

OFFICIAL RECORD OF PROCEEDINGS

Thursday, 11 July 2013

The Council met at half-past Nine o'clock

MEMBERS PRESENT:

THE PRESIDENT

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

THE HONOURABLE ALBERT HO CHUN-YAN

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE JAMES TO KUN-SUN

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

THE HONOURABLE LEUNG YIU-CHUNG

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

THE HONOURABLE TAM YIU-CHUNG, G.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 VINCENT FANG KANG, S.B.S., J.P.

THE HONOURABLE WONG KWOK-HING, B.B.S., M.H.

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

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

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

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

THE HONOURABLE CHEUNG KWOK-CHE

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

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

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE WONG YUK-MAN

THE HONOURABLE CLAUDIA MO

THE HONOURABLE MICHAEL TIEN PUK-SUN, B.B.S., J.P.

THE HONOURABLE JAMES TIEN PEI-CHUN, G.B.S., J.P.

THE HONOURABLE NG LEUNG-SING, S.B.S., J.P.

THE HONOURABLE STEVEN HO CHUN-YIN

THE HONOURABLE FRANKIE YICK CHI-MING

THE HONOURABLE WU CHI-WAI, M.H.

THE HONOURABLE YIU SI-WING

THE HONOURABLE GARY FAN KWOK-WAI

THE HONOURABLE MA FUNG-KWOK, S.B.S., J.P.

THE HONOURABLE CHARLES PETER MOK

THE HONOURABLE CHAN CHI-CHUEN

THE HONOURABLE CHAN HAN-PAN

DR THE HONOURABLE KENNETH CHAN KA-LOK

THE HONOURABLE CHAN YUEN-HAN, S.B.S., J.P.

THE HONOURABLE LEUNG CHE-CHEUNG, B.B.S., M.H., J.P.

THE HONOURABLE KENNETH LEUNG

THE HONOURABLE ALICE MAK MEI-KUEN, J.P.

DR THE HONOURABLE KWOK KA-KI

THE HONOURABLE KWOK WAI-KEUNG

THE HONOURABLE DENNIS KWOK

THE HONOURABLE CHRISTOPHER CHEUNG WAH-FUNG, J.P.

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

THE HONOURABLE SIN CHUNG-KAI, S.B.S., J.P.

DR THE HONOURABLE HELENA WONG PIK-WAN

THE HONOURABLE IP KIN-YUEN

DR THE HONOURABLE ELIZABETH QUAT, J.P.

THE HONOURABLE MARTIN LIAO CHEUNG-KONG, J.P.

THE HONOURABLE POON SIU-PING, B.B.S., M.H.

THE HONOURABLE TANG KA-PIU

DR THE HONOURABLE CHIANG LAI-WAN, J.P.

IR DR THE HONOURABLE LO WAI-KWOK, B.B.S., M.H., J.P.

THE HONOURABLE CHUNG KWOK-PAN

THE HONOURABLE CHRISTOPHER CHUNG SHU-KUN, B.B.S., M.H., J.P.

THE HONOURABLE TONY TSE WAI-CHUEN

MEMBERS ABSENT:

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

THE HONOURABLE ABRAHAM SHEK LAI-HIM, G.B.S., J.P.

DR THE HONOURABLE LEUNG KA-LAU

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

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

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

CLERK IN ATTENDANCE:

MR KENNETH CHEN WEI-ON, 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 WONG YUK-MAN (in Cantonese): LEUNG Chun-ying, step down!

(Holding up a placard, Mr Albert CHAN left his seat and walked towards an aisle of the Chamber)

PRESIDENT (in Cantonese): Would Members please remain quiet. Mr Albert CHAN, go back to your seat immediately.

(Mr LEUNG Kwok-hung, Mr Albert CHAN and Mr WONG Yuk-man yelled)

PRESIDENT (in Cantonese): Would Members please remain quiet immediately.

(Mr LEUNG Kwok-hung and Mr WONG Yuk-man continued to yell)

PRESIDENT (in Cantonese): If any Members continue to yell, I will order them to leave the Chamber.

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

CHIEF EXECUTIVE (in Cantonese): President, Honourable Members and people of Hong Kong, I am very happy that after two months, I am once again able to come here to address the Legislative Council and take questions from Honourable Members.

With seamless co-operation, the new-term Government has implemented some of the propositions in my election manifesto over the past 12 months, thus achieving certain intermediate results and progress. The other propositions in my election manifesto will be taken forward one by one in the coming four years.

In respect of people's greatest concern, the housing problem, the SAR Government has succeeded in curbing the rising trend of property prices, and we are doing our utmost to increase housing supply in the short, medium and long runs. We have by now amassed enough land for completing the construction of 79 000 public housing units within the five years starting from 2012-2013, and for completing roughly 17 000 flats under the new Home Ownership Scheme within the four years starting from 2016-2017. The findings of the Planning and Development Study on North East New Territories announced last week are a milestone in developing a new generation of new towns. We are also concerned about the shortage of commercial lands and high prices of commercial properties. The current-term SAR Government has abandoned the mindset of focusing on short-term needs only, and has instead sought to plan and prepare for our long-term needs in the next 20 or 30 years. When young people at the age of 20 today have their own families and children 10 years later, their residential units will mainly come from new towns in North East New Territories; 20 years later, the junior secondary students today will find their homes in North East New Territories; 30 years from now, the kindergarten children today will live on the new reclamation area. All these are the work targets of the current-term Government when it seeks to promote medium- and long-term land supply.

The SAR Government will continue to boost economic growth as a means of relieving and resolving the long-standing and embedded livelihood problems, including poverty, population ageing and environmental protection. The global economy is overcast, and Hong Kong's overall economy is relatively stable. But the experience of European and American countries shows us that we must not take stable economic development for granted. We must make joint efforts to defend Hong Kong's economy and treasure all economic development opportunities. Problems with the economy will inevitably affect people's livelihood.

The SAR Government attaches importance to economic development opportunities both within and outside the country. In the past one year, I visited many places such as Beijing, Shanghai, Tianjin, Guangzhou and Shenzhen for the purpose of enhancing co-operation; in late April, I met with the Chairman of the National Development and Reform Commission (NDRC) and the Minister of Commerce, and consensus was reached in a number of areas, including the following: (1) dovetailing with the NDRC's interim review of the National 12th Five-Year Plan, the SAR Government will review the progress of implementation in the past two years, with a view to ensuring better implementation in the

coming two years; (2) the NDRC agrees to let the SAR Government participate in the preparatory work on formulating the National 13th Five-Year Plan, so as to ensure that it can better cope with Hong Kong's development needs when it is rolled out later; (3) in 2014 (next year, in other words), liberalization of trade in services will be achieved in Guangdong; and (4) the pilot implementation measures in Guangdong will be extended to the nine provinces in the Greater Pearl River Delta.

Over the past one year, I have met with leaders of 17 Mainland provinces, cities and autonomous regions to discuss the development opportunities for Hong Kong in these places. The SAR Government will continue to enhance the work on "G2G", that is "Government to Government". In the second half of this year, I will personally lead a delegation of Hong Kong's industrial, commercial and professional sectors in a trip to Guangxi and Chongqing, so as to look for business opportunities over there.

This year marks the 10th anniversary of the proclamation of CEPA. The immense significance of CEPA to Hong Kong's economic development is unquestionable, so the early optimization of CEPA is extremely important to Hong Kong. Therefore, in my election manifesto, there is the proposition on establishing a joint working group on assisting us in resolving the problems encountered in the course of implementing CEPA. The joint working group already met for the first time on the 18th of last month in Guangzhou, with the attendance of representatives from the SAR Government, six Central Government units and seven Guangdong Provincial Government units. This fully reflects how seriously the Central Government and the Guangdong Provincial Government look at the implementation of CEPA. The meeting agreed that in such fields as film production, accounting, architecture, property management and healthcare, efforts should be made to perfect the work on implementing the measures under CEPA, so as to create more and better opportunities of development and employment for Hong Kong on the Mainland.

Last month, I also visited New York City for the purpose of enhancing Hong Kong's economic and trade co-operation with the United States. The industrial and commercial delegation of Hong Kong comprised more than 200 people, and it was accompanied by several dozen representatives of Guangdong. The commercial sector of the United States attaches a great deal of importance to Hong Kong, and over a thousand people attended the various promotion functions.

During our visit to the United States, I highlighted the role of Hong Kong as a "super-connector" in the economic and trade activities between China and the United States. In her address, the Chief Economist of the U.S. Department of State spoke highly of Hong Kong's significant function in global economic activities and trade. She said, "Hong Kong provides an extremely convenient platform for trade to and from China and across the rest of the region." According to her, Hong Kong's openness, transparency, free markets and rule of law are all of high international reputation.

While seeking to promote economic growth, the SAR Government will also pay heed to the livelihood needs of the grassroots and the socially disadvantaged.

Apart from economic and livelihood issues, the SAR Government must also attend to the tasks associated with constitutional reform. I am aware of the very high public expectations regarding the election of the Chief Executive by universal suffrage in 2017. At present, divergent views on constitutional reform are still present in society, and people's opinions about certain fundamental issues are still vastly different. In order to properly implement universal suffrage for electing the Chief Executive in 2017, all in society must seek common ground while tolerating differences, and come to a consensus. At the same time, when promoting the forward development of Hong Kong's political system, we must abide strictly by the provisions of the Basic Law, as well as the relevant interpretations and decisions of the Standing Committee of the National People's Congress, which actually form the very important basis for forging a social consensus on achieving the goal of universal suffrage.

Since its taking office, the current-term Government has been striving to make advance preparations for consultation on constitutional reform. Such efforts include having communications with different people in society for the purpose of gauging their views on constitutional reform. In the interim to the commencement of formal consultation, we will step up our exchanges with people holding divergent views and listen carefully to the views of the various social sectors.

All in the SAR Government will continue to work with one heart and do their utmost, so as to pragmatically answer people's political, economic and livelihood aspirations. Even in the case of those tasks that take a long time for

any initial effects to be felt, such as increasing land supply and housing construction, the Government will still make steadfast efforts and show the general public that we are determined to resolve the problems for overall society.

In order to resolve Hong Kong's perennial and embedded problems, it is necessary to have the support of all in society, especially the support of the Legislative Council. One such pressing problem is landfill extension. The SAR Government is well aware that landfill extension should just be one of the whole series

(Some Members yelled in their seats)

PRESIDENT (in Cantonese): Chief Executive, please hold on a moment. Let me give my final warning. If any Members yell in their seats again, I will order them to leave the Chamber immediately.

CHIEF EXECUTIVE (in Cantonese): Thank you, President. The SAR Government is well aware that landfill extension should just be one of the whole series of efforts to tackle the problem of solid waste for the whole of Hong Kong. The Government will implement a comprehensive and satisfactory work plan covering waste collection, waste transportation, cleanliness and hygiene, waste reduction at source, waste recovery and incineration. It will also seek to minimize the impacts on the districts concerned. I wish to reiterate that the funding request pertaining to the Tuen Mun landfill is only meant for funding advance and exploration work. I hope Honourable Members will consider the need of all Hong Kong people and vote for the Government's funding request at the Finance Committee meeting tomorrow.

With the joint efforts of the Government and the Legislative Council, the Government has submitted a total of 22 bills in this legislative session. Almost 90% of the bills we originally intended to submit have been put before the Legislative Council as scheduled for its scrutiny. So far, the Legislative Council has passed 12 of these bills. And, it is expected that totally 14 bills can be passed eventually in this legislative session. In this connection, I wish to thank Honourable Members for their efforts. The SAR Government and I are prepared to continue to co-operate fully and communicate closely with all Legislative

Council Members, and we will seek actual results as a means of answering the aspirations of all Hong Kong people.

Thank you, Honourable Members.

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

DR KWOK KA-KI (in Cantonese): *Chief Executive, you are indeed very brazen. Last year, to make sure that you could ascend to the throne, you made a host of undertakings on resolving the problems of housing, environmental protection and education before all the 7 million Hong Kong people. But one year after your assumption of office, all Hong Kong people can see clearly that you have not honoured any of these undertakings. In respect of housing, property prices have risen by 15% since your taking office, showing that all your housing-related policies are useless. You originally undertook to reduce waste at source, but you are going to ask for the extension of landfills tomorrow*

PRESIDENT (in Cantonese): Would the Honourable Member please do not give a long speech. Please state your question.

DR KWOK KA-KI (in Cantonese): *President, I am coming to my question very soon. Nothing whatsoever has been heard regarding the provision of 15-year free education. According to the findings of the latest opinion poll conducted by the University of Hong Kong, your rating is 46.2. The percentages of respondents who cast a vote of confidence in you and those who gave you a vote of no confidence are respectively 27% and 55%, while your net approval rate stands at -28%*

PRESIDENT (in Cantonese): Would the Honourable Member please state his question.

DR KWOK KA-KI (in Cantonese): *Chief Executive, as many as 430 000 people took to the streets on 1 July, and you said afterwards, "It must have been a tough day for them." I stood in the streets for six whole hours that very day, and I heard that what the 430 000 people chanted most loudly was the sentence: "LEUNG Chun-ying, step down!". People all had a very tough*

PRESIDENT (in Cantonese): Dr KWOK, please state your question right away.

DR KWOK KA-KI (in Cantonese): *Suppose the Chief Executive does not want the days of people to be so tough, may I ask him when he will accede to their demand for his stepping down? Is he still awaiting a sentence from the Central Authorities? He described himself as a "super-connector" a moment ago. But people all think that he is instead a "super-liar".*

CHIEF EXECUTIVE (in Cantonese): President, I am grateful to my accountability team for its support and co-operation in the past year. I am grateful to the broad masses of civil servants for their support and co-operation. I am grateful to the Legislative Council and the whole community for their supervision and advice. I am likewise grateful to the Central Government for rendering me and the SAR Government vigorous support in our work in accordance with the Basic Law.

Let me give a response to the three policy-related issues mentioned by Dr KWOK Ka-ki just now. With a spirit and attitude of accepting the whole community's supervision, we issued to the whole community a detailed report on our work in the past 12 months right before the first anniversary of the current-term Government. The report has been uploaded onto our website. For environmental reasons, we have uploaded the report onto our website for public perusal, rather than publishing any printed copies.

In respect of property prices, I have mentioned in my address just now that even if we brush aside the development of land from scratch, we will see that even in the case of existing urban lands, it will still take at least one year to complete the planning process of land use alteration. In spite of this, I and the entire SAR Government have still made huge efforts. As Honourable Members are aware, we have achieved results in boosting the short-, medium- and

long-term supply of land. And, increasing land supply should be the most proper course of action.

Rising property prices are the result of many factors, and one significant factor which the SAR Government is still closely following, one which the general public should be well aware of, is monetary easing, coupled with low interest rates over relatively prolonged periods. This is a global factor which is beyond the control of the SAR Government or anyone in Hong Kong. The SAR Government will continue to make efforts in respect of the housing problem, so as to address the concern of the whole community.

On the issues of waste reduction and landfills, environmentalists and experts in Hong Kong are in unanimous agreement that we cannot possibly achieve the ends of dispensing with waste handling, incineration and landfill extensions solely by relying on waste reduction. Waste reduction and recovery, landfills and incineration must all be the measures under the multi-pronged approach that needs to be implemented.

Regarding waste reduction at source, I have always walked my talk over all the years. My home practically generates no food waste. On the current-term SAR Government's very first day of office, we already decided not to use any bottled water, accept any souvenirs and wear any corsages when officiating at all ceremonies. Simplicity is the basis of our governance, and we aim to take the lead in launching a successful project to change people's mindsets. Waste reduction is important, as is waste recovery, but they cannot replace the need for landfill extensions.

As for free education, in April 2013, meaning just a few months ago, the SAR Government already set up a dedicated committee, and this is a step showing its commitment. The dedicated committee, which has convened three meetings so far, is responsible for examining issues related to the provision of free kindergarten education. At this stage, I can inform Honourable Members that we have been achieving satisfactory progress. The SAR Government cares about early childhood education and kindergarten education; it cares about free education. To sum up, we have been responding fully regarding the three policy areas mentioned by Dr KWOK Ka-ki just now.

DR KWOK KA-KI (in Cantonese): *President, the Chief Executive is very smart, because he has repeated the same points for more than five minutes. I want to ask him, "When will you step down? Are you still awaiting a sentence from the Central Authorities?" Can he answer my questions? When is he going to step down?*

CHIEF EXECUTIVE (in Cantonese): The Central Government is in strong support of me and the SAR Government in our work. At different times in the past, I myself and all members of the governing team in the SAR Government already made public our respective thinking. What we have in the whole governing team of the SAR Government is perfect co-operation. We will continue to perform the tasks of government with such a spirit and attitude.

(Dr KWOK Ka-ki stood up)

PRESIDENT (in Cantonese): Dr KWOK, you have already stated your supplementary question. Please sit down.

DR KWOK KA-KI (in Cantonese): *When is the Chief Executive going to step down?*

PRESIDENT (in Cantonese): In accordance with the Rules of Procedure, you may raise a concise supplementary question only, and the Chief Executive has already given his answer. Please sit down.

MR KWOK WAI-KEUNG (in Cantonese): *The civil service team is the right-hand man of the SAR Government in the course of governance. It has always remained loyal and dedicated, noted the world over for its exceptional efficiency. The pay rise for civil servants has, however, disappointed them very greatly, and many civil service unions have expressed dissatisfaction with the pay trend survey report. Civil service unions have also queried the authorities, saying that they have deviated from the established mechanism and failed to fully consider the six major factors specified by the mechanism. All this has led a number of staff-side representatives to withdraw from the mechanism. And,*

some civil servants have even indicated that they will seek to protect their rights and interests by applying for arbitration.

Chief Executive, I do not think that the Government will want to sever its own right hand. May I ask the Government how it is going to repair its relationship with the staff side in the time to come? Do the authorities have any means in mind to restore the trust of civil servants and rebuild their team morale?

CHIEF EXECUTIVE (in Cantonese): President, let me thank Mr KWOK for his question. I and the entire SAR Government do attach a great deal of importance to civil servants' morale, conditions of service and working conditions, including their workload in the past year since the SAR Government's taking office. As a matter of fact, due to the need for implementing the undertakings made in the SAR Government's policy agenda and also the various measures and policies set out in the Policy Address, the current workload of the civil service team has indeed increased very greatly. In the internal meetings of various scales and also on different public occasions in the past, I already presented my heartfelt thanks to the civil service team for its co-operation and support. I also extended my gratitude in my address a moment ago.

I know that the new round of pay adjustment has disappointed our civil service colleagues. I think that this is only understandable. But I also wish to stress that the new round of civil service pay adjustments has been handled in strict accordance with the established mechanism all along. In the process, we listened fully to views of civil servant representatives, and officials of the SAR Government responsible for this issue, the non-official members of the Executive Council and even some Legislative Council Members likewise reflected the views of civil servants on this issue adequately and fully. At meetings of the Executive Council, we also gave adequate consideration to the views put forward by civil service unions. And, we have certainly given adequate consideration to all the six relevant factors under the mechanism. The practice this time around is in accordance with the established mechanism. I know that some civil service unions are of the view that the pay trend survey still has room for further improvement. In this connection, the Secretary for the Civil Service has written to the Chairman of the Pay Trend Survey Committee, inviting him to expeditiously join hands with the representatives of the staff side and the authorities to look at how future surveys should be conducted.

Let me reiterate here that without the support, co-operation and efforts of civil servants, it would have been impossible for us to implement and take forward the work in the past year. I therefore cherish the views of the civil service team, hoping that everybody can work with one heart, consistently uphold our spirit of serving the community and the public, and do a good job in our respective roles.

MR KWOK WAI-KEUNG (in Cantonese): *President, the Chief Executive has expressed his gratitude to the civil service team over and over again, and I suppose they should have heard his words. But he has not answered the most important part of my question. How is he going to repair his relationship with civil servants?*

CHIEF EXECUTIVE (in Cantonese): Again, I will consistently adopt the attitude of acting decisively in policy-making, supporting civil servants and heeding their views, as already explained in the motto "聽、定、撐" set out in my election manifesto. And, over the past 12 months, we have all adhered to this as our guiding principle. My hope is to continue to strengthen our communication with all ranks of civil servants and their representatives in the future.

MR KENNETH LEUNG (in Cantonese): *President, in May this year, I put forward to the Government a written question on its progress of implementing the 36 recommendations made by the Independent Review Committee for the Prevention and Handling of Potential Conflicts of Interests. But the Government replied that it had implemented only some of the recommendations, and in regard to the proposal on amending the regulation of the Chief Executive under the Prevention of Bribery Ordinance, the authorities had not yet formulated any implementation timetable. May I ask the Chief Executive when the Government is going to implement all the 36 recommendations of the committee? And, when will the Government amend the regulation of the Chief Executive under the Prevention of Bribery Ordinance?*

CHIEF EXECUTIVE (in Cantonese): I and the current-term Government both attach a great deal of importance to avoiding and preventing any potential conflicts of interests involving public officers, including the Chief Executive, in

their discharge of duties. Therefore, on the very day when the report mentioned by Mr Kenneth LEUNG just now was published, I proactively hastened to indicate my agreement in principle to the recommendations of the report, saying that I would consider how best to follow up and implement the various specific recommendations.

As a matter of fact, the Government has to date implemented roughly half of the recommendations, including the one on revising the Code for Officials under the Political Appointment System to lay down rules for handling conflicts of interests involving politically appointed officials and other matters. We have made the necessary administrative arrangements. We do attach a great deal of importance to this very task, and on my part, I have also been making proactive and positive efforts.

MR KENNETH LEUNG (in Cantonese): *President, may I ask the Chief Executive whether he is able to offer any concrete timetable for implementing the recommendations? In particular, regarding the recommendation on amending the Prevention of Bribery Ordinance, does the SAR Government have any timetable for its implementation, so that the acts of the Chief Executive can be brought under regulation? President, this is a matter of immense importance.*

CHIEF EXECUTIVE (in Cantonese): *President, this question involves legislative amendments. Implementing the committee's recommendation on bringing the Chief Executive under the ambit of sections 3 and 8 of the Prevention of Bribery Ordinance will require legislative amendments. We must therefore prudently and holistically consider and handle all related aspects, including the operational details or workings of such regulation, so as to ensure that the committee's recommendation can be truly, not nominally, implemented. We must holistically consider the impacts in all respects.*

MR TAM YIU-CHUNG (in Cantonese): *Tuen Mun residents are always of the view that while the Government chooses Tuen Mun as the site for many obnoxious facilities, it has not made adequate efforts to develop the district. For instance, it has not made adequate efforts to increase investment in the development of any sizeable projects that can bring forth in-district employment opportunities and thus save residents the hardship of travelling outside the*

district for work. Last year, the DAB put forward to the Government a proposal on building a new economic development zone in Area 46 of Tuen Mun. The proposal has been submitted to the Secretary for Development, but we have not yet seen any actions or decisions.

The Government's present plan to further expand the Tuen Mun landfill by 200 ha has aroused the strong discontent of Tuen Mun residents. Apart from guaranteeing the satisfactory transportation of waste to reduce impacts on residents as stated by the Chief Executive just now, should the Government make more efforts in other respects? Can it offer any special care to Tuen Mun residents to relieve their burden? Or, can it offer certain kinds of exemption to them, such as exemption of rubbish levies and rates as well as electricity charges subsidy? Will the Government do more thinking in this direction?

CHIEF EXECUTIVE (in Cantonese): President, Honourable Members all know that I attach a great deal of importance to the views and suggestions of local residents. For this reason, since my election campaign and successful election, I have never stopped visiting the various districts to get in touch directly with local residents and listen to their views and aspirations. Since the time before, during and after the election, I have been visiting Tuen Mun to have discussions with local residents and opinion leaders. When individual districts thrive, Hong Kong as a whole will likewise thrive. We must honestly do a good job for the 18 districts.

Regarding the future development of Tuen Mun, I do not think that we should still cling to the mindset and standards adopted for planning the development of Tuen Mun several decades ago. Over all the years, in the overall planning of Hong Kong, there have indeed been some projects which place in Tuen Mun certain facilities abhorred by local residents. When it comes to this problem, I think we really owe Tuen Mun residents quite a lot. For this reason, the SAR Government will definitely review the present situation in the time to come, and we should be able to work out some solutions. In some advanced overseas cities, they do have some planning, execution and management strategies — clever strategies — which can make people feel that what is originally a polluting facility is no longer polluting or obnoxious.

I have conducted some inspections in various European cities, and in these cities, incinerators are located in the urban areas. However, the exterior designs,

management and even colour schemes of such incinerators will never remind people of the kind of pollution problems associated with conventional incinerators. Therefore, in this respect, I very much hope that we can join hands with the districts concerned, especially Tuen Mun residents, to explore how best to solve such problems.

As for the issues of local community economy mentioned by Mr TAM Yiu-chung a moment ago, I would say that I likewise attach a great deal of importance to local community economies, especially those in North West New Territories. With the economic take-off of the entire Pearl River Delta, the development focus of our own economy has shifted to northwestern Hong Kong, covering areas such as Tuen Mun and Yuen Long. The Government should make more efforts to develop local community economies, so as to provide local residents with employment opportunities and offer more business prospects to the small and medium enterprises as well as shop operators there.

MR TAM YIU-CHUNG (in Cantonese): *President, the Chief Executive has given a very good reply. However, while a good reply is important, actual implementation is equally so. What kind of assurance can the Chief Executive give to all of us?*

CHIEF EXECUTIVE (in Cantonese): This is a matter of huge importance to the SAR Government, which is why the Chief Secretary for Administration will personally attend the Tuen Mun District Council meeting today to listen directly to the views of its members. After the meeting today, we will take concrete steps to implement their aspirations as far as possible.

MS EMILY LAU (in Cantonese): *The Chief Executive has said so much rubbish, but Mr TAM Yiu-chung still thinks that he has given a good reply. I think those Tuen Mun residents who are listening to us now must want to talk about this with the DAB. President, it is now one year after the Chief Executive's taking office, but he has achieved nothing at all. This explains why hundreds and thousands of people took part in the march on 1 July, requesting him to step down and demanding the implementation of genuine universal suffrage. But, he instead issued a report on the work of his Government which, however, shows that he has failed in everything. And, what has he said? President, he has remarked that*

he will not be complacent. Some teachers have said to me, "What's wrong with him? Does he realize that he has set a very bad example for my students? Later on, those students with straight failures in their report cards may come to me and tell me that they will not be complacent — all because the Chief Executive has likewise said so."

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

MS EMILY LAU (in Cantonese): *He has remarked that people have very high expectations regarding the election of the Chief Executive by universal suffrage in 2017. But at the same time, he also asks our society to seek common ground while tolerating differences, claiming that lots of advance work has been done over the past one year. For all the 7 million Hong Kong people, I now ask him this question: when will he start the work of consultation? There must not be any further delay.*

CHIEF EXECUTIVE (in Cantonese): President, the saying that the current-term SAR Government has achieved absolutely nothing since its taking office is very unfair to the entire SAR Government, including my accountability team and even the broad masses of civil servants. Regarding the issue of constitutional reform, I suppose Ms Emily LAU should be referring to the consultation on the election of the Chief Executive by universal suffrage in 2017. If we can seek to tackle poverty alleviation one year sooner — for example, we managed to pass the implementation of the Old Age Living Allowance last year with Honourable Members' support (I do not know whether Ms Emily LAU considers this an achievement), thus enabling 340 000 elderly persons (or possibly as many as 400 000) to receive an extra \$1,100 a month, an extra \$1,100, and giving them totally \$2,200 a month — would you consider this an achievement? If we can do this one year sooner, elderly persons will be able to receive money one year sooner. But in the case of introducing universal suffrage in 2017, even if we launch consultation one year sooner, the date for introducing universal suffrage will still be 2017, rather than 2016. Therefore, we do know our priorities, and we are at the same time strongly committed to the implementation of universal suffrage in 2017 in accordance with the Basic Law and the relevant decisions of the Standing Committee of the National People's Congress. I and the SAR

Government will definitely get this job done. We still have ample time for comprehensive and adequate consultation as well as the required legislative work.

MS EMILY LAU (in Cantonese): *President, had the Old Age Living Allowance really been so warmly welcomed, there would not have been so many disputes in the Legislative Council and so many amendments from Members. There is one more thing, President, about the enumeration of his so-called contributions in the report. The Legislative Council Election held last year was the task of Donald TSANG, but he has used it as a means of prettifying himself*

PRESIDENT (in Cantonese): Ms LAU, please state a concise supplementary question.

MS EMILY LAU (in Cantonese): *..... He has even claimed that the \$2 fare concession is one of his policy achievements. All these were actually the tasks already undertaken by the last Government, but he has used them all for*

PRESIDENT (in Cantonese): Please state a concise supplementary question.

MS EMILY LAU (in Cantonese): *..... Now, about the issue of the consultation on universal suffrage, Chief Executive, a member of your own team, LAM Woon-kwong, has recently remarked that if you still refuse to launch consultation, people will think that you are simply adopting a stalling tactic. According to him, if no constitutional reform is undertaken, Hong Kong will be doomed. Do you want to court destruction both for yourself and Hong Kong? LAM Woon-kwong has this question for you.*

CHIEF EXECUTIVE (in Cantonese): President, what LAM Woon-kwong, Convenor of the Executive Council, has talked about is the difference between undertaking constitutional reform and not undertaking constitutional reform. I am determined to undertake constitutional reform and the required consultation. The only thing is that unlike Ms Emily LAU, I do not think that we can brush aside everything and concentrate solely on constitutional reform consultation.

Even if we conduct consultation on constitutional reform one year sooner, the date for electing the Chief Executive by universal suffrage will still be 2017. And, assuming that such consultation is put off for one year, the date for electing the Chief Executive by universal suffrage will likewise remain 2017.

Ms Emily LAU talked about why the Old Age Living Allowance led to so many disputes when it was put before the Legislative Council for scrutiny. I understand that at the time, some Legislative Council Members were of the view that the threshold should be lowered to enable more elderly persons to receive the Old Age Living Allowance, or to enable elderly recipients to receive a greater amount of allowance. However, if the SAR Government had not raised the issue, the 340 000 elderly persons — it may be as many as 400 000 by now — would have to wait one or two months more, or even one more year, before they could receive the Old Age Living Allowance of \$2,200 a month.

Concerning the fare concession for elderly persons, one can no doubt rightly say that it was a measure rolled out by the last Government. But if Ms Emily LAU is observant enough, she will see that through the efforts of the SAR Government, the efforts of Secretary Matthew CHEUNG — it was a Sunday when the fare concession was introduced, and he and I travelled to Shau Kei Wan in the morning to observe elderly persons' transport patronage — we managed to advance the implementation of the fare concession by several months, and the elderly persons we saw that day were all very delighted. Admittedly, this measure was rolled out by the last Government, but it was also through the efforts made by all of us in the current-term Government that its implementation was advanced by a few months to enable elderly persons to enjoy the fare concession several months ahead of schedule. We always take actions orderly and systematically, and we are also guided by priorities.

MR CHRISTOPHER CHEUNG (in Cantonese): *Chief Executive, as we can see, more than 10 District Councils have recently voiced opposition to the Occupy Central movement, expressing the worry that once the industrial and commercial activities of Hong Kong are really brought to a standstill due to the occupation of its heartland by more than ten thousand people, social stability and people's livelihood will be affected, and the basis of our rule of law will be shaken.*

May I know whether the Government has conducted any assessments of the economic and political risks posed by the Occupy Central movement? And, has the Government ever assessed the impacts of the movement on Hong Kong's status as an international financial centre and people's daily activities? Has the Government tried to persuade the instigators of the Occupy Central movement to use other peaceful, lawful and rational means to fight for the realization of their aspirations?

CHIEF EXECUTIVE (in Cantonese): President, my thanks to Mr Christopher CHEUNG for his question. As I mentioned in my address just now, at this very time when foreign economies are slowing down, when many countries are caught in economic sluggishness, and when their unemployment rates are as high as 20% to 30% (meaning that one in every four or five persons is unemployed), the economic conditions of Hong Kong are still relatively stable. But we must not take such relative economic stability for granted; rather, we must make efforts to fight for, create and defend such stability. I therefore call upon all Hong Kong people to do their very best to develop our economy, to do their very best to defend our economic stability.

Concerning the economic impacts of the Occupy Central movement, various representatives of Hong Kong's industrial and commercial sectors, including many organizations and leaders of the sectors, have given their views fully. I agree to their views and think that such views are fair and impartial. The SAR Government therefore maintains that everyone has the duty to defend and develop our economy. As for the aspirations on constitutional reform held by those who advocate or participate in the deliberations on the Occupy Central movement, I have already explained in my address just now that the SAR Government, especially the Constitutional and Mainland Affairs Bureau, will, as usual, listen carefully to everybody's aspirations and seek to promote pragmatic exchanges between both sides.

MR CHRISTOPHER CHEUNG (in Cantonese): *Has the Government assessed whether the police of Hong Kong are capable of coping with any incidents and clashes triggered by the Occupy Central movement? Has the Government ever considered the idea of requesting the Central Government to deploy the Hong Kong Garrison of the People's Liberation Army in case of necessity, so as to*

assist in maintaining the social order of Hong Kong? Has the Government ever considered the feasibility of this?

(A Member yelled and clapped in his seat)

PRESIDENT (in Cantonese): Please keep quiet.

CHIEF EXECUTIVE (in Cantonese): President, regarding the professionalism of the Hong Kong Police and their ability to discharge their duties under the laws of Hong Kong, including their enforcement capability, I have

(A Member clapped in his seat)

PRESIDENT (in Cantonese): If any Members make a noise again, I will order them to leave the Chamber right away without giving any further warning.

CHIEF EXECUTIVE (in Cantonese): Let me make a simple repetition of my point. I have every confidence that the Hong Kong Police are capable of taking professional enforcement actions in accordance with their powers and duties under the laws of Hong Kong.

MR CHAN KIN-POR (in Cantonese): *President. Chief Executive, in recent years, the Legislative Council has shown signs of becoming increasingly like a District Council. Since the Legislative Council is the law-making body of Hong Kong, it should presumably stand for the interests of all Hong Kong people, and as a representative assembly, it should base all its decisions on the interests of all Hong Kong. However, there have been many instances in recent years which can show that whenever the Legislative Council needs to vote on any issues involving district interests, especially those issues marked by conflicts of interests between individual districts and Hong Kong as a whole, Members or political parties representing the districts concerned will invariably choose to give priority to district interests for fear of losing their district support. I can of course appreciate that in many cases, individual districts do really face difficulties, and I can also appreciate the importance of voting support to Members. But the*

persistence of this situation will be undesirable to Hong Kong and may even hinder our social progress.

Given that the Legislative Council has turned increasingly like a District Council, may I ask the Chief Executive how he can ensure adequate protection for the interests of all Hong Kong people in the course of governance, and how he is going to give equal attention to district interests at the same time?

CHIEF EXECUTIVE (in Cantonese): President, I am aware of the district backgrounds of some Honourable Members. They are concurrently members of the territory-wide legislature (that is, the Legislative Council) and at the same time the representatives elected by district voters. Consequently, while they must pay heed to the development of Hong Kong as a whole and focus on Hong Kong's overall interests, they must also take account of the missions and tasks given to them by their voters in the districts. I can well appreciate this point.

As for how Legislative Council Members elected by the districts should balance their responsibility to Hong Kong society as a whole and their district responsibility or even commitments, I would think that they must aim at a proper balance. As the Chief Executive, I am not supposed to comment too much on this issue. But in respect of developing our overall society's political ecology, Honourable Members should be aware that while we are actively striving to introduce satisfactory constitutional reform for 2016 and 2017, we also think that we need to look at the rest of the political ecology, one example being how all public officers, including members of elected assemblies (Legislative Council Members and District Council members alike), perceive their own functions and responsibilities.

I think that in the future, all political organizations, especially those wanting to develop themselves into a territory-wide political party, must inevitably consider one question, the question of how to ensure that in the course of their work, while they pay heed to district opinions, they can at the same time take account of Hong Kong's overall interests.

MR CHAN KIN-POR (in Cantonese): *Chief Executive, to ask them to consider Hong Kong's overall interests only is the same as asking for the impossible. I suppose one truly satisfactory approach is to offer sufficient incentives to affected*

districts. As Members are aware, in South Korea, whenever the authorities want to introduce any measures, they will invariably provide many concessions to the affected districts, despite the patriotism of the Koreans — the Koreans often tell others that they are very patriotic. For instance, residents of those districts with incinerators are entitled to a 50% reduction of electricity tariff

PRESIDENT (in Cantonese): Would the Honourable Member please state a concise supplementary question.

MR CHAN KIN-POR (in Cantonese): *May I ask the Chief Executive whether he will seriously reconsider the idea of offering more incentives to the affected districts on every measure that plunges the districts into genuine difficulties?*

CHIEF EXECUTIVE (in Cantonese): President, we are more than happy to consider this idea. Having said that, I must of course add that in the course of decision-making, apart from consulting local residents, we also need to consider the principle of value for money, meaning that while seeking to answer local residents' aspirations, we must not waste the money of Hong Kong taxpayers.

MR CHAN CHI-CHUEN (in Cantonese): *President, LEUNG Chun-ying has failed to answer all the questions asked by Members this morning. In that case, it is better for me to ask him a very simple question. LEUNG Chun-ying, have you eaten anything this morning? I have not. Since 10 pm after the march on 1 July, I have not eaten anything. My hunger strike has lasted 10 days. I am not the only one who is hungry because since the Chief Executive's taking office, many Hong Kong people have likewise been "starving". Reporters have asked me whether anyone from the SAR Government has ever visited us to show their concern over the past 10 days. In the eyes of the SAR Government, the 400 000 people who joined the march on 1 July were just "spoiled kids", and we people who are hunger-striking are all "mischievous".*

Hong Kong now needs to handle many problems. When it comes to the handling of these social problems, the only ultimate solution should be to tackle them at source. In the case of waste handling, for example, rather than forcibly

and blindly extending the landfills, the authorities should seek to reduce waste at source. By the same token, this rubbish Government must also seek to reduce waste at source, meaning that it must do away with this rubbish Chief Executive. Just now, LEUNG Chun-ying talked about seeking common ground while tolerating differences, and forging consensus

PRESIDENT (in Cantonese): Please state your question.

MR CHAN CHI-CHUEN (in Cantonese): *My question is: LEUNG Chun-ying, under what circumstances will you be willing to reduce waste at source for the SAR Government and step down to take the blame?*

CHIEF EXECUTIVE (in Cantonese): President, my thanks to the Honourable Member for his question. The SAR Government has never ever described the people who joined the march as "spoiled kids" and "mischievous". I think this point must be made very clear. We must solemnly state that we have never ever, as said by Mr CHAN Chi-chuen just now, described the people who joined the march as "spoiled kids" and "mischievous". The entire SAR honestly faces many perennial, major and formidable problems, which explains why I pointed out during the election that all in our society must face up to difficulties. We are faced with many embedded problems. Even nowadays, the awareness of waste reduction at source in our society is still not very high, and we lag behind South Korea and Singapore in this respect. This is certainly not a problem that cropped up only a couple of days ago, or just during the past 12 months. Rather, all is because of our long-standing lack of efforts in this regard. The SAR Government must therefore make more efforts in this regard.

Mr CHAN Chi-chuen remarked just now that the SAR Government wanted to push ahead with a blind extension of landfills. But the funding request which the SAR Government will put before the Finance Committee of the Legislative Council tomorrow is meant precisely for a purpose which is definitely not blind. What is the purpose of the funding request? We intend to use the funding for the purpose of conducting studies and exploration. We intend to spend two years on studying how to perform the task satisfactorily, and how to embark on landfill extension without affecting the life of people living in Tuen Mun and nearby places. This is certainly not a blind purpose. If we are really blind in purpose, what we are going to put before the Legislative Council tomorrow will

not be a request for funding to conduct studies and exploration; rather, we will be presenting a request for funding to actually launch landfill extension. I therefore think that the SAR Government has always attached a great deal of importance to the views expressed by the various districts and all Hong Kong people. I can also say that we even attach very great importance to problems that straddle the remaining four years in the term of the current Government. Our aim is to identify the problems to be faced by Hong Kong 10 years, 20 years and 30 years from now, and then seek to resolve them.

MR CHAN CHI-CHUEN (in Cantonese): *President, LEUNG Chun-ying has not answered my question. My question is: under what circumstances will he be willing to reduce waste at source for the SAR Government, and step down to take the blame? If he thinks that he is not the source of waste in the rubbish Government, that the Government will be equally rubbish regardless of whether Henry TANG or LEUNG Chun-ying is the Chief Executive In that case, if the SAR Government wants to reduce waste at source, who is the culprit — the coterie electoral system or the Chinese Communist Party?*

CHIEF EXECUTIVE (in Cantonese): President, I and the entire governing team in the SAR Government will make continued efforts to honour the undertakings that I have made to the public in my election manifesto and the Policy Address. We are confident that just like the case in the past one year, our efforts will once again come to fruition and achieve results step by step with the support and co-operation of the Legislative Council and the whole community.

(Mr CHAN Chi-chuen left his seat and walked to an aisle of the Chamber)

MR CHAN CHI-CHUEN (in Cantonese): *Under what circumstances will he be willing to*

PRESIDENT (in Cantonese): Mr CHAN Chi-chuen, you are not permitted to leave your seat.

(Mr WONG Yuk-man and Mr Albert CHAN also left their seats, walked to the aisle and joined Mr CHAN Chi-chuen in walking forward)

PRESIDENT (in Cantonese): Mr WONG Yuk-man, Mr CHAN Chi-chuen and Mr Albert CHAN, the three of you must leave the Chamber immediately.

(Mr CHAN Chi-chuen, Mr WONG Yuk-man and Mr Albert CHAN yelled continuously)

PRESIDENT (in Cantonese): Leave the Chamber immediately.

(The Clerk and security personnel assisted Mr CHAN Chi-chuen, Mr WONG Yuk-man and Mr Albert CHAN in leaving the Chamber, and the three of them continued to yell on the way)

PRESIDENT (in Cantonese): Leave the Chamber immediately.

(The Clerk and security personnel continued to assist Mr CHAN Chi-chuen, Mr WONG Yuk-man and Mr Albert CHAN in leaving the Chamber. Mr WONG Yuk-man and Mr Albert CHAN kept yelling, and Mr Albert CHAN hurled forward the placard in his hand)

PRESIDENT (in Cantonese): Leave the Chamber immediately.

(With the assistance of the Clerk and security personnel, Mr CHAN Chi-chuen, Mr WONG Yuk-man and Mr Albert CHAN left the Chamber)

(Holding a prop report card, Mr LEUNG Kwok-hung left his seat and walked to an aisle of the Chamber)

MR LEUNG KWOK-HUNG (in Cantonese): *LEUNG Chun-ying, I now return your report card to you!*

(Mr LEUNG Kwok-hung hurled the prop report card forward)

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

MR LEUNG KWOK-HUNG (in Cantonese): *You are a big liar.*

PRESIDENT (in Cantonese): Leave the Chamber immediately.

(Mr LEUNG Kwok-hung continued to yell and left the Chamber with the assistance of the Clerk and security personnel)

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

MRS REGINA IP (in Cantonese): *President, quite a number of recent reports on competitiveness have pointed out the decline of Hong Kong's competitiveness. The China Institute of City Competitiveness, in particular, has indicated a plummeting of Hong Kong's position in its Ranking List for the Growth Competitiveness of Chinese Provinces and Regions. More importantly, in the weakness analysis related to Hong Kong, the institute even points out that Hong Kong is marked by an overly uniform industrial structure, the absence of a real economy, a lack of impetus for innovation, and the stagnancy of technological innovations.*

May I ask the Chief Executive whether he still has any other strategies to enhance our long-term competitiveness, apart from improving "homeland relationship", housing construction and visiting New York City (to further consolidate Hong Kong's role as a connector)?

CHIEF EXECUTIVE (in Cantonese): The competitiveness of a city, Hong Kong's competitiveness not excepted, actually involves the issue of integrated strength. We must therefore make efforts in many respects, and Mrs Regina IP herself has already enumerated quite a number of competitiveness-related factors. I am deeply grateful to the Economic Development Commission for all its efforts. The commission comprises a pool of experts and academics from different fields, many successful entrepreneurs and various entrepreneurial talents. They have offered many valuable insights to us.

By now, we have got a grasp of two major issues that call for our efforts. One of these problems is manpower resources. In this connection, we note that due to population ageing, our overall workforce (the number of employed persons) will start to decline five years later in 2018, thus imposing constraint on our economic development.

The second issue concerns our availability of land and housing. One survey, for example, has indicated that we now face a shortage of 4 000 international school places. Such a shortage has nothing to do with any lack of school sponsoring bodies, funds, parents and students. Rather, it is caused by the lack of land. It can thus be seen that in respect of economic and social development, another significant constraint is the availability of land and housing.

Apart from these two issues, the collective cultural life and even leisure facilities of a city are also important segments of its integrated competitiveness. The SAR Government will make efforts in all these areas under a multi-pronged approach, with a view to upgrading Hong Kong's competitiveness.

In Hong Kong, there are naturally problems that we must note and seek to resolve. But we must at the same time realize that we should not belittle ourselves unnecessarily. During my recent visit to New York City, for example, the local financial, industrial and commercial figures whom I met with, and even local government officials, were almost unanimous in their praises of Hong Kong's competitiveness. I therefore hope that Honourable Members can make joint efforts with the Government, so that we can make further progress on the basis of our present excellence.

MRS REGINA IP (in Cantonese): *President, my thanks to the Chief Executive for sharing with us the causes leading to the decline of Hong Kong's competitiveness. Chief Executive, have the Economic Development Commission and the Financial Services Development Council come up with any tentative proposals that can broaden the base of our overly uniform industrial structure, strengthen our existing pillar industries and enhance technological innovations?*

CHIEF EXECUTIVE (in Cantonese): There are four Working Groups under the Economic Development Commission, and all of them have offered plenty of useful advice following their meetings. After these meetings, when the

Convenors of these Working Groups and I spoke to reporters along with the Financial Secretary and the Secretary for Commerce and Economic Development, we already outlined the relevant proposals. In respect of shipping, for instance, Honourable Members are all aware that in the National 12th Five-year Plan of the country, there is this sentence: "(The country) supports Hong Kong in reinforcing and enhancing its status as an international financial, trading and shipping centre." Here, the word "shipping" alone already allows lots of creative ideas and development. "Shipping" can be interpreted in the broad sense to mean not only sea transport but also air transport, meaning optimizing the use of our airport. And, sea transport in its own turn is not only about terminal business; it also covers other kinds of business that can be transacted in the office, such as ship purchase and sale, ship rental, ship finance, ship management, ship registration, ship insurance and related legal services. All these are areas which we may promote. We must strive for co-operation among the four sectors comprising the Government, industry, academia and research, and the Government must be appropriately proactive. Following its meetings, the commission concerned has already provided us with development directions that can be further considered for implementation.

DR FERNANDO CHEUNG (in Cantonese): *President, in his opening address just now, the Chief Executive said that the homes of the junior secondary students today would be located in North East New Territories in the future. But let me remind him that today, the homes of many farmers and villagers are located exactly in North East New Territories, and their homes are facing his destruction.*

Adjacent to the North East New Territories New Development Areas, there is a golf course with an area of 170 ha and some 2 000 tycoon members. One hundred and seventy hectares are equal to the size of 16.5 Choi Hung Estates. Simply by paying \$1,000 for a 20-year tenancy agreement, these tycoon members can use the place for merry-making. In contrast, the homes of the residents in the neighbouring communities are about to be destroyed. Even though they have been living and farming there for several generations, they must still leave their homes. Besides, the Chief Executive's Fanling Lodge is right next to the golf course.

Chief Executive, while your friends and property developers with golf club membership raise glasses of champagne and enjoy their barbecue at your lodge,

the homes of nearby villagers are to be destroyed by you. How do you feel? Can you still eat and drink?

CHIEF EXECUTIVE (in Cantonese): President, I do cherish the questions asked by Legislative Council Members. But I must still state the truth clearly. I have never invited any property developers or people from the industrial and commercial sectors over to the Fanling Lodge for any feasts. What kinds of functions have I held at the lodge then? President, on one occasion, several dozen students led by three teachers from secondary schools in Yuen Long were invited over to the lodge. There, I sat on the lawn together with all the students, chatting with them and listening to their views on society, their future, their studies and their schools. On another occasion, I invited the part-time members of the Central Policy Unit over to the Fanling Lodge, so that I could listen to their opinions on Hong Kong's future development. On yet another occasion, the representatives of those organizations about to offer internship opportunities to Secondary Five students in Yuen Long in the coming summer holidays were invited to dine with me at the Fanling Lodge. But I have never invited any property developers over to the Fanling Lodge, nor has there ever been any raising of champagne glasses as described by Dr Fernando CHEUNG.

The future use of the Fanling Lodge shall be determined by town planning, not by me. In case the land occupied by the Fanling Lodge is required under the land use planning for the entire Northern New Territories, that is the areas around the new towns in North East New Territories, I am more than willing to — perhaps, I should put it more accurately because the Fanling Lodge is not mine but public property — I am more than willing to ask the Government to include the land occupied by the Fanling Lodge in the development area of the entire Northern New Territories.

As for the golf course, there are also some facts that must be stated clearly. Since my taking office one year ago, the busiest Policy Bureau of the SAR Government has been the Development Bureau, followed by the Transport and Housing Bureau. The busiest government departments have been those responsible for planning, lands and related matters. There is also the Housing Department. Why have they been so busy? Because they must search far and wide for an adequate supply of land in the short-, medium- and long-run, so as to satisfy our livelihood needs, including housing needs, and also our needs for economic and social development.

Concerning the 170-ha golf course of the Hong Kong Golf Club in Fan Ling, I do not think that it is possible to make it disappear from our vision. But at the same time, we must realize that the development area for the new towns in North East New Territories is much larger than a mere golf course. Therefore, President, the first important thing is that we must not depict the two as mutually exclusive, and we must not seek to create any conflicts by so depicting them. We must not argue that since that very golf course in Fan Ling is still a golf course today, we will not need to develop North East New Territories, and the affected villagers in North East New Territories can hence refuse to move and demolish their homes.

Anyone who is concerned about this issue should know that the North East New Territories development plan was first put forward in 1998, that is, 25 years ago. Subsequently, the study was suspended due to social and economic reasons. It was not until 2008 that the study was resumed, whereupon lots of advance work was undertaken. When it comes to the development of new towns, including the incorporation of this 170-ha Fanling golf course into the relevant new town planning, one can never expect that once a decision is made, the land can quickly be made available for auction or public housing construction the very next day. We need to do lots of advance work, and Legislative Council Members should be well aware of this. We must conduct transport assessment, environmental impact assessment, and so on. Then, we still need to follow many other procedures. We do attach a great deal of importance to the land resources which this land lot may provide to us. We also attach great importance to the potential uses of this land lot in our town planning. We must remember that the use of this land lot is governed by a land lease, and this land lease will not expire until 2020. It is of course true that the land lease contains a provision which enables the Government to resume the land lot for any reasons specified therein after giving a notice of 12 months. But we must not seek to resume the land just for the sake of resuming it. If the various studies and assessments mentioned a moment ago cannot be completed at the time of land resumption, what is the point of resuming the land? Are we going to leave it overgrown with weeds? To sum up, a problem like this must be tackled step by step. If there is really a need, the SAR Government will certainly make the best use of every piece of land in Hong Kong during the planning process. We have only one objective, the objective of serving the entire society.

DR FERNANDO CHEUNG (in Cantonese): *President, whatever the Chief Executive says in his explanation, disregarding how he has used the Fanling Lodge, and whether he has actually invited any property developers or members of the adjacent golf club over to the lodge, the indisputable fact remains that the Chief Executive's Fanling Lodge and the 170-ha golf course next to it will be preserved and kept absolutely intact. Preservation is for an entertainment venue of tycoons, and demolition is for the homes of villagers and farmers. And, the Chief Executive now tries to explain away the whole thing, saying that planning is required, and that it will take a very long time*

PRESIDENT (in Cantonese): Please state a concise supplementary question.

DR FERNANDO CHEUNG (in Cantonese): *..... In that case, why hasn't he commenced any planning? Since the Chief Executive says that he is willing to forego the Fanling Lodge and the land occupied by the golf course can be resumed within a year, why doesn't he use these two very valuable land lots for the purpose of exchange, so that the New Territories residents concerned can enjoy peace of living, rather than having to wait 20 years for that?*

PRESIDENT (in Cantonese): You have stated your supplementary question. Please sit down.

CHIEF EXECUTIVE (in Cantonese): President, if we are to incorporate the 170-ha golf course and the Fanling Lodge into the development plan of Northern New Territories, we must ensure one thing. We must ensure that the plan is comprehensive, rather than lacking in job opportunities, road access, water supplies and sewers after the completion of residential buildings. We must do well in all these respects.

Over the past year, we have encountered many such problems in the course of identifying land for planning. We are however determined to push ahead, and we have no intention whatsoever to evade any obstacles. Dr Fernando CHEUNG should know that when we handle issues related to land planning or the property market, we will not be biased towards the interests of any particular

sides. The bill which will shortly be put before Legislative Council Members to seek their support is exactly a bill that will have a direct bearing on the interests of the property development sector. Who has put forward this bill in the very first place? It is precisely the SAR Government.

MR CHUNG KWOK-PAN (in Cantonese): *President, the Chief Executive has talked about competitiveness, the workforce and land issues. But in practice, increasing the workforce and land supply does not necessarily mean that competitiveness can be upgraded. I think that the contrary may well be the case because the administrative measures rolled out by the SAR Government recently have achieved the opposite result of damaging Hong Kong's system of market economy.*

With particular reference to the fact that Hong Kong has been rated by the Heritage Foundation of the United States as the freest economy in the world for 19 consecutive years, may I ask the Chief Executive how he is going to ensure that Hong Kong will not lose this "gilded signboard of reputation" during his term of office?

CHIEF EXECUTIVE (in Cantonese): President, I very much cherish the economic freedom in Hong Kong, not only in terms of international ranking but also in terms of the actual operation of its free economy. While defending Hong Kong's economic freedom, we must also consider people's living and the functioning of the industrial and commercial sectors. Consequently, in case of necessity, we must introduce certain measures, such as "the formula milk rationing order", "Hong Kong property for Hong Kong residents" and even "the two harsh measures" for stabilizing the property market — prior to this, property prices rose by 2% per week. In such cases, we must introduce appropriate measures, or even enact legislation. But the only objective is always to protect the overall interests of the various social strata.

MR CHUNG KWOK-PAN (in Cantonese): *President, the problem now is that the Government has in fact rolled out many of these administrative measures much too hastily and rashly. What is more, all these rash measures are unable to help Hong Kong after their introduction, and may even achieve the opposite*

result of damaging the SAR Government and Hong Kong as the freest economy in the world.

PRESIDENT (in Cantonese): Chief Executive, do you wish to reply?

CHIEF EXECUTIVE (in Cantonese): President, if we look at the measures I have mentioned as examples, we will realize that similar measures are in fact found in many free economies all over the world which uphold the market economy. Examples of such measures include imposing stamp duties on non-local buyers and restricting the quantity of formula milk to be brought out of the territory. In circumstances where there are no alternatives, that is, when the situation we faced at that time emerges, other free economies will, and must, also do so.

MR GARY FAN (in Cantonese): *President. Chief Executive, I have been listening carefully to every word of yours. In one of your replies today, you even described your style of governance as "most proper".*

Chief Executive, if you had really "adopted the most proper course and walked the correct path", you would not have succeeded in ascending to the throne of the Chief Executive. Right on your first day of office last year, several hundred thousand people already took to the streets. If you had really accorded priority to Hong Kong people and put people's livelihood before politics in your administration, the march on 1 July this year would not have drawn a total turnout of 430 000 people despite the rain

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

MR GARY FAN (in Cantonese): *President, the question I wish to put to the Chief Executive is about the Government's present "scramble for land".*

The North East New Territories development plan is all about the Government's indiscriminate seizure of land, the adoption of a misleading approach to deceive Hong Kong people. The problem with land planning in

Hong Kong is not about any shortage of land; rather, it is all about the unfair distribution of land. The SAR Government has several thousand hectares of idle land, but it has not sought to utilize such land first. The Chief Executive claims that he attaches a great deal of importance to priorities, but he has not accorded priority to the utilization of such idle land.

At present, there are more than 150 000 vacant residential units in Hong Kong, but the Chief Executive has sought to set the interests of the non-indigenous inhabitants of North East New Territories against the interests of those young people living in "sub-divided flats" and waiting for public housing allocation. The one who has fomented discord is the Chief Executive himself, rather than

PRESIDENT (in Cantonese): Would the Honourable Member please state his question.

MR GARY FAN (in Cantonese): *..... those villagers who refuse to move and demolish their homes. I therefore want the Chief Executive to answer the following questions clearly. Why do you refuse to withdraw the North East New Territories development plan? When will you accord priority to the utilization of the Hong Kong Government's idle residential land? When will you resume the land occupied by the Fanling golf course?*

CHIEF EXECUTIVE (in Cantonese): President, regarding the golf course issue, I have already given my reply. Mr Gary FAN has remarked that we are in possession of several thousand hectares of idle land. I suppose what Mr Gary FAN actually means to say is that the idle land can be used for development purposes, thus replacing the plan of building new towns in North East New Territories. I understand that there have been many discussions in society on the several thousand hectares of idle land. The Secretary for Development and his staff have actually offered a very thorough reply to Honourable Members, clarifying that we do not have several thousand hectares of land for development, and that the several thousand hectares of "idle land" cannot possibly replace any new town development plan, whether we are talking about the present plan of developing new towns in North East New Territories, or any other new town development plan in the future. We are therefore just being pragmatic.

About the claim that we now have 150 000 vacant residential units, I frankly wish to know the source of this figure and the locations of these units. The vacancy rates of both private residential units and public housing units are still quite low nowadays.

MR GARY FAN (in Cantonese): *President, I cannot buy the Chief Executive's reply. The Chief Executive's administration is bringing tragedy to all people. On the one hand, you tell Hong Kong people that you need huge quantities of land for housing construction. On the other hand, you want to destroy people's homes, villages, livelihood and homelands in order to*

PRESIDENT (in Cantonese): Please state a concise supplementary question.

MR GARY FAN (in Cantonese): *..... proceed with the North East New Territories development plan. I therefore earnestly request the Government to accord priority to the utilization of its idle land and withdraw the integration development plan for North East New Territories. Giving priority to Hong Kong people is one of our core values.*

President, I shall now leave the Chamber to protest against the Chief Executive's use of "double-talk" in his reply once again and also his pretended earnestness.

PRESIDENT (in Cantonese): Mr FAN, you have stated your supplementary question. Chief Executive, are you going to reply?

CHIEF EXECUTIVE (in Cantonese): President, I still think that we should be pragmatic. We are of course very concerned about the impacts of new town development on affected residents, including the impacts on their livelihood and living. But we must also realize that even in the case of those existing new towns in Sha Tin, Tseung Kwan O and Tsuen Wan, the original residents there were also required to move out during the development process. We also want to avoid such a situation as far as possible, but it simply cannot be avoided. Whenever it is impossible to avoid such a situation, we are prepared to hold

discussions with the representatives of residents on how best to come up with a rehousing or compensation policy that is fair, reasonable, lawful and fair to all taxpayers.

DR LAM TAI-FAI (in Cantonese): *President, I can tell Members very frankly that previously, whenever I saw CY, the Chief Executive, in this Chamber, I always had all sorts of feelings.(Laughter) Frankly speaking, I do not have any such feelings today. I am so philosophical now, relaxed and at ease. I think my wisdom must have grown with my age and the passage of time.*

PRESIDENT (in Cantonese): Dr LAM, please state your question to show your wisdom.

DR LAM TAI-FAI (in Cantonese): *President, I look up to you as one of the wisest and most respectable men. I can therefore promise you that I will not turn complacent as a result of my wisdom.(Laughter and applause) And, as a matter of fact, I should not turn complacent.*

Chief Executive, you issue a report on the work of the Government once every year. In contrast, I issue a report on my work every three months. In pragmatic language, I must say that I am more hard-working than you. You must work harder. Chief Executive, I hope that one day in the future, when I see you again in the Chamber, I can be able to yell from the bottom of my heart, "CY, you have my support!"

President, my question today is not about the Chief Executive's integrity, illegal structure

PRESIDENT (in Cantonese): Please state your question.

DR LAM TAI-FAI (in Cantonese): *..... or governance competence because his replies are already known to all Members, to you and me.*

PRESIDENT (in Cantonese): Please state your question.

DR LAM TAI-FAI (in Cantonese): *My question is a very simple one. Chief Executive, regarding the spirit and workings of the accountability system for principal officials, what kinds of definitions and standards do you adopt to evaluate, comply with, defend, operate and execute the whole system? The net approval rates of accountability officials, for example, have all the time been dropping, dropping to the extent that they are now -20 or -30. Do these accountability officials need to bear any political accountability? If yes, how? If no, why? What is the level of net approval rate that is supposed to trigger accountability? In this respect, may I ask the Chief Executive to share with the general public his views on the spirit and workings of the accountability system for principal officials? I wish to ask this question because it will affect Hong Kong's overall sustainable competitiveness and development in the future.*

CHIEF EXECUTIVE (in Cantonese): President, Dr LAM Tai-fai is not the only one who is concerned about the work, competence and performance of the accountability officials of the SAR. As the Chief Executive, I am even more concerned about their competence and performance. I am equally concerned about their competence and performance relative to the difficulties and problems of their respective portfolios. And, I am also concerned about their spirit. Therefore, I am of the view that we must fairly appraise all public officers, including Legislative Council Members, civil servants and accountability officials. The governing team in the SAR Government is a dedicated, fully dedicated team. The difficulties and problems of their respective portfolios are different, but they can all face up to their difficulties and share the common goal of serving society. Hence, our entire accountability team and also the civil service team under its leadership are very high in morale and steadfast in their efforts to serve society as always.

DR LAM TAI-FAI (in Cantonese): *President, although my mood and state of mind are both calm and philosophical, I must still say that such a reply from the Chief Executive will frankly make people very angry. I have described you as a man of very high wisdom, so you should make a judgment on whether the Chief Executive has answered my question. He has failed to answer my question, to give a positive and specific reply. By replying to us in this way, the Chief*

Executive may give people a mistaken impression that he no longer abides by, defends or pays any heed to the spirit and workings of the accountability system

PRESIDENT (in Cantonese): Dr LAM, please stop delivering a long speech.

DR LAM TAI-FAI (in Cantonese): *Chief Executive, I have already given you a very simple example, saying that the net approval rates of accountability officials have dropped to negative levels — -20, -30, -40 and -50. I have asked you how you are going to manifest the spirit of accountability under the accountability system. But you have failed to give me any answer. I of course know that all civil servants are dedicated to their duties, and all Members are equally so. But my question is about accountability officials*

PRESIDENT (in Cantonese): Dr LAM, please sit down if you have stated your supplementary question.

DR LAM TAI-FAI (in Cantonese): *Yes, President. But you must help me get a clear answer from him because you are a man of such high wisdom.*

PRESIDENT (in Cantonese): Please sit down.

CHIEF EXECUTIVE (in Cantonese): President, the findings of different organizations' publicized or unpublicized opinion polls, be they ratings, approval rates or other relevant statistics, can all provide some sort of reference to us. In case of any drastic fluctuations over a short period of time, I would also want to ascertain the reasons. This is one criterion, but it is not the only criterion in our appraisal of accountability officials' work performance.

DR LAM TAI-FAI (in Cantonese): *Are you saying that you doubt the credibility of opinion poll organizations?*

PRESIDENT (in Cantonese): Dr LAM, please do not rise to speak again.

DR JOSEPH LEE (in Cantonese): *Chief Executive, in your policy address last year, there are these words: "In accordance with the specified 'Five Steps', we will engage the public so that universal suffrage for the Chief Executive election in 2017 will be achieved. By achieving this, we lay the groundwork for the 2020 Legislative Council election by universal suffrage." But when we look back at last year, we find that you actually turned in a "blank answer sheet" without doing anything for this part, despite your claim in the policy address that you will not be complacent even after accomplishing so many things.*

A moment ago, you remarked that deferring consultation by one year did not mean that the issue concerning 2017 could not be resolved. But may I ask the Chief Executive how he will, in the coming six months or half a year, seek to implement all those aforesaid words quoted from the policy address? In particular, may I know your response to all the current public discussions on how people may exercise their political rights of nomination, standing in elections and voting in 2017, when universal suffrage is implemented for the election of the Chief Executive?

CHIEF EXECUTIVE (in Cantonese): President, I and those colleagues responsible for constitutional reform have repeatedly stated our commitment regarding 2017 and the relevant constitutional reform. When the related work commences, I will be happy to join hands with Honourable Members to achieve the goal. In order to achieve the goal, we must forge an extensive consensus in society, and this will involve securing the passage of the relevant package by a two-thirds majority in the Legislative Council. The spending of time and energy on our part is therefore required.

The election of the Chief Executive by universal suffrage is something scheduled for 2017, and we still have enough time for work. We will definitely give all in society, including the Legislative Council, ample time to discuss the relevant issues. And, before we formally commence consultation, we will continue to listen to the views of all sides. As a matter of fact, Honourable Members are also aware that my colleagues in the Constitutional and Mainland Affairs Bureau have along been doing work in this respect.

DR JOSEPH LEE (in Cantonese): *President, I request you to make a judgment. The Chief Executive has failed to answer my question. My question is very straightforward: specifically, in the coming six months or half a year, how will he proceed with the work of enabling Hong Kong people to exercise their political rights? How will he proceed with the work and implement the goal? He has not given me any answer.*

CHIEF EXECUTIVE (in Cantonese): We are at present mapping out a plan for our work in the coming 12 months. Honourable Members may already be aware of this. We are mapping out a work plan, not only for the Constitutional and Mainland Affairs Bureau but also for the Secretaries of Departments and other Policy Bureaux. We are at present mapping out a plan for our work in the coming one year. One of the tasks is to prepare the main contents of next year's policy address as early as possible, and also to enable the Budget expenditures to dovetail closely with the objective of the policy address. Once we come up with a decision on constitutional reform during the review of our work in the current year, we will let everybody know as soon as possible.

MR TONY TSE (in Cantonese): *President, the Chief Executive has repeatedly pointed out that the Government sees the promotion of economic development as its primary goal, and resolving the housing problem its most pressing task. Over the past one year, the Government has used many different means to increase land supply, and it has also rolled out two rounds of demand management measures to curb short-term speculation. But the fact is that the Government's "harsh measures" have already affected normal transactions in the property market. Many people have criticized the Government, questioning whether these measures are actually a departure from the free market economy principles upheld by Hong Kong all along, and expressing the worry that the Government may have adopted over-intervention in place of its appropriately proactive policy. Chief Executive, what do you have to say in response to such criticisms? In particular, may I know whether he has actually changed his convictions and goals about housing since his taking office? I want to know the answer because we all know that the number of "sub-divided flats" has turned out to be much higher than the previously estimated figure.*

CHIEF EXECUTIVE (in Cantonese): President, I have not changed my convictions about housing and the related land issues. Housing is the most important of all livelihood issues. Over the past one year, due to the global phenomenon of persistently low interest rates and monetary easing, property prices in Hong Kong continued to rise in the first few months following my taking office. We have already demonstrated to the whole community that the new-term SAR Government is determined to increase land supply at source, but increasing land supply is not a task that can be accomplished overnight. And, even if land can really be made immediately available for housing construction, there will still be a construction period of three or four years. Therefore, after increasing supply but when the additional supply is not yet available, we must introduce certain demand management measures, such as those mentioned by Mr Tony TSE just now.

No government wants to introduce such measures, but many governments find themselves having to do so — the governments of the Mainland, Singapore and even some countries in Europe and the United States are no exception. A couple of days ago, a report pointed out that similar measures were also implemented in other countries outside Hong Kong. In the time to come, we will continue to closely follow this problem. Actually, as once explained by the Financial Secretary, the purpose of demand management measures is not only about stabilizing the property market to prevent property prices in Hong Kong from moving farther and farther away from the target prices affordable by people who want to buy properties. Such measures also take into account the stabilization of Hong Kong's overall financial system. A property bubble is undesirable to our financial system; and, stability problems with the financial system are undesirable to our overall society and economy. Therefore, our adoption of demand management measures is also based on such considerations.

Concerning "sub-divided flats", the government officials present here all know that I am deeply concerned about the living conditions of residents in "sub-divided flats" and related problems. The Government has commissioned a consultant to carry out a survey, and we have already gained an initial grasp of the general situation and the number of such residents and flats. In case safety problems are detected, the departments concerned will take rigorous enforcement actions. Once again, any solutions to the "sub-divided flats" problem must hinge on housing supply.

Therefore, let me say here to Honourable Members, District Council members and district personalities that we honestly do not have several thousand hectares of idle land. During certain times, what we have may just be several thousand square metres of land. We must first make planning revisions, conduct consultation and then submit our plans to the districts and the Town Planning Board for consideration. I hope that Honourable Members can render us greater support and bear with us. It is only when we can properly manage land supply that it is possible for us to resolve the problems of "sub-divided flats" and demand management as mentioned by Mr Tony TSE a moment ago. Should supply become adequate and the property market thus become stable, I will be the first person to support the abolition of demand management measures.

MR TONY TSE (in Cantonese): *President, I wish to follow up my question a little bit. When we look at the effectiveness of the existing measures, we will all see that basically, property prices have never dropped, and these measures apparently cannot satisfy people's current housing demand. May I ask the Chief Executive whether he is going to introduce further "harsh measures" to manage demand?*

CHIEF EXECUTIVE (in Cantonese): President, Hong Kong is a small economy, but it is also an open economy. Such openness means not only the opening of our immigration control points to the inflows and outflows of personnel. We are at the same time highly open to the inflows and outflows of capitals. That being the case, we all know that over the past one year, and also over the past few decades — as people of my generation have experienced — the investment markets in Hong Kong, including the property market, have seen quite some changes and fluctuations. What I mean is that relatively drastic fluctuations may well emerge at short intervals.

The SAR Government will therefore closely monitor the changes in the property market, especially the current spate of property price rises — "current" actually refers to the time before the Government's introduction of the "harsh measures". While factors like inadequate land supply have led to rises in property prices, there are also other external and global causes, such as an abundance of capitals and persistently low interest rates. As Honourable Members know, interest rates are beyond the control of the SAR Government and indeed any individuals in the SAR, for that matter. Therefore, what we can do is just to closely monitor Hong Kong's domestic circumstances and all the global factors.

MR FREDERICK FUNG (in Cantonese): *Chief Executive, I do not know whether you can notice that 430 000 people took part in the march on 1 July in defiance of the tropical cyclone and all the torrential rains. Most participants in the march I do not know whether the Chief Executive was watching the live television broadcast or even on location when the march on 1 July was in progress. These 430 000 people simply defied the tropical cyclone, defied the heavy rains. Most of the people were there to render their support for genuine universal suffrage. When strong winds blew and heavy rains fell, 430 000 people held up their umbrellas high in unison. When the scattered showers subsided, 430 000 people closed their umbrellas in unison. These 430 000 people all danced to the storm and the rains.*

Chief Executive, they all wanted to support the introduction of genuine universal suffrage

PRESIDENT (in Cantonese): Please state your question immediately.

MR FREDERICK FUNG (in Cantonese): *..... I want the Chief Executive to realize that the participation of these 430 000 people was not organized by anyone. But they were all very united. The request for genuine universal suffrage is the common aspiration of all people. The whole process was peaceful, rational and orderly. However, these 430 000 people at the same time defied all police rules and the law. These 430 000 people did so willingly for the only reason of genuine universal suffrage. I do not know whether the Chief Executive could hear that the one slogan chanted by most of the participants that very day was: "LEUNG Chun-ying, step down! LEUNG Chun-ying, step down!"*

PRESIDENT (in Cantonese): Would the Honourable Member please state his question and stop delivering a long speech.

MR FREDERICK FUNG (in Cantonese): *I want to describe the scene to the Chief Executive because I do not know whether he was watching any live television broadcast.*

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

MR FREDERICK FUNG (in Cantonese): *A certain political commentator subsequently remarked that Hong Kong's citizenry was first-rate, but it had a less-than-inferior Chief Executive and also an antiquated and conservative political system, so Hong Kong's overall society and the Government were really a big mismatch. Assuming that the Chief Executive can also understand what happened that day, I would like to ask him, first, whether he would thus put forward a package that can bring forth genuine universal suffrage. Second, will he step down?*

CHIEF EXECUTIVE (in Cantonese): President, in response to the second question, I would reply that I and my colleagues in the SAR Government would continue to work hard in various different directions. What actually is one of these directions? The direction of joining hands with everybody to strive for the election of the Chief Executive by universal suffrage in 2017 in strict accordance with the Basic Law and the relevant decisions of the Standing Committee of the National People's Congress. We often carry with us a copy of the Basic Law. When it was still the stage of solicitation of opinions (in 1988), when the Basic Law as we know it today was still the Draft Basic Law (in 1989), that is some 20 years ago, both Mr Frederick FUNG and I shared a common ideal or common goal in our participation in the drafting of the Basic Law — the hope that one day after the reunification, we can elect the Chief Executive by universal suffrage, elect the Chief Executive by universal suffrage in accordance with the Basic Law. President, such was the common aspiration shared by Mr Frederick FUNG and me, not to mention all those who spent huge amounts of time and energy on Basic Law drafting and consultation at the time. My desire to realize this aspiration during my term of office is no weaker than anyone else. I therefore very much hope that Mr Frederick FUNG and all Hong Kong people can join hands with us to achieve this goal.

MR FREDERICK FUNG (in Cantonese): *President, the behaviour of these 430 000 people that day was peaceful, rational and orderly, but they at the same time defied all police rules and the law*

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

MR FREDERICK FUNG (in Cantonese): *I want to follow up one question. They all have a wish, the wish of introducing genuine universal suffrage. The behaviour of these people was peaceful, rational and orderly, but they at the same time defied all police rules and the law, so may I ask the Chief Executive to tell us today whether he can accept such defiance?*

CHIEF EXECUTIVE (in Cantonese): President, Mr Frederick FUNG claimed that some people broke the law, but I do not quite know the circumstances in which the violation of the law as alleged by him took place.

MR FREDERICK FUNG (in Cantonese): *The application pertaining to the march that day was for the participation of 50 000 people only.*

CHIEF EXECUTIVE (in Cantonese): I do not think that the legality or otherwise of the march should be determined by me as the Chief Executive or any single Legislative Council Member here in this Question and Answer Session. Should Mr Frederick FUNG think that some people have violated the law, I suppose he should report the offence to the relevant authorities.

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

ADJOURNMENT OF MEETING

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

Adjourned accordingly at four minutes past Eleven o'clock.