

OFFICIAL RECORD OF PROCEEDINGS

Monday, 16 July 2012

The Council met at half-past Two o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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

DR THE HONOURABLE MARGARET NG

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

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

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

THE HONOURABLE EMILY LAU WAI-HING, J.P.

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

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

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

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

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

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

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

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

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

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

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

THE HONOURABLE CHIM PUI-CHUNG

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

THE HONOURABLE KAM NAI-WAI, M.H.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE STARRY LEE WAI-KING, J.P.

DR THE HONOURABLE LAM TAI-FAI, S.B.S., J.P.

THE HONOURABLE CHAN HAK-KAN, J.P.

THE HONOURABLE PAUL CHAN MO-PO, M.H., J.P.

THE HONOURABLE CHAN KIN-POR, B.B.S., J.P.

DR THE HONOURABLE PRISCILLA LEUNG MEI-FUN, J.P.

THE HONOURABLE CHEUNG KWOK-CHE

THE HONOURABLE WONG SING-CHI

THE HONOURABLE WONG KWOK-KIN, B.B.S.

THE HONOURABLE IP WAI-MING, M.H.

THE HONOURABLE IP KWOK-HIM, G.B.S., J.P.

THE HONOURABLE MRS REGINA IP LAU SUK-YEE, G.B.S., J.P.

DR THE HONOURABLE PAN PEY-CHYOU

THE HONOURABLE PAUL TSE WAI-CHUN, J.P.

DR THE HONOURABLE SAMSON TAM WAI-HO, J.P.

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

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE TANYA CHAN

THE HONOURABLE ALBERT CHAN WAI-YIP

MEMBERS ABSENT:

DR THE HONOURABLE LEUNG KA-LAU

THE HONOURABLE WONG YUK-MAN

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE MRS CARRIE LAM CHENG YUET-NGOR, G.B.S., J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE JOHN TSANG CHUN-WAH, G.B.M., J.P.
THE FINANCIAL SECRETARY, AND
SECRETARY FOR DEVELOPMENT

THE HONOURABLE RIMSKY YUEN KWOK-KEUNG, S.C., J.P.
THE SECRETARY FOR JUSTICE

PROF THE HONOURABLE ANTHONY CHEUNG BING-LEUNG, G.B.S.,
J.P.
SECRETARY FOR TRANSPORT AND HOUSING

THE HONOURABLE TSANG TAK-SING, G.B.S., J.P.
SECRETARY FOR HOME AFFAIRS

THE HONOURABLE MATTHEW CHEUNG KIN-CHUNG, G.B.S., J.P.
SECRETARY FOR LABOUR AND WELFARE

PROF THE HONOURABLE K C CHAN, G.B.S., J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE GREGORY SO KAM-LEUNG, G.B.S., J.P.
SECRETARY FOR COMMERCE AND ECONOMIC DEVELOPMENT

THE HONOURABLE RAYMOND TAM CHI-YUEN, G.B.S., J.P.
SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

THE HONOURABLE LAI TUNG-KWOK, S.B.S., I.D.S.M., J.P.
SECRETARY FOR SECURITY

THE HONOURABLE EDDIE NG HAK-KIM, S.B.S., J.P.
SECRETARY FOR EDUCATION

THE HONOURABLE PAUL TANG KWOK-WAI, J.P.
SECRETARY FOR THE CIVIL SERVICE

DR THE HONOURABLE KO WING-MAN, B.B.S., J.P.
SECRETARY FOR FOOD AND HEALTH

THE HONOURABLE WONG KAM-SING, J.P.
SECRETARY FOR THE ENVIRONMENT

MR SHIU SIN-POR
HEAD, CENTRAL POLICY UNIT

CLERK IN ATTENDANCE:

MS PAULINE NG MAN-WAH, S.B.S., SECRETARY GENERAL

THE CHIEF EXECUTIVE TO ADDRESS THE COUNCIL UNDER RULE 8
OF THE RULES OF PROCEDURE, AND TO ANSWER QUESTIONS PUT
BY MEMBERS.

THE CHIEF EXECUTIVE'S QUESTION AND ANSWER SESSION

PRESIDENT (in Cantonese): Members will please remain standing while the Chief Executive enters the Chamber.

MR ALBERT CHAN (in Cantonese): Objection to "Hong Kong communists ruling Hong Kong"!

MR LEUNG KWOK-HUNG (in Cantonese): Step down, Hong Kong communist Chief Executive! You have no integrity at all!

PRESIDENT (in Cantonese): Members must not yell in their seats, or else I will have to order them to leave the Chamber.

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

CHIEF EXECUTIVE (in Cantonese): President and Honourable Members, as I pointed out in my inaugural address on 1 July, effective policy implementation must depend on effective governance. The relationship between the Government and the Legislative Council is an important segment of governance; the passage of any legislation and the implementation of any policies must require the approval and support of the Legislative Council. For this reason, on the very first day of my office, I already decided to attend a Chief Executive's Question and Answer Session (Question and Answer Session) before the prorogation of the current Legislative Council, so as to explain to all Honourable Members my policy convictions and take questions from you.

Concerning the relationship between the Government and the Legislative Council, the year 2012 is a special one because the term of the current Legislative Council will come to an end only 10-odd days after the formation of the new Government. The communication between government officials and Honourable Members is of course very important to the work of changeover and transition given such a short span of time. And, following the formation of the

new Legislative Council, I will require politically appointed officials to attend Legislative Council meetings more frequently for the purpose of having more communications with Honourable Members and political parties and elevating the levels of policy discussions, so as to ensure a smoother process and public acceptance at the time of policy implementation. It is only by deepening mutual understanding and enhancing exchanges that the Government and the Legislative Council can establish mutual trust. I believe the public likewise hope that the Government and the Legislative Council can both perform their respective roles while co-operating fully with each other, so as to make all policies more responsive to people's needs and ensure their effective implementation.

Since my participation in the election, I have never stopped visiting the various districts for the purpose of getting in touch with the public and understanding their wishes and needs. I have also heard very clearly the opinions voiced by the people on 1 July, and have come to realize that the various social sectors all have a strong desire for improving governance. In my election declaration, I emphasized: "There is no need for major reversal of policy. We only need an appropriately proactive government which seeks changes whilst maintaining overall stability." We must pull all our strength together and adopt a high-level, inter-departmental and cross-sector approach that focuses on tackling our perennial and deep-rooted social problems, especially those connected with people's livelihood. In this connection, the Chief Secretary for Administration and the Financial Secretary have already set up a number of cross-bureau policy groups, in a bid to ensure that all policies thus formulated can be more comprehensive in scope and able to provide the right remedies.

On livelihood issues, I have always emphasized that no livelihood problems are trivial. The wide range of livelihood problems faced by the public every day should all be the concerns of the Government. During our visits to the 18 districts in the past two weeks, my team of accountability officials and I were approached by many elderly persons who invariably requested the Government to build lifts, escalators and other barrier-free facilities to facilitate their movements. I am of the view that the installation of such facilities at locations where they are needed will surely be an endeavour conducive to people's livelihood, one which can keep pace with their aspirations and respond to their opinions.

My ongoing and direct communications with the community in the better part of the past year have given me a deep understanding of the aspirations held

by people from different districts, different walks of life and different sectors, while strengthening my conviction that I must "share people's aspirations and concerns". As the leader of a "government doing real work", I am determined to answer people's expectations through the timely implementation of my policy platform. As long as any policy or measure is beneficial to the people, I will roll it out as soon as it is ready, rather than delaying its announcement until an annual policy address.

Elderly in poverty is the most urgent of all livelihood problems. As I pointed out at a district forum in Wong Tai Sin last Sunday, elderly persons in Hong Kong are like our family elders. They contributed to the building of Hong Kong as a city in its early days and laid the foundation of Hong Kong's present-day prosperity. In case any elderly persons face any lack of support in their twilight years after labouring hard for practically their whole lives, the Government must give them a helping hand. One of the work focuses of the Commission on Poverty, which I am going to re-establish, is precisely to put forward a concrete and feasible scheme on tackling the problem of elderly in poverty.

Proper solutions to problems must depend on thorough and meticulous consideration. However, while we conduct studies on long-term strategies, we must at the same time roll out measures for the benefit of elderly persons in the short run. In my policy platform, I propose to introduce a special allowance for needy elderly persons, so that they can receive about double the amount of the existing Old Age Allowance after a simple declaration of income and assets. Although the new Government has been in office for only two weeks, we have already decided, after active internal follow-up, to introduce this measure of supporting the elderly, now formally called "Old Age Living Allowance". The amount will be raised to \$2,200 a month, a level higher than that of the existing Old Age Allowance. The criteria relating to the declaration of income and assets will be on the side of leniency, proposed to be on a par with the respective limits governing those elderly persons aged between 65 and 69 who apply for the ordinary Old Age Allowance.

Since it takes time to prepare and implement the scheme, we propose that the new allowance should take effect on the same day when the Finance Committee of the Legislative Council approves the relevant funding request, so that our elderly persons can benefit from the allowance as soon as possible.

And, the Government will strive for the holding of a special Finance Committee meeting in early October to approve the funding request. In other words, provided that the Finance Committee approves this proposal at the special meeting, when the scheme formally accepts applications early next year, eligible elderly persons will be able to start receiving the new allowance of \$2,200 a month, in addition to a lump-sum back-pay counting back to October this year. It is tentatively estimated that some 400 000 elderly persons will benefit, involving an extra annual expenditure of more than \$6 billion.

To allay elderly persons' anxieties, I wish to explain that those elderly persons aged 70 or above who cannot meet the requirements of the new scheme can continue to receive the existing Old Age Allowance without having to declare their incomes and assets. In case any elderly persons benefited by the "Old Age Living Allowance" wish to live in Guangdong in the future, we will also consider the formulation of appropriate arrangements. After this meeting today, four of our Bureau Directors, including the Secretary for Labour and Welfare, will hold a press conference to give an account of all the specific details relating to the scheme.

Housing is another focus of livelihood concern. We are currently examining the supply of land for public housing construction, with a view to bringing forth the early construction of some public housing units belonging to the later phases of the construction programme. We will also resume the construction of Home Ownership Scheme (HOS) flats, so as to assist people in acquiring their own homes. Before new flats under the HOS are released onto the market, 5 000 white-form applicants a year will be allowed to purchase flats in the HOS secondary market without having to pay the premium. Like existing green-form applicants, such purchasers will have to bear the responsibility of having to pay the premium when their flats are eventually sold in the open market. This policy can speed up the circulation of HOS flats, thus assisting eligible persons in purchasing their own homes as early as possible. We plan to start accepting applications and draw the first batch of 5 000 white-form applicants in January next year. As in the case of new HOS flats, the targets of this policy are mainly families which purchase their own homes for the first time, and which earn a monthly household income of around \$30,000 or less. The Hong Kong Housing Authority will formulate the details of implementation and make an announcement as soon as possible.

We are also concerned about all those non-elderly single applicants who constitute roughly half of the General Waiting List for public rental housing. To address their housing need, it may be necessary to adopt various different means. I have pledged to formulate a long-term housing strategy, under which more public rental housing units will be constructed to shorten the waiting period for applicants aged 35 or above.

I am pleased to note the intention of several non-governmental organizations (NGOs) to use the land granted by the Government for constructing youth hostels which can enable working youths to have their own living accommodations. The Home Affairs Bureau has been holding discussions with the organizations concerned, and in order to assist them in implementing the scheme as soon as possible, the Government has proposed to fully finance the construction of youth hostels by NGOs. Depending on the implementation ability of NGOs, the target is to provide a first batch of 3 000 units of accommodation. Income and asset ceilings as well as specified periods of tenancy will be set out under the scheme, so as to ensure that there is an adequate circulation of hostel units for relieving young people's housing demand. Various organizations such as the Hong Kong Federation of Youth Groups, the Tung Wah Group of Hospitals and the Hong Kong Girl Guides Association have indicated interest in joining the scheme.

The Government is aware that any long-term solution to Hong Kong's housing problem must hinge on long-term land development. But the Government will at the same time conduct studies on upgrading the efficiency of existing private properties and public housing as well as making effective use of existing urban land.

In order to further enhance primary healthcare services for the elderly, we will increase the value of elderly healthcare vouchers from \$500 a year to \$1,000, effective from the next distribution of elderly healthcare vouchers, that is, 1 January 2013. It is estimated that this will benefit some 700 000 elderly persons, entailing an extra annual expenditure of roughly \$350 million. We will submit a funding request to the Finance Committee of the next Legislative Council as early as possible.

Territory-wide unity is required for building Hong Kong as a community. Different organizations, bodies and even individuals can contribute to the

charitable cause by operating enterprises which aim to assist the underprivileged in manifesting their potentials, promote environmentalism, and improve people's livelihood. While the Government has reserved funds for the continuation of the Enhancing Self-Reliance Through District Partnership Programme, I also propose, for the purpose of further encouraging social participation, to apply for the allocation of \$500 million from the Lotteries Fund for the establishment of a "Social Enterprise Development Fund" dedicated to the provision of loans to social enterprises, with a view to assisting in the founding, development and expansion of social enterprises. We will continue to encourage the commercial sector to provide funding support and guidance on the business operations of social enterprises.

Sustained economic development provides the impetus for Hong Kong's prosperity and also gives hope to people who want to improve their living. The Preparatory Task Force on the Economic Development Commission has recently commenced work; the Economic Development Commission will conduct studies on specific and feasible policies that can accelerate economic progress, thereby increasing employment opportunities, raising wage levels, promoting the start-up of businesses, facilitating the upward mobility of more people, resolving and relieving social problems, and enabling a greater number of small and medium enterprises to grow and expand. During my election campaign, I undertook to establish a Financial Services Development Council for the purpose of strengthening and upgrading Hong Kong's position as a financial centre of the world. The Task Force on the Financial Services Development Council has by now convened three meetings, during which it studied the goals, the terms of reference, and the operational model of the Financial Services Development Council. In the next few months, it will conduct an extensive consultation exercise to collect the views of the relevant industries and stakeholders. A report will be submitted to the Government at the end of this year.

Besides the issues of livelihood and economic development, I wish to reiterate that the new Government and I will definitely safeguard the cause of justice for protecting the rights and interests of all residents. We will uphold such core values as the rule of law, cleanliness of government, freedom and democracy. We will be tolerant of different stances and views, in addition to respecting freedom of the press and defending media independence.

In the time to follow, I wish to give an account of the unauthorized building works (UBWs) at my residence. I have recently announced that I will appoint a multidisciplinary professional team to conduct a comprehensive inspection of the UBWs or possible UBWs at my residence, with a view to enabling me to fully answer all relevant questions in one single reply. The professional people concerned have launched their work. I undertake that irrespective of the outcome of the inspection, I will seriously handle any possible contraventions. I understand that the public have very high expectations regarding what I say, what I do and also my conduct. I likewise attach a great deal of importance to the issue of integrity, and I have always been upfront and honest when responding to any public concerns. I wish to reiterate that in regard to this incident, there was gross negligence on my part, but I have never concealed any possible contraventions. Instead, I sought to deal with all the problems immediately by dismantling some of the UBWs in one or two days. I will honour my undertaking and offer a comprehensive account of all the problems to the whole community. However, some people have recently filed an application for leave to apply for judicial review and also an election petition. Since legal proceedings concerning the case have commenced, it is inappropriate for me to comment publicly on the matter any further.

For a considerable period of time, Hong Kong's economic and social development has been marked by various deep-rooted problems. The public generally hope that the new Government can provide society with leadership in seeking changes whilst maintaining overall stability. It is true that there will be both opportunities and challenges for Hong Kong in its future development. The development taking place in our country and the Asia-Pacific region will create many opportunities for Hong Kong. If Hong Kong is to grasp all such opportunities, it must make good use of the support from our country. At the same time, we should understand that we are actually faced with the challenges coming from two fronts. First, we are faced with the fierce competition posed by neighbouring cities. Second, there are the deterioration of the European debt crisis and the risks of a worldwide recession and an economic downturn in the Asia-Pacific region. We must strive for progress, but we must also be mindful of potential problems and crises. Whether we are talking about the grasping of opportunities or the surmounting of challenges, Hong Kong people must always work together with one heart, put their positive energy to use, reduce internal friction and strive for better development opportunities.

The operation of the new Government has only just begun. I know that many citizens hail it with high hopes and give it their strong support, but I also understand that many people have cast doubts on my team and me. I hope everybody can give the new Government some elbow room and time for doing real work, so that we can win people's trust and answer social aspirations by introducing policies that are more effective and responsive to people's aspirations. Nowadays, people are highly demanding towards the conduct of political figures, elected council members and government officials alike. My team and I will be on the alert every single moment, and when handling criticisms and queries, we will make amends in case there are genuine mistakes and treat criticisms as reminders in case there are not any. I pledge that I shall steer the righteous course, set a good example and strive to forge a clean government.

Thank you, President. Thank you, Honourable Members.

PRESIDENT (in Cantonese): The Chief Executive shall now take questions from Members.

MR LAU WONG-FAT (in Cantonese): *President. I wish to ask the Chief Executive one question. It is only less than one month after your assumption of office, but the team under your leadership is already involved in a series of negative news, and one Bureau Director has even resigned. Faced with the thorny term of five years before you, how are you going to strengthen your team at the beginning, so that it can help materialize your policy convictions?*

CHIEF EXECUTIVE (in Cantonese): Thank you, Mr LAU Wong-fat. Ever since I first decided to run in the election, I have never under-estimated the difficulty in heading the government team, leading the Hong Kong community, grasping opportunities, overcoming problems and meeting various types of challenges. Both my team and I have since been doing self-examination with all earnestness and open-mindedness in response to the negative incidents over the past two weeks. I am of the view that we should draw lessons from these incidents, and that I myself should be held primarily responsible for them. Based on our review of what have happened over the past two weeks, we will listen even more open-mindedly to the queries and criticisms of various sides, and I hope that the team under my leadership can thus better serve the community. I

hope the Legislative Council and even the wider community can give this governing team of ours some allowance and time, so that it can materialize the pledges made in my election manifesto.

Honourable Members can notice from my opening speech just now that although we have had to expend considerable efforts and time to deal with certain unexpected negative incidents over the past two weeks, we have still managed to spare time and efforts within the same two-week period to formulate a number of policies and measures that can answer people's aspirations. In the future, we will be guided by the same spirit in what we do, in the hope of winning people's trust and approval by demonstrating our efficacy and delivering actual results.

MR CHIM PUI-CHUNG (in Cantonese): *President, I trust Mr LEUNG should also be aware of the concern about the situation in Hong Kong expressed by the Central Authorities in the wake of the election outcome on 25 March. You should also know that certain functional constituency (FC) representatives intending to run in the upcoming election of the next Legislative Council on 9 September have started to wave the "Standard of the LEUNG camp" in their competition against those standing for the interests of others in the same FCs. It is indeed true that no lists of nominations have been announced, but such rumours are already spreading in many FCs, and this will not be conducive to enhancing harmony and solidarity in the future.*

My question for the Chief Executive is: how are you going to prevent certain people from using your name in the competition against their election rivals? I so ask because Well, let us not talk about their possible defeat, but even if they can win and become Members of the Legislative Council, they may not necessarily support the Government in governing Hong Kong. This matters a great deal to the situation in Hong Kong, for which the Central Authorities have expressed their concern. How are you going to prevent and stamp out such rumours?

CHIEF EXECUTIVE (in Cantonese): Let me thank Mr CHIM Pui-chung for his question. I would also like to take this opportunity to make a few points of clarification regarding the rumours in society mentioned just now by the Honourable Member.

Right on the day I was elected Chief Executive, I immediately put forward an unequivocal wish and appeal to the Hong Kong community. I said: "Now that the contest is over, it is time to reunite." Those who need to reunite are not only the so-called "LEUNG camp" and "TANG camp" among the pro-establishment forces, but also all Hong Kong people. That is why I said that day: "From now on, there should not be any 'LEUNG camp', 'TANG camp' or 'HO camp'". There should only be one single camp — the Hong Kong camp." The three of us who ran as candidates, and all our supporters for that matter, participated in the election not so much because we had any personal interest at stake but because we hoped that by participating in the election, we could gain a chance to serve the Hong Kong community. Therefore, since that very day, I have done my utmost to promote co-operation among these three "camps". In the process, there are understandably cases where we should have done a better job, cases in which our actions are perhaps not quite so meticulous and thoroughgoing. Nevertheless, we will continue with this task. In the election on 9 September, there will not be any "LEUNG camp" candidates as such. To me, all candidates in the Legislative Council Election are equal.

MR CHIM PUI-CHUNG (in Cantonese): *President, the Chief Executive has given such a nice reply, but some in the democratic camp have told me that he has never approached them. In that case, how can it be possible to achieve any mutual understanding, tolerance and rapprochement? So, may I ask whether these are only the words that you would say publicly? Can you disclose to Hong Kong people what is deep down in your heart?*

CHIEF EXECUTIVE (in Cantonese): After the election, during the time when I was Chief Executive-elect, I did approach people from the pan-democratic camp, holding meetings and exchanging views with them. I have also invited people belonging to the pan-democratic camp to join the committees formed by the new Government, so that they can join hands with people from other factions to work for Hong Kong.

I am aware of one suspicion in society, the suspicion that I will only show up in the functions or district forums organized by pro-establishment organizations. Honourable Members, I can tell you here that my only concern is time constraint, and my acceptance of such invitations will not be based on any

partisan considerations. For example, I accepted an invitation to a district forum in Kwai Fong from the Neighbourhood and Worker's Service Centre about a month ago, and this was given extensive media coverage the following day. I will endeavour to fulfil the pledges and appeal I made on 25 March. Up to this moment, a "Hong Kong camp" has not yet emerged. Now that the contest is over, it is time to reunite. In this connection, any advice from Honourable Members that can enable me to do a better job and unite the majority of Hong Kong people to work for the territory will be much appreciated and welcomed.

MR TOMMY CHEUNG (in Cantonese): *President, actually, many years ago, the Liberal Party already proposed the construction of "size-restricted flats" due to our realization of the home-purchase difficulties faced by middle-class people with lower incomes. We have also been suggesting the allocation of land for building flats reserved respectively for investment by Hong Kong residents and non-Hong Kong residents, particularly the former. This is the same as the idea of "Hong Kong property for Hong Kong residents" advocated by the Chief Executive. We have also pointed out that there should be an appropriate turnover of public rental housing units to cater for the housing needs of young people before they can save enough money for acquiring their homes. We now hear from the Chief Executive about the proposal of building youth hostels.*

Actually, many of the Chief Executive's ideas are similar to those of the Liberal Party, and we will certainly render our support if you want to go about such tasks. However, some recent developments have caused great worries on our part. The policy of "Hong Kong property for Hong Kong residents", for example, seems to be surrounded by many bizarre phenomena these days. This policy is of course included in your election platform, but Mr Barry CHEUNG, who was Chairman of your campaign office, has cast doubts on its effectiveness, apparently not sharing the same view. On the other hand, another Executive Council Member, Mr Franklin LAM, has referred to the policy of "Hong Kong property for Hong Kong residents" as worth trying.

Nevertheless, when Secretary Professor Anthony CHEUNG, who is in charge of the housing policy, came to this Council last week for answering an oral question raised by Ms Miriam LAU, he invariably dragged in the issues of public housing and Home Ownership Scheme (HOS) flats as he rambled on and on, whether in reply to my supplementary question on "size-restricted flats" or Ms

Miriam LAU's main question on "Hong Kong property for Hong Kong residents", all the time refusing to be positive on whether the policies of "Hong Kong property for Hong Kong residents" and "size-restricted flats" would be implemented.

President, I wish to ask the Chief Executive one question Actually, we should listen to you only and ignore them all. But since the messages are so confusing, can you tell us today how you are going to handle the issues of "Hong Kong property for Hong Kong residents" and "size-restricted flats"?

CHIEF EXECUTIVE (in Cantonese): Many thanks to Mr Tommy CHEUNG for his question. I know that the issue of "Hong Kong property for Hong Kong residents" has aroused some discussions in the community these days. There are even speculations that probably due to developers' pressure, the policy of "Hong Kong property for Hong Kong residents" I put forth in my policy platform has been aborted or substantially altered. I must report to Honourable Members that no property developer has ever raised any views to me on the proposal of "Hong Kong property for Hong Kong residents", to speak less of pressurizing me with the aim of forcing me to give up this policy.

Speaking of the housing issue, I must say that my relationship with the whole community and the property development sector is traceable. Over the past few years, I have repeatedly and publicly voiced my stance and opinions on the gravity and worsening of the housing problem. It should be pretty obvious to anyone with common sense that my stance and opinions can hardly be described as congruent with the interests of property developers. Having said that, I must add that as a public officer, I must serve the whole community, which is why I will not change my stance because of any particular comments from certain sectors. Let me reiterate that no developer has ever mentioned to me any views of theirs on the policy of "Hong Kong property for Hong Kong residents".

Here is the whole conception of "Hong Kong property for Hong Kong residents" — let me read aloud to you word by word the relevant proposal in the policy platform I announced during the election period¹: "..... we will consider

¹ The Chief Executive read aloud the Chinese version of the policy platform, and the quotation here is from the English version.

identifying (government)² land" — it is clearly stated here that "land" refers to "government land" — "to build another type of housing which can satisfy the housing needs of the middle-class families, and "(if the residential property market gets overheated³), — the word "if" carries the same meaning as it is used in a conditional clause — "study the introduction of a 'Hong Kong property for Hong Kong residents' policy, in which the relevant land lease will contain a restriction whereby the completed housing units can only be sold to Hong Kong residents (including permanent and non-permanent residents)⁴, in order to assist those home buyers whose income exceed the HOS limits".

Such is my conception, premised on the emergence of an overheated market, and to be implemented by adding the required terms to the leases of the land that the Government puts up for sale. At the time of purchase, the property developers concerned are already aware that the flats constructed on such land lots can only be sold to permanent or non-permanent residents of Hong Kong. Therefore, this should be perceived only as a measure we draw up in preparation for future needs, rather than any arrangement that the Government has undertaken to implement. We need to take appropriate actions according to the needs of the times and the availability of land. At the moment, we do not intend to take any actions, but we have not given up this advocacy either. For this reason, the advocacy in my policy platform and the stance I have been taking since my election are consistent with the remarks of Mr Barry CHEUNG, Mr Franklin LAM and Secretary Professor Anthony CHEUNG as mentioned by Mr Tommy CHEUNG a moment ago.

MR TOMMY CHEUNG (in Cantonese): *President, the question I want to ask the Chief Executive is actually very simple. If he is really going to carry out the advocacy in his policy platform as he explained just now, what is the timeframe for implementation? When will you earmark the land and incorporate the relevant terms in the land leases? You only need to tell us these, and we will know that you will take concrete actions, rather than paying mere lip service.*

² "政府土地" (meaning "government land") in the Chinese version is rendered only as "land" in the English version.

³ "如住宅市場過熱" (meaning "if the residential property market gets overheated") in the Chinese version is not found in the English version.

⁴ "包括永久及非永久居民" (meaning "including permanent and non-permanent residents") in the Chinese version is not found in the English version.

CHIEF EXECUTIVE (in Cantonese): President, in the market today, we have not detected any price rises resulting from the kind of market distortion caused by non-Hong Kong residents' excessive demand for properties in Hong Kong. Nevertheless, we will closely monitor the market situation. That such a situation does not exist today does not mean that it will not emerge tomorrow or next week. That is why we will closely monitor market development. The merit of this proposal is that the Government can respond to the latest market condition tactically and flexibly. Should such a situation emerge, we will introduce such terms of land sale.

MR CHEUNG HOK-MING (in Cantonese): *Chief Executive, in both your election platform and opening speech just now, you devoted considerable treatment to the introduction of a "special fruit grant" and also put forward a concrete timetable for implementation. I believe that those elderly persons who can benefit from this will be very delighted. However, have you ever considered another group of persons who are unable to benefit from the "special fruit grant", that is, those elderly persons who will continue to be eligible for the existing "fruit grant" of \$1,000 only? "Fruit grant" as a name carries a very pleasant connotation, but in reality, the existing "fruit grant" of \$1,000 has come to be regarded as an important source of living expenses for elderly persons. Besides the introduction of this "special fruit grant", has the Chief Executive considered raising the basic rate of the "fruit grant" up from \$1,000, so that all elderly persons can benefit?*

CHIEF EXECUTIVE (in Cantonese): President, it is the Government's policy to spend its limited resources on improving the living of those elderly persons who are most numerous, and who have the greatest need. Therefore, our "special fruit grant" — to be exact, we should call it the "Old Age Living Allowance Scheme" from now on — should be able to fulfil this requirement. As a result of its present decision, the Government already needs to incur considerable additional expenditure every year — I must of course add that throughout the time from my election campaign to the present day when I am elected the Chief Executive, I have always attached very great importance to caring for elderly persons in their twilight years — but concerning the decision today, we are convinced that our decision of raising the rate to \$2,200 for enabling needy elderly persons to receive a "fruit grant" slightly more than double the current

level is in line with our long-standing fundamental belief regarding the provision of elderly care.

MR CHEUNG HOK-MING (in Cantonese): *Chief Executive, you said that some needy persons would be provided with the "special fruit grant", but the question I have just asked concerns those elderly persons who are only eligible for \$1,000 of "fruit grant", that is, those persons who cannot benefit from the "special fruit grant". May I ask whether it is possible to offer them greater assistance on top of the existing \$1,000 as a token of our gratitude to them? That way, everybody will be happier. And, even if they really use the money for buying fruit, they can buy some better ones.*

CHIEF EXECUTIVE (in Cantonese): We should take care of needy elderly persons as much as possible, and we also need to show our gratitude to elderly persons (including those whose assets and incomes exceed the prescribed limits). However, as I have pointed out, due to the implementation of the new scheme announced just now, we already need to incur an extra expenditure of \$6 billion a year. Given the kind of financial constraint faced by practically all governments, I believe it would be more appropriate to spend this \$6 billion on this particular group of elderly persons.

MS AUDREY EU (in Cantonese): *Chief Executive, you should remember that when you talked about the LI Wangyang incident with us earlier on, you said that you also had some feelings and would convey the opinions of Hong Kong people. The Hunan Provincial Public Security Bureau has recently released an inquiry report on LI Wangyang's death, which attributes his death to suicide. May I ask the Chief Executive if he agrees to this conclusion?*

CHIEF EXECUTIVE (in Cantonese): The release of this death inquiry report in Hong Kong shows that the channels of communication between Hong Kong and the Mainland are smooth, and that the relevant Mainland authorities do attach very great importance to the concern and attention of Hong Kong people regarding certain happenings on the Mainland. As for my agreement to the report or otherwise, I do not think I should make any comments publicly. Under

the principle of "one country, two systems", I can promise Honourable Members that I will continue to safeguard your freedom and right of expression, as I have always done.

MS AUDREY EU (in Cantonese): *Chief Executive, I believe what Hong Kong people demand is not merely freedom of expression. They would also like to seek the truth. According to you, the release of this report in Hong Kong shows that the communication between Hong Kong and the Mainland is satisfactory. However, many people in this very Chamber who want to travel back to the Mainland are not even issued a Home Visit Permit. This simply proves that there is not any communication worth mentioning.*

However, Chief Executive, I would like to ask you a very simple question. In 1989, you issued a declaration that strongly disapproved of the massacre, but why do you categorically refuse to make any comment when asked about the vindication of the 4 June incident these days? Secretary Professor Anthony CHEUNG, who is sitting right here in this Chamber, was once the Vice-Chairman of the Democratic Party. Not only did he talk about the 4 June incident many times, but he also wrote various articles on the vindication of the incident. Yet, he has recently remarked that the political realities might have rendered it not quite so appropriate for some to make any comments. When asked about this recently, he adamantly refused to utter the words "vindicating the 4 June incident". This is likewise the case with Secretary KO Wing-man, who is also sitting here in the Chamber. His predecessor clearly

PRESIDENT (in Cantonese): Ms EU, please state your supplementary question.

MS AUDREY EU (in Cantonese): *President, I am coming to my question in a moment. As clearly mentioned by his predecessor Secretary Dr York CHOW, it is common medical knowledge that LI Wangyang, a severely disabled person, could not possibly have hung himself to death. In contrast, when reporters recently*

PRESIDENT (in Cantonese): Ms EU, please state your supplementary question.

MS AUDREY EU (in Cantonese): *asked Secretary KO Wing-man about this, he said that due to insufficient information, he could not make any comment. Chief Executive, I now ask you to tell us your views and feelings, and whether you agree to the report, but you are likewise tight-lipped. I would like to ask a question on behalf of Hong Kong people. How come principal officials are all unable to speak like sensible humans? Why is it so difficult to speak the truth?*

CHIEF EXECUTIVE (in Cantonese): Under the principles of "one country, two systems", "Hong Kong people ruling Hong Kong" and "a high degree of autonomy"

(Mr LEUNG Kwok-hung yelled in his seat)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, if you continue yelling in your seat, I shall have to ask you to leave the Chamber. Please abide by the Rules of Procedure.

CHIEF EXECUTIVE (in Cantonese): Under the objectives of "one country, two systems", "Hong Kong people ruling Hong Kong" and "a high degree of autonomy", we should really think seriously about and discuss whether SAR Government officials (including the Chief Executive) should ever comment publicly on any happenings outside Hong Kong (including Mainland China), especially on events involving the governments there.

MR WONG SING-CHI (in Cantonese): *President, Mr LEUNG Chun-ying was so "stingy" when talking about increasing the "fruit grant" just now, saying that means-testing would be required. And, regarding the advocacy of "Hong Kong property for Hong Kong residents" mentioned in his policy platform, he simply described it as a "mere precaution", rather than any concrete measure to be implemented. President, stories about Mr LEUNG Chun-ying's "four major political missions" have been circulating widely, and Mr LEUNG has stated his*

denial. However, the subject of national education intended for "brain washing", which is opposed by many in Hong Kong, has been rolled out hastily in parallel. What is more, when tackling all the negative news about him which has aroused so much public concern recently, Mr LEUNG Chun-ying simply employs the three tactics of "stalling, shirking responsibility and dodging" By stalling, I mean that when it comes to the issue of unauthorized building works (UBWs).....

PRESIDENT (in Cantonese): Mr WONG, please state your question.

MR WONG SING-CHI (in Cantonese): *Yes, yes, President. Please do not worry. I will raise my question very soon. He has been employing a "stalling tactic" in regard to the issue of UBWs, refusing to confess to the public on the ground that an application for leave for judicial review and an election petition have been filed. To confess means to confess, and one does not need to give any reasons. Furthermore, he has also sought to shirk his responsibility. He has tried to shift the responsibility to professional surveyors*

PRESIDENT (in Cantonese): Mr WONG, please do not deliver a long speech.

MR WONG SING-CHI (in Cantonese): *..... and also his wife — Mrs Fanny LAW has been asked to do so for him, though. Then, regarding LI Wangyang's case and the 4 June incident, he has resorted to "dodging", declining to express any views.*

Having repeated the same things over and over again before and after his assumption of office, Mr LEUNG have come to believe that they are all true — perhaps, he really thinks so subconsciously — but in reality, they are all falsehood. Mr LEUNG has been in office for only 10 days, but so many people have cast doubts on his integrity and expressed fears that after assuming office as Chief Executive, he will continue to govern Hong Kong with an approach marked by the same lack of integrity and honesty. This worries members of the public a great deal.

I wish to ask Mr LEUNG one question: how seriously will he — these were the words he used just now — how seriously will he handle the issue of his own integrity? Will he continue to tackle the problems facing Hong Kong people with an approach marked by the same lack of integrity and by employing the same tactics of "stalling, shirking responsibility and dodging"?

PRESIDENT (in Cantonese): Members should not deliver a long speech when asking a question.

CHIEF EXECUTIVE (in Cantonese): President. I thank Mr WONG Sing-chi for his question. I attach very great importance to the integrity of my team and myself. Integrity is as important to public officers as their own lives, something which everybody should treasure. Regarding the issue of UBWs, I have never employed any tactic of "stalling", nor have I ever sought to "shirk the responsibility" or "dodge" anything at all. As soon as I became aware of the possible existence of UBWs, I immediately hastened to tackle the problem rather than covering it up, despite the advice of some professionals that there might be some grey areas. I even invited journalists to cover the matter on location, allowing them to bring along video cameras for recording the whole process. This is one of the ways in which I have sought to seriously tackle the integrity issue.

Since some of the points raised by Mr WONG Sing-chi just now concern what the facts are, I think I may as well take this opportunity to tackle certain integrity-related suspicions through reasonable and candid discussions based on facts. The implementation of national education, for example, has been brewing and discussed in society for a very long time, and there have been lots of consultation. National education is not a subject that is put forward by the fourth-term SAR after its commencement or by me following my election.

At a district forum in Lai Chi Kok yesterday, a local figure likewise mentioned the "four major missions". I had not heard any talks about these "missions" for two to three months by then, so when he raised them again, I immediately replied very clearly that neither the Central Government nor any other person had ever requested me to carry out any so-called "four major missions". In particular, stories about fixing Radio Television Hong Kong

(RTHK) as one of the "four major missions" are purely fictitious. Throughout the time spanning my decision to run in the election, my election success and my assumption of office, no one whatsoever has ever approached me on the governance of RTHK, to speak less of fixing it. Given any opportunities, I will give everybody a candid and clear explanation on all these issues.

MR WONG SING-CHI (in Cantonese): *President, I want to pursue my question for Mr LEUNG Chun-ying. He says that there is no problem with his integrity. However, on the issue of UBWs, members of the public think he is a "liar" and "deceiver". According to him, he was once advised by certain professionals that his UBWs fell inside the grey areas. But the point is that if he really takes this matter seriously, he must still tackle them even though they fell inside the grey areas. May I ask Mr LEUNG Chun-ying to tell us when the professionals concerned advised him that his UBWs fell inside the grey areas?*

However, as we have noticed from the information available to us, he is simply a "liar". UBWs had been in existence at his residence since a long time before they were exposed. He rang up Mr Kevin LAU recently and came to know that some media were going to publish news reports about him. Mr Kevin LAU, though not a building surveyor, told Mr LEUNG that his UBWs would be given treatment by the media or reported as a news item. Since he had been alerted by this media worker to the outside suspicion about the existence of UBWs at his residence, he hastened to dismantle them the following day

PRESIDENT (in Cantonese): Will the Honourable Member please state his supplementary question clearly.

MR WONG SING-CHI (in Cantonese): *I want to ask if he is a "liar". He has been aware of the existence of UBWs since the very early days, but he has kept employing a "stalling tactic", resorting to the question of grey areas as an excuse*

PRESIDENT (in Cantonese): Mr WONG, you have stated your supplementary question. Please sit down.

MR WONG SING-CHI (in Cantonese): *It was only when he realized the grave public concern and even learnt of all the media coverage that he proceeded to dismantle the UBWs concerned. Even now, he still refuses to admit these facts*

PRESIDENT (in Cantonese): Mr WONG, your remarks are too long.

MR WONG SING-CHI (in Cantonese): *Is he a liar?*

PRESIDENT (in Cantonese): Mr WONG, please stop speaking and sit down. Chief Executive, please reply.

CHIEF EXECUTIVE (in Cantonese): President, I have neither covered up any facts nor told any falsehood. As everyone knows, over a long period of time in the past, I frequently invited friends from various sectors, including media workers, to meals and barbecues at my residence. On a number of occasions, the press even conducted interviews right in my garden. Had I known that the structures concerned were illegal, I would not have invited the media to my home, nor would I sit in front of the grape trellis or glass canopy when interviewed by the media.

MR WONG SING-CHI (in Cantonese): *President, my question is about the grey areas. At what time did the professionals concerned tell him of all these grey areas? This is the question he must answer.*

PRESIDENT (in Cantonese): Mr WONG, you know very well that in accordance with the rules governing the conduct of Question and Answer Sessions, a Member is not permitted to speak again once he or she has raised a supplementary question.

MR WONG KWOK-KIN (in Cantonese): *President, we observe that the Chief Executive has conducted a number of district visits to gauge people's views since the time of election and afterwards, so we have reasons to believe that the Chief Executive should have fully grasped certain aspirations of the public. May I ask the Chief Executive which existing problems in Hong Kong, in his view, are in greatest need of solutions, given his analysis of the views collected during the district visits over this period of time? Which problems must be tackled as a matter of priority? What approaches or measures does he have in mind for dealing with these problems?*

CHIEF EXECUTIVE (in Cantonese): Many thanks to Mr WONG Kwok-kin for his question. President, before even deciding to run in the election, I already visited the various districts on a frequent and ongoing basis, accepting various district organizations' invitations to functions that allowed me to listen directly to people's views and have interactive exchanges with them. People from different districts, industries and social strata have different expectations and demands regarding the work of the SAR Government. The views we have heard in Tin Shui Wai differ from those heard in the Mid-Levels, but I think that if I am to give an overview of the common concerns in Hong Kong, there should be several issues, listed as follows. In case there is any omission or inaccuracy, will Honourable Members please correct me.

One concern is the housing problem, especially the housing problem faced by the young generation. The housing problem manifests itself in: first, exorbitant residential property prices, and, second, the substantial increases in private residential rents over the past two to three years. I can remember my visit to a family living in Chai Wan about three weeks ago. This family comprises four members belonging to two generations. The rent for their unit has risen from \$7,000 at the signing of the tenancy agreement two years ago to \$9,100 at present, when the old agreement expires, representing exactly an increase of 30%. Another manifestation of the housing problem is that in districts such as Sham Shui Po, many sub-divided flats and partitioned flats are found, and the problem of cage homes is still present. Therefore, housing is one of the problems.

Poverty is another problem. This morning, the Preparatory Task Force on the Commission on Poverty convened a meeting. The discussion is fruitful, and

I know that its four non-official members have already reported our progress of work to the community through the mass media.

Healthcare is an issue attracting the concern of more and more people. During my many district visits, many people of my age always told me: "Mr LEUNG, healthcare is now our grave concern." I asked them if they had any health problems. They replied in the negative, saying that all was only because people reaching their age would inevitably need frequent "major repairs" or "minor repairs" of all kinds. However, they said, medical charges were high, or the waiting time was very long.

What follow are the problems faced by elderly persons. The problems faced by elderly persons are many — they have many housing and livelihood needs. When returning home after buying food or shopping in supermarkets every day, some of them must climb up various staircases or plod upslope. All this is about their need for convenient movement.

Next come various other problems such as education, goods prices and transport expenses borne by people living in remote districts. During my visits to many public housing estates, some residents raised with me a wide range of issues, such as the rent policy and shop allocation arrangements for The Link's shopping arcades, and so on and so forth.

President, in reply to Mr WONG Kwok-kin's questions, I must say that we attach importance to all such problems. Our three Secretaries of Departments and 12 Directors of Bureaux all want to make concerted and strong efforts to tackle all such problems. However, when it comes to all such problems, especially problems like housing and poverty which cannot be easily resolved overnight, we do need time for achieving any noticeable results. Nevertheless, Honourable Members can be confident that our team has made a quite a good start over the past two weeks, in the sense that we have come up with some tentative ideas on how such problems can be resolved, and some of our policy deliberations are now refined enough for announcement to the public. In the time to come, we will continue to race against time and bring about the timely completion of our tasks.

MR WONG KWOK-KIN (in Cantonese): *President, in his reply just now, the Chief Executive gave us a whole heap of information about all those issues which*

he is cognizant of. However, it is a bit of a pity that he has apparently ignored the labour issue. I wonder if the Chief Executive can still remember the promise he made to the Hong Kong Federation of Trade Unions during his election campaign — the formation of a commission as soon as possible after his assumption of office for studying how best to promote the enactment of legislation on standard working hours. He has been in office for half a month by now, but nothing about this promise has ever been heard. When replying to our questions just now, the Chief Executive did not even say one single word on the labour issue. I find this rather disappointing.

CHIEF EXECUTIVE (in Cantonese): President, I am grateful to Mr WONG Kwok-kin for his reminder. As I already mentioned in my reply to Mr WONG Kwok-kin's question a moment ago, we have heard from various sectors and social strata all sort of views and problems that are different from one another. My speech just now lasted only several minutes, so omissions are honestly possible. That was why I asked Honourable Members to give me reminders, so that we could rectify our inadequacies satisfactorily.

I am concerned about the issue of standard working hours. As you all know, due to my grave concern about the incomes of grass-roots workers, I steadfastly supported the proposal to legislate for setting a minimum wage in the past few years. Following the enactment of legislation on setting a statutory minimum wage, I also attach importance to the issue of standard working hours. Therefore, I have made a pledge in my election platform to set up a special committee comprising government officials, representatives of employers and employees, academics and community figures for following up the former Government's policy study on standard working hours. As far as I know, the relevant policy study has basically been completed. I will scrutinize the research findings in conjunction with the Executive Council as soon as possible and continue to follow up this issue.

MR ANDREW CHENG (in Cantonese): *Mr LEUNG, integrity is of paramount importance to the Chief Executive. Your flowerbed and Mr Henry TANG's basement were both unauthorized building works (UBWs), and both Mr Henry TANG and you were not forthcoming when giving responses. Yet, how come Mr Henry TANG is dismissed as a person of no integrity, while your deeds are only*

described as gross negligence? As you explained earlier, it was because you took prompt actions to rectify the problem. But precisely because of your prompt actions, we feel that you simply wanted to destroy the evidence. In the case of Mr Henry TANG, an investigation was ordered right away, and not even the removal of one single screw was allowed.

Your approach is characterized by sternness to others but leniency to yourself. Can you tell me Your simplistic reference to gross negligence only makes us feel your lack of sincerity and regret, as well as your refusal to let Hong Kong people know whether you are an honest person Can you give us an answer to one simple question, because even up to this moment, we have not yet heard any answer from you even though the question is so very simple? The unauthorized flowerbed was constructed only after your moving into the residence, wasn't it?

CHIEF EXECUTIVE (in Cantonese): President, I hope I can have an opportunity to offer the community a comprehensive and complete response in one single reply on the UBWs at my home. Regarding the reminder that Mr Andrew CHENG gave me a moment ago, I must say I am grateful to him. I understand the importance of integrity, so I hope that I can give everybody a full account in one single consolidated response. President, as the judicial proceedings concerning this matter have already started, I do not think that it is appropriate for me to make any comments publicly.

MR ANDREW CHENG (in Cantonese): *President, as a lawyer, I have discussed the reason given by him with my colleagues in the legal profession. We think it is absurd, because the judicial proceedings currently underway are only meant to determine whether Mr Albert HO's application for leave for judicial review is to be accepted. The proceedings therefore do not involve any conflict that prevents him from answering such a simple question. Do you know, or can you remember, whether the unauthorized flowerbed was constructed by you? If you go so far as to say that you cannot recall anything, we must say that we are not convinced. If your so-called policy platform on people's livelihood has to hinge on a government led by a Chief Executive who is probably devoid of any integrity, how can you restore Hong Kong people's confidence in you and your governance ability?*

CHIEF EXECUTIVE (in Cantonese): President, I understand Mr Andrew CHENG's reminder just now. I will leave the legal issues to lawyers for follow-up, and I will act on their advice. However, there is a diction problem with the term "flowerbed" used by Mr Andrew CHENG just now. The term "flowerbed" has never been used throughout the whole incident. Therefore, I must repeat my hope that I can have an opportunity to offer the community a complete response in one single reply at an appropriate time.

MR PAUL CHAN (in Cantonese): *President, I would like to ask the Chief Executive a macro-level question. Several hundred thousand Hong Kong people work on the Mainland, and many Hong Kong enterprises also develop their business there. Hong Kong enterprises have tapped quite a lot of "early-bird" benefits because of their establishment of a presence on the Mainland at the early stage. However, this advantage is diminishing, and it can even be said that Hong Kong enterprises, especially small and medium enterprises, have been plunged into a disadvantageous situation in the course of competition. Overseas businessmen very often can get assistance from Commercial Counsellors when developing their businesses on the Mainland. In contrast, Hong Kong people seem like "orphans" on the Mainland, in the sense that they cannot get any support from the Government.*

In this regard, I would like to ask whether the new Government will adjust its policy mindset. If it will not, why not? If it will, what adjustments will be made and why?

CHIEF EXECUTIVE (in Cantonese): President, many thanks to Mr Paul CHAN for his question. The Mainland is a very important economic hinterland of Hong Kong. Hong Kong people's activities on the Mainland, be they investments of any kind, business operations or employment, have created for Hong Kong a vibrant and sizeable extracorporeal economy comprising various first-, second- and third-tier cities on the Mainland. This extracorporeal economy has by now become an integral and increasingly essential part of Hong Kong's overall economy. For this reason, this extracorporeal economy should deserve the SAR Government's great attention. As for how we are going to support

(Mr LEUNG Kwok-hung rose to his feet)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, do you have any question?

MR LEUNG KWOK-HUNG(in Cantonese): *As Mr Paul CHAN may become an Under Secretary, does he need to make a declaration of interest? I should say a Deputy Secretary of Department. Anyway, his future boss will be the Chief Executive. Does he need to make a declaration of interest? It is all up to you to decide how to make a ruling! Very honestly, his question is such "a piece of cake" for him.*

PRESIDENT (in Cantonese): Mr LEUNG, the question you have asked is not appropriate.

MR LEUNG KWOK-HUNG (in Cantonese): *Sorry.*

PRESIDENT (in Cantonese): The question raised by Mr Paul CHAN just now is not in contravention of the Rules of Procedure. Please sit down immediately.

MR LEUNG KWOK-HUNG (in Cantonese): *Yes, I see. President, I am just a bit confused. Sorry.*

PRESIDENT (in Cantonese): Chief Executive, please continue.

CHIEF EXECUTIVE (in Cantonese): President, the SAR Government attaches very great importance to those Hong Kong entrepreneurs owning various businesses in this extracorporeal economy, business operators and employees. Therefore, when I was in Beijing for accepting appointment by the Central People's Government two or three months ago, despite the tight schedule of those two days, I still found time to meet with those Hong Kong people working and living in Beijing, so as to exchange views with them, listen to their opinions and ascertain how the SAR Government can assist them in opening up the markets in

Beijing and its surrounding areas. If we are capable of doing so We very much hope that Legislative Council Members and people from all strata of the community can give advice and assistance to me and my team more generously when we give thoughts to and implement the relevant tasks. The reason is that doing this job well is of immense significance to the future economic development of Hong Kong.

According to incomplete statistics — figures provided by Hong Kong people stationing in the three cities of Beijing, Shanghai and Guangzhou — there are about 400 000 Hong Kong people living and working in these three cities on a long-term basis. If we can assist in the development of our enterprises and Hong Kong people in these cities through an appropriate degree of proactiveness on the part of the SAR Government, if we can create a number of additional job positions equal to 10% of these 400 000 people, we will be able to provide an additional 40 000 job positions for those Hong Kong people who intend to work, invest or operate businesses on the Mainland of their own accord. And, these 40 000 job positions are likely to be middle- or upper-level jobs in society. Since 40 000 people will be shifting to the Mainland for work — they will be doing so at their own free will — there will be an increase of 40 000 job vacancies in Hong Kong, in which case people from the middle and lower strata, including our young generation, will be able to achieve upward mobility through hard work and perseverance.

There are only two ways to create better opportunities of upward mobility for young people. One way is to turn Hong Kong into a larger "pie", so as to create more room at the upper strata and thus enable people of the lower strata to move upward. The other way is to create a much larger extracorporeal economy outside of the main economy, so that a portion of our middle and upper management personnel, as well as professionals, can shift to the Mainland, thus vacating job positions to enable people at the lower strata to move up the ladder.

Specifically, how will the SAR Government go about the task? I think we must first get to know the overall situation of those Hong Kong people staying in major Mainland cities for long-term employment, and ascertain their living needs, including their children's education needs over there. We must also ascertain Hong Kong's strengths in respect of its development on the Mainland. The next question to be asked is what can be done by the SAR Government to enhance the career development of these people.

My policy platform states that the functions of the Economic and Trade Offices on the Mainland must be enhanced. In this connection, there must be an appropriate degree of proactiveness. I think this is an important issue in the future economic development of Hong Kong. To put it in more colloquial language, what will mainly "make or break" Hong Kong in the future? That hinges on how we leverage on the Hong Kong-Mainland economic relationship to propel the development of our extracorporeal economy on the Mainland.

MR PAUL CHAN (in Cantonese): *Chief Executive, the trade volume between Hong Kong and the ASEAN Free Trade Area has been rising rapidly year on year. Despite the fact that the ASEAN Free Trade Area is an important partner of Hong Kong, Hong Kong's request for membership is not accepted. As a result, there are various tariff restrictions.*

Chief Executive, may I ask whether you will seek assistance from the Central Government in this regard, so that Hong Kong can become a member smoothly?

CHIEF EXECUTIVE (in Cantonese): President, the SAR Government is very.....

(Mr LEUNG Kwok-hung rose to his feet again)

PRESIDENT (in Cantonese): Mr LEUNG Kwok-hung, do you have any question?

MR LEUNG KWOK-HUNG (in Cantonese): *President, I initially did not intend to say anything more. But are his two questions really intended as a "favour" for his boss since he will probably become a Deputy Secretary of Department? I have already asked if it was necessary for him to avoid suspicion in this regard. He has already raised two questions, but I am still waiting*

PRESIDENT (in Cantonese): Mr LEUNG, you have already pointed out where the problem lies.

MR LEUNG KWOK-HUNG (in Cantonese): *This is simply absurd.*

PRESIDENT (in Cantonese): Mr LEUNG, please sit down. According to our rules, after the Chief Executive has answered the question raised by a Member, that Member may ask a short supplementary question based on his initial question. As the second question raised by Mr Paul CHAN is indeed a separate question, and the Chief Executive has already answered Mr Paul CHAN's initial question in great detail, it is time for other Members to raise their questions.

MS CYD HO (in Cantonese): *President, the Chief Executive's remarks just now were full of appealing expressions, such as "solidarity", "unity", "democracy", "the rule of law" and "for the good of Hong Kong". However, we do not know whether his words are sincere and true, because many cases have shown that the Chief Executive is a person who says one thing and does another. For example, in regard to Ming Pao's investigation into the unauthorized basement and trellis at his Peak residence, the Office of the Chief Executive-elect claimed that rather than making any phone call to exert pressure, it had only responded passively to media enquiries. However, according to Mr Kevin LAU's affidavit, which he himself publicized on 3 July, he had a missed phone call late into the night at 11.32 pm on 19 June, and when he phoned back, the person at the receiving end claimed that he was Mr LEUNG Chun-ying.*

Right before the public, this Council and the mass media here, will you state positively whether the words "rather than making any phone call to exert pressure, it had only responded passively to media enquiries" as said by the Office of the Chief Executive-elect are yet another case of falsehood, something that runs counter to the truth?

CHIEF EXECUTIVE (in Cantonese): President, many thanks to Ms Cyd HO. As far as the Office of the Chief Executive-elect and I can remember — I say "remember", because I do not have any information on hand — this case should

involve something more than the two points mentioned just now by Ms Cyd HO, and I hope I can gather more information about it. However, there is one important point here: my full co-operation with and respect for news coverage by the media throughout. I uphold freedom of the press. Regarding this particular case, even the newspaper concerned has publicly stated that they have never been subjected to any interference or pressure from me or my office.

MS CYD HO (in Cantonese): *President, actually, such "witching-hour rings" — rings given to the editor-in-chief of a newspaper late into the night — are themselves already a kind of pressure. If the Chief Executive still refuses to give a definite answer to this factual question, then I must say his tactics are exactly the same as what we have seen over the past few months: first, he has resorted to procedures as an excuse, saying that judicial proceedings are in progress; second, he has "played with words", going so far as to argue over words like "flower trellis" and "flowerbed"; and, third, he has even played the game of subconscious memory*

PRESIDENT (in Cantonese): Ms HO, please state your supplementary question.

MS CYD HO (in Cantonese): *..... How can we believe that all you said in the past 60 minutes is the truth? How can we tell whether you are just playing the game of subconscious memory again with the intention of submerging for refuge later?*

PRESIDENT (in Cantonese): Chief Executive, do you have anything to add?

CHIEF EXECUTIVE (in Cantonese): President, I would like to add two points. First, the unauthorized structures at my home are the result of my gross negligence, and I will offer everybody a comprehensive response in one single reply later. Second, in my opening speech and when responding to Members' questions just now, I already explained the governance convictions, policies and measures of the fourth-term SAR Government, saying that we will, within the shortest possible timeframe, seek to achieve genuine results to prove to the

community at large that we have been perfectly honest, speaking our minds all the time.

MS CYD HO (in Cantonese): *President, they have failed to clarify the details of one simple telephone call even after the passage of one month*

PRESIDENT (in Cantonese): Ms HO, you should not rise to speak now.

MS CYD HO (in Cantonese): *..... How can you tell us that everything can be done as soon as possible?*

PRESIDENT (in Cantonese): Ms HO, please stop speaking.

MR ANDREW LEUNG (in Cantonese): *President. Chief Executive, in your election platform, treatment is devoted to economic policies, particularly the co-ordination of long-term development strategies and the formulation of industry policies. In your re-organization proposal on five Secretaries of Departments and 14 Directors of Bureaux, the setting up of a Commerce and Industries Bureau is also mentioned.*

May I ask the Chief Executive to tell us how he is going to assist Hong Kong in identifying high value-adding or environmental industries, or in upgrading the existing ones? Since your re-organization proposal now appears to be a forlorn hope, how are you going to speed up the work in this respect?

CHIEF EXECUTIVE (in Cantonese): President, sustaining a relatively high speed of economic development for Hong Kong can provide both the lifeline of our social development and also the impetus for resolving the deep-rooted conflicts (such as the problems of poverty, housing and the elderly) which have existed in our society for quite some time. Therefore, my team and I attach a great deal of importance to the future economic development of Hong Kong.

In my policy platform, I propose to set up a Commerce and Industries Bureau and create the post of Deputy Financial Secretary. Besides, I also propose to set up a Technology and Communications Bureau and a Culture Bureau. The portfolios of the four new officials, namely the Deputy Secretaries of Departments and the Directors of Bureaux, all encompass industry policies, in the sense that there can be cultural industries on the cultural front and high-tech industries on the technology front.

We know that tomorrow will be the last day before the prorogation of the current Legislative Council. It is by now impossible for us to get Honourable Members' support and secure the passage of the proposal on re-organizing the Government Secretariat. In the time to come, we will seriously review how we can fulfil the pledges in my election platform under the existing framework of three Secretaries of Departments and 12 Directors of Bureaux.

President, Mr Andrew LEUNG raised the concept of industry policies just now. I think industry policies can be formulated for all industries in Hong Kong, whether they are large or small, and industry policies can be formulated for our primary, secondary and tertiary industries. An appropriate degree of proactiveness on the part of the Government is required to this end. Our hope is the booming of all industries.

The Preparatory Task Force on the Economic Development Commission appointed by me has already started to hold its meetings. President, let me spend a minute or two here to brief Honourable Members on our present line of thinking. On the one hand, we will examine The Preparatory Task Force has already started to hold its meetings, and the Economic Development Commission to be set up will, on the one hand, examine the various types of industries in Hong Kong, such as the textile and garment industry in the secondary industry sector, and the financial and tourism industries in the tertiary industry sector. On the other hand, we will also take stock of the room for development, potentials and challenges for different types of industries in Hong Kong. Different industries may need different kinds of assistance. Some industries may be in need of adequate and suitable manpower, and this involves the issues of manpower and education policies; in the case of certain industries, they may need capital or land, and so on. This is our general line of thinking after our meetings.

The issue of high value-adding industries mentioned by Mr Andrew LEUNG is very important. It is only when Hong Kong people manage to upgrade their per capita value-adding through economic development that their per capita income can increase — certain industries may need adjustments in the process. It is only when Hong Kong people's per capita income increases that they can enjoy a higher standard of living and a better life. Therefore, I very much hope that people in the industrial, commercial and professional sectors, as well as Legislative Council Members, can offer more advice and ideas on this issue to the SAR Government. I look forward to joining hands with everybody to better shape Hong Kong's main and extracorporeal economies.

MR ANDREW LEUNG (in Cantonese): *Chief Executive, it is mentioned in your policy platform that consideration will be given to setting up a strategic investment agency for bolstering industries. According to press reports, a member of your team, on the other hand, has remarked that our fiscal reserves can be used for investing in the initial development projects of certain industries. How are you going to get this job done? Second, how are you going to avoid allegations concerning Government-business collusion?*

CHIEF EXECUTIVE (in Cantonese): President, my thanks to Mr Andrew LEUNG for his question about the strategic investment agency. Let me take this opportunity to report to you all and make some clarification.

What is stated in policy platform is "consideration will be given to set up a strategic investment agency", followed by "which will undertake initial investment in emerging industries conducive to the long-term development of Hong Kong and motivate participation by the private sector". I know that a member of my team has responded to the media on whether a sovereign wealth fund should be set up by Hong Kong or the SAR Government.

Our perception is that the composition, functions and even investment portfolios of a sovereign wealth fund are all different from those of the strategic investment agency as advocated or proposed to be considered in my policy platform. The strategic investment agency mentioned in my policy platform is still one of the options under our consideration. The aim of such an agency, as stated in my policy platform, is to "undertake initial investment in emerging

industries conducive to the long-term development of Hong Kong and motivate participation by the private sector", the reason being our awareness that certain industries cannot emerge and develop on their own unless the Government pitches in and leads the way. Yet, we will be very prudent when identifying such targets or projects. One reason for prudence is the need for avoiding Government-business collusion, whether real or perceived. Therefore, we must stand firm on this issue.

DR RAYMOND HO (in Cantonese): *President. Chief Executive, many young engineers want me to take this opportunity today to reflect to the Chief Executive one concern that affects them personally — their job prospects. Because of the existing "10 major infrastructure projects", they now have work to do. However, they are worried that in case all these projects are completed a few years later They do not want to see the unemployment rate of the construction sector rising to 20%, as it did several years ago.*

They know that the design, feasibility report, environmental impact assessment and consultation relating to a works project will span many years, so if the existing "10 major infrastructure projects" are not going to be followed by another "10 major projects", they will be extremely worried. May I ask whether the Chief Executive can disclose to them at this stage any projects with more specific details or even a rough timetable?

CHIEF EXECUTIVE (in Cantonese): President, my thanks to Dr Raymond HO. Around the time of election, I already heard many people from the engineering and construction sectors highlighting this problem for the attention of the SAR Government. We do realize the problem of an over-concentration of construction works in the period from now to the next few years. In retrospect, I would also say that our construction volumes did fluctuate rather sharply from year to year over a long period of time in the past. This is something that both the construction industry and the Government do not want to see. What the construction industry does not want to see is "being terribly idle" sometimes, and then "being terribly busy" at other times. What does the Government hate to see? Well, when a number of large-scale projects all commence in one particular year, construction costs will definitely become much higher than the original estimates. This is something that the Government hates to see.

When scheduling the relevant projects, the Government also wants to spread the awards of construction contracts more evenly over different years. However, as we all know, in the process of taking forward large-scale projects, the Government is often faced with various unforeseen problems, such as legal and environmental challenges. Therefore, the SAR Government hopes that from now on, the construction volume for every individual year can remain relatively stable and even. This will definitely be our policy. At the same time, we also hope that we can learn from past experience. For instance, we hope that we can learn from our past experience in dealing with environmental impact assessment and other legal issues, so that we can better prepare ourselves for avoiding any situation where the announcement of a project is followed by the emergence of sudden challenges that hold up the project in question, cause a jam of all subsequent projects and ultimately lead to an uneven distribution of construction volume.

DR RAYMOND HO (in Cantonese): *Right. As a matter of fact, young engineers are worried that eight to 10 years of preparation time is invariably required for each and every works project. This is especially the case with cross-boundary projects, because co-ordination from the Mainland is required and this will take time. For this reason, they hope that the Government can give them some concrete information as soon as possible. This of course involves adjustments of construction volumes and an even distribution of projects. In this connection, can the Chief Executive say more on the specific details and policies?*

CHIEF EXECUTIVE (in Cantonese): Overall, Hong Kong needs not worry that there are no construction projects or just a very small number of them. As a matter of fact, overall, the SAR Government has sufficient financial ability to take forward such projects, and there is such a demand in the community too. In the future, we will certainly have to handle large numbers of planning problems, tackle the opinions raised by people in different districts, and face various legal and environmental protection procedures. I think Dr Raymond HO is pragmatic in expressing his hope that the SAR Government can co-operate with the engineering and construction sectors and give early notification on those construction projects that are already in the pipeline, so that people can make preparation in advance.

MR LEUNG KWOK-HUNG (in Cantonese): *President, here are two "paper heads". The one standing for LI Wangyang's head says this for him: "Cut off my head, and I shall not head back". The one standing for Mr LEUNG's head says this for him: "Cut off my head, and I will be evasive as ever", meaning that he will be evasive as ever even when faced with death.*

President, a politico let me quote one sentence from Mr LEUNG's election manifesto: "I will not make pledges that cannot be fulfilled for obtaining any one nomination or vote". This is what a respectable politician should do.

I now ask him: when were the unauthorized building works (UBWs) at his home erected? Were there any UBWs at all? Did he check the building plan at the time of purchasing the house? Why did he sign an undertaking stating that he would give up his rights to make any claim? Which architect conducted the inspection for him and told him that there was no problem with the house? He has been downright evasive, saying that he will bear the responsibility alone. But this is not merely about himself

PRESIDENT (in Cantonese): Mr LEUNG, please state your question clearly.

MR LEUNG KWOK-HUNG (in Cantonese): *Listen to me first. My question is as follows. A respectable politician will always speak the truth, whether his concern is the law, his conscience, or political responsibility. And, the Court will believe him if he tells the truth. Therefore, if he tells the truth, he will be "fearless wherever the battleground is". Why has he refused to tell the truth on the excuse that court proceedings are underway? Does he want to be interrogated like CLINTON?*

President, a respectable politician, I repeat, will never tell others that his lawyer forbids him to tell the truth. His lawyer will never advise that since Mr LEUNG Chun-ying is no ordinary citizen, his moral conduct is not subject to any monitoring of the law as long as he thinks that he is true to his conscience. Does he understand what I am saying? He must answer why he does not tell the truth here!

PRESIDENT (in Cantonese): Mr LEUNG, you have stated your question. Please sit down.

(Mr LEUNG Kwok-hung remained standing)

MR LEUNG KWOK-HUNG (in Cantonese): *No, I must make sure that I can see him.*

PRESIDENT (in Cantonese): Since you have stated your question, please sit down.

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

PRESIDENT (in Cantonese): If your sightline is obstructed by the objects exhibited before you, you should remove them.

MR LEUNG KWOK-HUNG (in Cantonese): *See.*

CHIEF EXECUTIVE (in Cantonese): President, regarding this question, I admit my gross negligence. But I have concealed nothing. What I said in the past and what I have said today are all true.

MR LEUNG KWOK-HUNG (in Cantonese): *Can this be any answer at all? My question is very clear. He claims that since judicial proceedings are already in progress, he will not say anything. But I must tell him that a respectable politician will not say anything like this. A respectable politician's only concern should be his integrity. He will always say the same thing, whether in court, in the Legislative Council, or in any press conferences*

PRESIDENT (in Cantonese): Mr LEUNG, we are not holding a debate.

MR LEUNG KWOK-HUNG (in Cantonese): *President, I am holding him accountable.*

PRESIDENT (in Cantonese): You have made your point very clearly.

MR LEUNG KWOK-HUNG (in Cantonese): *The Basic Law provides that the Chief Executive must be a person of integrity. I have never heard any Chief Executive or the President of any country say*

PRESIDENT (in Cantonese): Mr LEUNG, stop speaking immediately and sit down.

MR LEUNG KWOK-HUNG (in Cantonese): *In that case, I must return this "paper head" to him. This "paper head" should originally be*

(Mr LEUNG Kwok-hung left his seat and walked towards an aisle in the Chamber)

PRESIDENT (in Cantonese): Mr LEUNG, do not leave your seat.

(Mr LEUNG Kwok-hung did not return to his seat)

PRESIDENT (in Cantonese): Mr LEUNG, leave the Chamber immediately.

(Mr LEUNG Kwok-hung threw a "paper head" forward while walking on an aisle in the Chamber)

MR LEUNG KWOK-HUNG (in Cantonese): *A head dropping onto the floor after decapitation.*

PRESIDENT (in Cantonese): Mr LEUNG, I order you to leave the Chamber immediately!

(Security personnel stepped forward and assisted Mr LEUNG Kwok-hung in leaving the Chamber)

MR LEUNG KWOK-HUNG (in Cantonese): *You cannot succeed in expelling me. I will leave without your expelling me*

(Security personnel continued to assist Mr LEUNG Kwok-hung in leaving the Chamber, while Mr LEUNG Kwok-hung continued to yell)

PRESIDENT (in Cantonese): Leave the Chamber immediately!

(Assisted by security personnel, Mr LEUNG Kwok-hung left the Chamber, yelling on the way)

PRESIDENT (in Cantonese): Chief Executive, 29 Members are still waiting to ask their questions, but there are only two minutes to go before the end of the Question and Answer Session. Since you spoke a bit longer than usual at the beginning, would you agree to take questions from two more Members?

CHIEF EXECUTIVE (in Cantonese): Yes.

MR TAM YIU-CHUNG (in Cantonese): *Chief Executive, you said in your opening address just now that when you attended district forums or residents' meetings, some elderly persons expressed to you their hope of seeing the installation of escalators and barrier-free facilities. However, after saying so, you have not said anything further, nor have you explained what factors should*

be considered. In fact, we in the Legislative Council all attach a great deal of importance to the issue, and the Legislative Council has also set up a subcommittee for follow-up. We have invited representatives from relevant government departments to brief us on the situation. However, we have been told by the government representatives that due to the shortage of manpower and resources, progress has been very slow. We have been told that after completing roughly 10 projects, the Government will deal with another 10 projects. But in many cases, "dealing with" only means the conduct of studies and the commencement of works a long time afterwards.

Will you put in place any measure to address this issue? For example, if there is a shortage of resources and manpower, may I propose the allocation of several billion dollars for setting up and activating a fund, so that barrier-free access and facilities can be provided to benefit elderly persons as early as possible?

CHIEF EXECUTIVE (in Cantonese): President, I would like to thank Mr TAM Yiu-chung for his question. An understanding of the relevant issue and our subsequent follow-up are one of the most fruitful results of my district visits and those conducted by my team together with me after my election success and assumption of office. For this reason, in the past two weeks, we continued to visit the various districts and continued to listen. During our visits to different districts, local residents invariably conveyed to us such aspirations. Such aspirations may be trivial to many people. However, as I pointed out in my opening address, "no livelihood problems are trivial". To elderly persons or mobility-handicapped persons, the need for walking up and down various ramps and staircases every day is the biggest frustration in their daily life. For this reason, my team and I do attach a great of importance to the issue.

During media interviews, the Chief Secretary for Administration once remarked that having embarked on the "10 major infrastructure projects", we could similarly roll out "10 major livelihood projects". In fact, "10 major livelihood projects" are simply like "10 major people projects". Therefore, my team and I will certainly attach a great deal of importance to such projects.

President, the allocation of money for setting up a fund as mentioned by Mr TAM Yiu-chung is another issue. On this issue, we are open-minded. But

besides this issue, are there any equally important ones? Well, from our district visits for getting a grasp of various issues, we have come to notice that such projects often involve different departments. For this reason, the Chief Secretary for Administration will co-ordinate the work of different departments. This is also very important.

Over the past two weeks, we have made initial progress regarding the installation of escalators and the improvement of barrier-free facilities. I have a six-page document on hand, and we will continue to take serious follow-up actions in the future. That said, in respect of these projects, we very much hope that we can get support from residents in different districts, Legislative Council Members and District Council (DC) members; we also hope that they can give us more advice. Maybe, when the time eventually comes for us to launch such projects, we will need Members and DC members to do some co-ordination and mediation in their local districts.

MR TAM YIU-CHUNG (in Cantonese): *President, as far as I understand, residents or DC members in the various districts are very supportive of such projects. Unfortunately, however, government representatives often say that the usage of barrier-free facilities such as escalators and lifts is not that high, and since the pedestrian flows in the districts concerned may not be that heavy, such facilities are not provided there for the time being. However, I believe that while the usage is not so high and pedestrian flows are not that heavy, people with such a need will still need such facilities anyway; moreover, as population ageing will only get more serious, demand will only increase. Therefore, will the new SAR Government follow up this issue more closely and seriously consider my proposal on advance allocation of resources?*

CHIEF EXECUTIVE (in Cantonese): President, I would like to thank Mr TAM Yiu-chung for reminding us again. We will certainly treat the issue as one of the practical tasks we strive to achieve. We will treat such projects not only as "livelihood projects" or "people projects". We will strive to make the public entirely satisfied.

MR RONNY TONG (in Cantonese): *President, the Chief Executive mentioned many times during his election campaign that the liberties enjoyed by Hong Kong*

people would not be worse off when compared with the time around the reunification. The Chief Executive also mentioned just now that

CHIEF EXECUTIVE (in Cantonese): President, sorry, I could not hear the last few words. What did he say after "would not be worse off when compared with"?

PRESIDENT (in Cantonese): Mr TONG, please repeat.

MR RONNY TONG (in Cantonese): *President, I do not know why. I do not know why my microphone always fails to function properly. It may need to be replaced. Unlike Mr LEUNG Kwok-hung, I cannot speak so loudly.*

President, what I want to say is that the Chief Executive mentioned many times during his election campaign that the liberties enjoyed in Hong Kong would not diminish due to his assumption of office. The Chief Executive also mentioned just now that he would respect freedom of the press as far as possible and also intended to safeguard it. Yet, over the past year, not only freedom of the press, but also freedom of demonstration, academic freedom and even freedom of teaching have all come under threat.

Can the Chief Executive tell us in detail whether he already has a blueprint in mind for ensuring that our liberties can at least be restored to the levels around the reunification? Most importantly, will he openly tell the Commissioner of Police that we do not want the Hong Kong Police Force to deal with the mass media using the same tactics employed by Mainland public security authorities?

CHIEF EXECUTIVE (in Cantonese): President, the various liberties we enjoy are part of Hong Kong's way of life and also an integral component of Hong Kong's core values. Before the reunification, I took part in the consultation work on the Basic Law, assisted in its drafting work, and engaged in the preparations for setting up the SAR Government during the transition period. One focus of my strenuous efforts was to work with people from all social sectors

for the preservation of Hong Kong's way of life. One significant ingredient of this way of life comprises precisely our liberties, including freedom of the press as mentioned by Mr Ronny TONG a moment ago.

Speaking of how the police deal with mass assemblies or incidents involving the masses in the course of executing their duties, I would think that overall, the Hong Kong police are basically very restrained. As for isolated incidents, there are sufficient mechanisms to ensure that people whose liberties have been trampled on or compromised can have access to channels of redress.

MR RONNY TONG (in Cantonese): *He has not answered my question. I asked him whether he had any concrete measures for ensuring that our liberties could at least be restored to the levels around the reunification, and whether he would openly tell the Commissioner of Police that we did not want the police force to deal with the mass media using the same tactics employed by Mainland public security authorities. President, what is his response to these two questions — "not going to respond", or "unwilling to respond", or "do not know how to respond"?*

CHIEF EXECUTIVE (in Cantonese): President, in terms of establishment, approach and the parameters imposed by the law and various other institutions (such as the Independent Police Complaints Council) in Hong Kong, the Hong Kong Police Force represents a separate type of public security system in our country. It is impossible to make any comparison. As the head of the Government, what can I do to safeguard the various liberties? And, what are the best and most effective courses of action for me? The answer to these two questions is that I should refrain from doing anything that may affect or curtail the liberties enjoyed by Hong Kong people all along.

PRESIDENT (in Cantonese): End of the Chief Executive's Question and Answer Session today. The Chief Executive will now leave the Chamber. Members will please stand up.

MR ALBERT CHAN (in Cantonese): It is shameless to lie to the elderly!

PRESIDENT (in Cantonese): Mr Albert CHAN, the Chief Executive has not left the Chamber yet. Please do not yell.

CHIEF EXECUTIVE (in Cantonese): Thank you.

MR ALBERT CHAN (in Cantonese): Liar. Shame on you, liar! The liar has deceived the elderly. Shame on you for deceiving the elderly!

ADJOURNMENT OF MEETING

PRESIDENT (in Cantonese): I now adjourn the Council.

Adjourned accordingly at ten minutes past Four o'clock.