-yan have taken part in the workshop, where are their views now? What does it mean by saying that the differences in views have been narrowed? If such a conservative view is adopted, there will be a big difference between this and other views. Can you stop cheating us Hong Kong people?

CHIEF EXECUTIVE (in Cantonese): Ms LAU, in my opinion, the most important thing is to conceive a package that can lead to a tripartite consensus and consider what system or mechanism can help achieve such a goal. I think this is the best approach. Now, we are looking for such a solution. What you are talking about is how I can forge a consensus in Hong Kong. This is relatively easy. We still have to consider how to achieve the tripartite consensus without causing a constitutional crisis. In my opinion, this is critical. Can we be more objective instead of discussing the issue in such a rage?

DR KWOK KA-KI (in Cantonese): *As a matter of fact, universal suffrage by "one person, one vote" is a very simple concept. I wonder why the Chief Executive does not know this. Having said that, my question is not related to this area.*

Some said that the Chief Executive is an absolutely loyal official while some said that the Chief Executive is an outstanding salesman. Yesterday, the Chief Executive tried to promote the policy address to us. As far as I can see, a salesman, when selling a product to his customers, will often resort to two techniques. The first one is adopted when the goods are of good quality and the prices are fair. In that case, I will buy it when it is promoted to me. As for the second, he will try to persuade me to buy his goods even though the goods are substandard and hollow. Sometimes he manages to cheat people, but sometimes he cannot.

I am surprised at noting two points in yesterday's policy address and both are related to the people's livelihood in Hong Kong. The first one is about our future health care structure and financing. In last year's policy address, two paragraphs were devoted to this issue by the Chief Executive, but this year, it is silent on this.

The second one is related to the constitutional arrangements. The Chief Executive has discussed a lot of matters from the angle of politics and principles, as well as political philosophy. However, I remember clearly that the Chief Executive once promised Hong Kong people here in this Chamber that dual elections by universal suffrage would be implemented during his lifetime. I hope your promise then is not merely an empty promise, nor is it a mere philosophical discussion.

Chief Executive, perhaps you are thinking of the coming election. I fully understand it. Most Hong Kong people.....

PRESIDENT (in Cantonese): Dr KWOK, can you ask your question?

DR KWOK KA-KI (in Cantonese): *President, I will soon ask it.*

Most Hong Kong people will not have the opportunity as those 800 members in the small circle of selecting you. However, I would like to ask you a question. Regarding the Hong Kong people who are watching you on the television, how can you convince them that you are a far-sighted person able to solve important and thorny problems in Hong Kong with insight such as the implementation of universal suffrage, the governance of Hong Kong and health care financing, instead of deliberately evading the crucial point and failing to deliver on your promises?

CHIEF EXECUTIVE (in Cantonese): Dr KWOK, as I just said, the policy address mainly deals with several issues, particularly those to be accomplished within my term.

I hope the policy address can be as concise as possible and give an account of our work to the Legislative Council in just one hour. This is my aim this time. However, as I just said, the matters to be dealt with by the Government

within my term may not have been covered fully in the policy address. Dr KWOK, here is a book you may not have the opportunity to go through. If you have, you will find that health care financing just mentioned by you is discussed in page 34, which has clearly pointed out that we will continue to fight for our targets and exert our efforts. Just now, I have frankly told Members that we have not yet conceived the best package. When we have, we will certainly announce it for public discussion.

Apart from that, you also mentioned our constitutional system just now. I have discussed this issue with Members, particularly with Ms Emily LAU. So I am not going to further dwell on it. Here seven paragraphs have been devoted to this aspect and the goals I seek to pursue in the Commission on Strategic Development (the Commission) are revealed. You know clearly the task of the Commission which is also well known to everybody. The Commission is the most important medium through which we can consider our constitutional reform. I look forward to your active participation and am confident that I can see the implementation of universal suffrage in Hong Kong during my lifetime. The most important thing is that I do exercise every day and will not die with rage suddenly. *(Laughter)*

DR KWOK KA-KI (in Cantonese): *President, I would like to seek an elucidation on one thing. First, I have gone through the Chief Executive's policy agenda; second, regarding health care financing, he mentioned that he would continue to study the issue. But during the past decade, we have been studying.....*

CHIEF EXECUTIVE (in Cantonese): Yes, it is true.

DR KWOK KA-KI (in Cantonese): *However, President, I would like to ask the Chief Executive a question and hope that he can give us some specific pledge on the most important issues, including how to put universal suffrage into practice so that it can be heard by the people — President, the Chief Executive was still beating about the bush.*

CHIEF EXECUTIVE (in Cantonese): The most pragmatic approach is to study the issue in the Commission in order to work out a good package. Then we will

draw a roadmap and formulate a timetable. In my opinion, this is the most pragmatic approach.

MR LEE CHEUK-YAN (in Cantonese): *Chief Executive, when you talked about the Wage Protection Movement and minimum wage, I think your thinking is a bit confused.....*

CHIEF EXECUTIVE (in Cantonese): Really?

MR LEE CHEUK-YAN (in Cantonese): *I can see that you are thinking whether you have become MAO Zedong intending to launch the Cultural Revolution or you have become SHIH Ming-teh launching the universal siege. Why do I say so? Just now I heard you say clearly that regulations were necessary. If building committees or employers have failed to comply with the regulations, the workers can report to the authorities. May I ask the Chief Executive where the regulations are? Without legislation, how can we have the regulations? Can your words become the regulations? Obviously, the Government's Wage Protection Movement is voluntary in nature. If it is voluntary, how can the workers report any malpractices? So, Chief Executive, do you want to be MAO Zedong to openly purge the non-compliant employers or launch a universal siege on all employers and Owners' Corporations (OCs) so that anyone who fails to comply will come under siege? Are you going to do this? You would deny it, but what you said earlier exactly depicted such a picture. Otherwise, why do you advise people to report malpractices? If I am a worker and want to report to the authorities that an OC has not paid me the minimum wage or has failed to stipulate the minimum wage rate of an outsourced project, what can I do if there is no legislation?*

Hong Kong emphasizes the rule of law. So, Chief Executive, I am extremely disappointed. You are the Chief Executive, not SHIH Ming-teh or MAO Zedong. The proper way to take is to enact legislation. Besides, you were very confused when you said that you did not know how long it would take to enact legislation. If legislation is enacted two years later, I do not know how long it will take.....

PRESIDENT (in Cantonese): Mr LEE Cheuk-yan, have you asked your question?

MR LEE CHEUK-YAN (in Cantonese): *Yes, I have asked my question. (Laughter) I advise the Chief Executive to abandon the evil way and take the proper one by enacting legislation and not to resort to public purges. If he does, I would consider it most undesirable. Chief Executive, Hong Kong should not be like this, right?*

CHIEF EXECUTIVE (in Cantonese): I was not talking about public purges. What I meant is that if we have come to a consensus that there is a need to protect the wages of workers in these two sectors, I think the most pragmatic way is to formulate a policy which is achievable. It is true that the Movement itself is devoid of legal effect, but it has a very strong political commitment as it will tell all Hong Kong people what we are going to do.

People should also report malpractices to the authorities even if legislation has been enacted. But this is not public purge. Meanwhile, please do not use such words and I do not know such words. I only know that this is a good and open procedure. Even if legislation has been enacted, is it not necessary to report malpractices? It is still necessary, right? So, what I mean is that when someone has reported any malpractices, there will be public criticisms. What will be subject to criticism? Certainly irregularities must be open to criticisms. If I have done something wrong and illegal, there will be public criticisms. It is just natural. If the law has been breached, it will lead to criticisms. Similarly, it will also lead to criticisms if policies have been breached. But we are not going to launch personal attacks. People will know that something has gone wrong if it has been reported.

But I am confident that if we have adopted such an approach, especially the adoption of written employment contracts, it will be binding in enforcement. Any employer who has failed to comply with the contract will be subject to a fine or even imprisonment as it is a criminal offence now. Am I right? Why can malpractices not be reported? So, I very much hope that all the support measures now taken by us are not merely empty talk. The Labour Department

is prepared to take a lot of follow-up actions in order to promote the new system and adopt the standard written contracts, in the hope that the wage rates for the current market can be determined for the acceptance and compliance of all employers. Should the employers fail to comply, the workers can report to the Labour Advisory Board (LAB) which will have a sound basis for enacting legislation as the next step when evidence has sufficed. This is my personal idea and this approach can be put into effect immediately. If I say that we have to enact legislation now, no employer will change their current practice until the very last minute and the workers will not really benefit from it. This is my personal opinion which may not win your support. But I think if we adopt this approach, we can put it into practice immediately by means of administrative measures and publicity. Afterwards, not only all chambers of commerce's charters, but also all employers who have hired caretakers and cleansing workers will be informed of the change and advised to adopt the standard employment contracts which have laid down the wage levels close to the current market rates. I think this will be a very effective way.

Besides, should any irregularities occur, people will naturally report them. And this is not a problem itself because this is a necessary procedure for law enforcement. Do not vilify it as a kind of public purge.

MR LEE CHEUK-YAN (in Cantonese): *The more you speak, the more confused you are. You say we have to enforce the law. Of course, we have to do so. But we do not have the law and you said that it is not necessary to have the law and policy alone will do. It is really ridiculous to have such an absurd thing. All Legislative Council Members can hear that it is not necessary to enact legislation in future and government policies alone will suffice. Is this true? You do not mean that, do you? I think what you said just now are very confusing. You said that you do not know what public purge is and then you said that the public will make criticisms and comments. But these are the words you used, not me. Chief Executive, I would like to give you a sincere advice that Hong Kong emphasizes the rule of law. You cannot just tell everybody to follow the policy.....*

PRESIDENT (in Cantonese): Mr LEE Cheuk-yan, you need not give the Chief Executive any sincere advice. You need only ask him a question.

MR LEE CHEUK-YAN (in Cantonese): *Now I ask him if a worker tells him that an OC has failed to pay him the minimum wage and since the OC has not joined the voluntary Wage Protection Movement, it has not been included in the list. So, even though the worker has reported his case to you, can he have a raise immediately? He cannot. So, you cannot help the worker at all. So, please do not pretend that you are trying to help the workers. If you do, you should enact legislation immediately.*

CHIEF EXECUTIVE (in Cantonese): Even if we wish to enact legislation now, we cannot rush through the First, Second and Third Readings in one day. I think we should not argue on this anymore. I just want to tell you the fact. Should the scenario you just mentioned happen, you should go to the Labour Department in order to discuss the matter with the employer in the hope that he will adopt the standard rate. However, if he is reluctant to do so, this can be evidence for supporting legislation. I think this is a very good procedure.....

MR LEE CHEUK-YAN (in Cantonese): *It cannot help the workers, right?*

CHIEF EXECUTIVE (in Cantonese): Yes, it can.

MR LEE CHEUK-YAN (in Cantonese): *If it cannot help them immediately, it is meaningless to tell them to report their cases.*

PRESIDENT (in Cantonese): Mr LEE Cheuk-yan, please sit down.

CHIEF EXECUTIVE (in Cantonese): Just now, I said that I believe if this approach is adopted, many employers have conscience and they will comply with the policy. I strongly believe they will do so. The unscrupulous employers you just mentioned are just the minority. Moreover, if the written employment contract I just mentioned is adopted, it will become the only employment contract and it is binding. Am I right? I hope we can do this. You said that the employers may not want to adopt that employment contract. But this will be evidence, giving the basis of legislation.

This is not empty talk. I have said clearly and let me reiterate that the policy address has highlighted this point too. If the policy fails to yield satisfactory results and cannot achieve the purpose, I will set out to prepare the introduction of legislation immediately. By that time, I will have strong grounds to persuade all Members, including those who oppose legislation now, that this is feasible in Hong Kong.

PRESIDENT (in Cantonese): The last Member asking a question.

MR ALBERT CHAN (in Cantonese): *President, just now, I really wanted to join "Long Hair" in chanting the slogan, but since the residents of Tin Shui Wai and Tung Chung have made repeated requests to me that I must ask questions on issues of immediate concern to them, I had to hold myself back painstakingly. President, thank you for giving me the chance to ask my question even though the scheduled time is over.*

First, I have to thank the Chief Executive. Today, he has changed his bow tie, from the blue one yesterday to a red one today. I hope the content of his policy address will also gradually turn red like the League of Social Democrats, so that the means of living and interest of the ordinary public can be protected.

President, I noted from the policy address that the Chief Executive has spent much effort on the cultural and recreational facilities in Tin Shui Wai and Tung Chung. I also heard that, internally, the Chief Executive has instructed the officials concerned harshly to settle this issue as soon as possible. Some said that he had scolded the officials concerned severely, even more severely than the way I scold them in the Legislative Council. If it is actually the case, then let us see whether projects in Tung Chung and Tin Shui Wai can be completed swiftly because of the influence of the Chief Executive. We will look at the timetable concerned shortly.

President, my question is about the difficult life faced by the grassroots in Tung Chung, Tin Shui Wai and a number of new towns, for despite the gap between the rich and the poor and the fact that over a million of people are now living below the poverty line, no specific options or policies are proposed in the

entire policy address to raise the living standard of these people. It seems to me that the Chief Executive is turning a blind eye to their plight. Of course, some trifling and descriptive sidelights are included, but practical and specific measures that can improve the lot of the unemployed, the underemployed or those with extremely low income are lacking. Will the Chief Executive inform us of the measures he will adopt to help these million-odd persons now living below the poverty line to lead a more comfortable life and to relieve them from the distress in the present predicament?

CHIEF EXECUTIVE (in Cantonese): In respect of comfort, I do not wish to talk about the facilities in Tin Shui Wai again and I believe Mr Albert CHAN knows the facilities in Tin Shui Wai very well. The projects concerned have been commissioned in succession, and I believe he also knows this clearly. As to how we are going to speed up these projects now, I think I need not explain the particulars again. I strongly believe that when all the facilities in Tin Shui Wai are completed in 2007 and 2008, including the swimming pool, the facilities in the district will be comparable to that in all the other districts. However, I think the most important, the best and the most effective way to raise the living standard of the general public is job placement or employment. These concerns are of the utmost importance. Therefore, I am gravely concerned about the efforts made by the Labour Department in job placement for the residents of Tin Shui Wai. I think this is the most important issue. We should no longer argue about where the poverty line should be drawn, this is a never ending argument, for abject poverty is not found in Hong Kong. The issue we have to deal with is how to upgrade the livelihood of the grassroots and help them to lead a better life. The prevailing problem does not lie in the daily issues like clothing, food, housing and transport, and the crux of the problem lies in how to make them wealthier.

MR ALBERT CHAN (in Cantonese): *President, regarding the assistance to be provided to residents in remote areas like Tin Shui Wai and Tung Chung, actually, the most convenient method available is to lift the planning restrictions on the surrounding land of remote districts to attract more people to make investments there, thereby creating new job opportunities. Will the Chief Executive consider instructing "Uncle SUEN" to implement the suggestion in this respect so that more job opportunities and economic development will be brought about for the residents of remote districts?*

CHIEF EXECUTIVE (in Cantonese): Thank you Mr CHAN for his suggestion. He has just echoed the remarks of Mr TONG. I will remember it and examine it further after this session.

PRESIDENT (in Cantonese): In total, 28 Members have hoped to put questions today, and 19 of them have successfully asked their questions. I have to thank the Chief Executive for giving comprehensive answers and answering Members' questions with great patience.

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

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

NEXT MEETING

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

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