



To: taxreform@fstb.gov.hk
cc:
Subject: Re: Tax Reform

02/11/2006 18:27

- Urgent
 Return Receipt

Dear Sir/Madam,

I note that Mr. Frederick Ma recently said that there will be less fluctuations with GST.

With all due respect, people on low income would also hope to have an income that has less fluctuations, but what can they do about it? Their jobs may be hit by recession and be out of a job. Can they ask the Government to give them a stable income? Can they ask for a minimum wage?

I believe that the Government should not be so concerned as to a stable income unless it can provide one to others. Retired people can only claim for "fruit money" of only several hundred dollars a month. This is not enough to live on. They have paid tax over their whole life such that the Government now has billions of dollars in reserves. What use is the reserves? The US Government has billions of dollars in debt. Is it worrying? It is one of the best economies in the world because it is prepared to invest in its people and economy. Does it need a stable income?

It simply prints money and issues treasury notes. Hong Kong can do the same.

Of course, its better to balance the books. But the Government should consider the livelihood of those in poverty and low income. Thus, as previously suggested, the Government should put money into social welfare such as a retirement pension for all in Hong Kong as well as an unemployment benefit. If so, I have no objections to a GST.

I am willing to pay 5% GST if the Government is willing to provide a safety net by paying a pension to all those over 65 years of age in Hong Kong and those who are unemployed.

Best regards,
KH Chan