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19 March 2003

The Hon Selina Chow
Chairman
House Committee

Dear Selina,

May I request that the following matter be discussed in the House Committee meeting on 21 March 2003:

That the Chief Executive Mr Tung Chee-hwa be asked to attend this Council to give an explanation on the propriety of the course of action he has adopted in the matter of the Financial Secretary's breach of Code of Conduct and to answer members' questions thereon.

In his letter to the Financial Secretary dated 15 March 2003, the Chief Executive made the finding that the "[Financial Secretary's] purchase of a new car in the period when the First Registration Tax proposal was under active consideration would inevitably arouse suspicion of conflict of interest", and that "[his] purchase of the car and not reporting the purchase to [the Chief Executive] before Budget Day have breached sections 5.1 and 5.4 of the Code". He concluded that what the Financial Secretary has done amounts to "gross negligence".

In the light of the statement of the Chief Executive's Office yesterday (18 March 2003), it is beyond doubt that the matter went beyond negligence. The Financial Secretary's failure to report the purchase of his car at the Executive Council meeting on 5 March, following the declaration of interest of Dr Yeoh Eng Kiong could only have been a deliberate suppression. His subsequent statement to the Constitutional Affairs Panel on 17 March that the possibility of a conflict of interest did not occur to him until the press inquiry on 8 March was untrue and dishonest.

The Chief Executive must have been aware of the deliberate suppression when he wrote the letter of 15 March. Yet his letter gave no hint of this. Instead, Mr Tung chose to describe the Financial Secretary's conduct as negligence. Public concern must have been aroused as to the appropriateness of the Chief Executive's findings.

Further, the second part of the statement referred to the ExCo meeting of 11 March. It is categorically stated that “no ExCo member proposed that the minutes of 5 March be amended.” This puts in doubt the qualified denial of the Secretary for Constitutional Affairs to the Panel that there had been a request to amend the minutes of the meeting to protect the Financial Secretary. He repeated this answer twice. If what was said in yesterday’s statement was the case, Mr Lam would have been able to give a categorical denial.

Any attempt to cover up by altering ExCo minutes must destroy the public’s confidence in the Government. From the government’s own statements and conduct, there is at least basis for doubt, and therefore necessity for explanation. In the interest of restoring the public’s confidence in the Government, we should urge the Chief Executive to attend this Council to answer members’ questions.

In the event that the Chief Executive decides to set up a commission of inquiry, this proposal will be withdrawn.

Yours sincerely,

Margaret Ng

MN/eh