

OFFICIAL RECORD OF PROCEEDINGS

Friday, 6 February 2004

The Council continued to meet at half-past Two o'clock

MEMBERS PRESENT:

THE PRESIDENT

THE HONOURABLE MRS RITA FAN HSU LAI-TAI, G.B.S., J.P.

THE HONOURABLE KENNETH TING WOO-SHOU, J.P.

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

DR THE HONOURABLE DAVID CHU YU-LIN, J.P.

THE HONOURABLE CYD HO SAU-LAN

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

THE HONOURABLE MARTIN LEE CHU-MING, S.C., J.P.

DR THE HONOURABLE ERIC LI KA-CHEUNG, G.B.S., J.P.

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

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

DR THE HONOURABLE LUI MING-WAH, J.P.

THE HONOURABLE NG LEUNG-SING, J.P.

THE HONOURABLE MARGARET NG

THE HONOURABLE MRS SELINA CHOW LIANG SHUK-YEE, G.B.S., J.P.

THE HONOURABLE JAMES TO KUN-SUN

THE HONOURABLE CHEUNG MAN-KWONG

THE HONOURABLE HUI CHEUNG-CHING, J.P.

THE HONOURABLE CHAN KWOK-KEUNG, J.P.

THE HONOURABLE CHAN YUEN-HAN, J.P.

THE HONOURABLE BERNARD CHAN, J.P.

THE HONOURABLE CHAN KAM-LAM, J.P.

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

THE HONOURABLE LEUNG YIU-CHUNG

THE HONOURABLE SIN CHUNG-KAI

THE HONOURABLE ANDREW WONG WANG-FAT, J.P.

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

THE HONOURABLE WONG YUNG-KAN

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

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

DR THE HONOURABLE YEUNG SUM

THE HONOURABLE YEUNG YIU-CHUNG, B.B.S.

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

THE HONOURABLE MIRIAM LAU KIN-YEE, J.P.

THE HONOURABLE AMBROSE LAU HON-CHUEN, G.B.S., J.P.

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

THE HONOURABLE CHOY SO-YUK

THE HONOURABLE ANDREW CHENG KAR-FOO

THE HONOURABLE SZETO WAH

THE HONOURABLE TIMOTHY FOK TSUN-TING, S.B.S., J.P.

DR THE HONOURABLE LAW CHI-KWONG, J.P.

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

DR THE HONOURABLE TANG SIU-TONG, J.P.

THE HONOURABLE LI FUNG-YING, J.P.

THE HONOURABLE HENRY WU KING-CHEONG, B.B.S., J.P.

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

THE HONOURABLE MICHAEL MAK KWOK-FUNG

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE LEUNG FU-WAH, M.H., J.P.

DR THE HONOURABLE LO WING-LOK, J.P.

THE HONOURABLE WONG SING-CHI

THE HONOURABLE FREDERICK FUNG KIN-KEE

THE HONOURABLE IP KWOK-HIM, J.P.

THE HONOURABLE LAU PING-CHEUNG

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

THE HONOURABLE MA FUNG-KWOK, J.P.

MEMBER ABSENT:

THE HONOURABLE ABRAHAM SHEK LAI-HIM, J.P.

PUBLIC OFFICERS ATTENDING:

THE HONOURABLE DONALD TSANG YAM-KUEN, G.B.M., J.P.
THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE HENRY TANG YING-YEN, G.B.S., J.P.
THE FINANCIAL SECRETARY

THE HONOURABLE ELSIE LEUNG OI-SIE, G.B.M., J.P.
THE SECRETARY FOR JUSTICE

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.
SECRETARY FOR HOUSING, PLANNING AND LANDS

PROF THE HONOURABLE ARTHUR LI KWOK-CHEUNG, G.B.S., J.P.
SECRETARY FOR EDUCATION AND MANPOWER

DR THE HONOURABLE YEOH ENG-KIONG, J.P.
SECRETARY FOR HEALTH, WELFARE AND FOOD

THE HONOURABLE JOSEPH WONG WING-PING, G.B.S., J.P.
SECRETARY FOR THE CIVIL SERVICE

DR THE HONOURABLE PATRICK HO CHI-PING, J.P.
SECRETARY FOR HOME AFFAIRS

THE HONOURABLE STEPHEN IP SHU-KWAN, G.B.S., J.P.
SECRETARY FOR ECONOMIC DEVELOPMENT AND LABOUR

DR THE HONOURABLE SARAH LIAO SAU-TUNG, J.P.
SECRETARY FOR THE ENVIRONMENT, TRANSPORT AND WORKS

THE HONOURABLE FREDERICK MA SI-HANG, J.P.
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE STEPHEN LAM SUI-LUNG, J.P.
SECRETARY FOR CONSTITUTIONAL AFFAIRS

THE HONOURABLE AMBROSE LEE SIU-KWONG, IDSM, J.P.
SECRETARY FOR SECURITY

THE HONOURABLE JOHN TSANG CHUN-WAH, J.P.
SECRETARY FOR COMMERCE, INDUSTRY AND TECHNOLOGY

PROF LAU SIU-KAI, J.P.
HEAD, CENTRAL POLICY UNIT

CLERKS IN ATTENDANCE:

MR RICKY FUNG CHOI-CHEUNG, J.P., SECRETARY GENERAL

MR LAW KAM-SANG, J.P., DEPUTY SECRETARY GENERAL

MS PAULINE NG MAN-WAH, ASSISTANT SECRETARY GENERAL

MEMBERS' MOTIONS

MOTION OF THANKS

Continuation of debate on motion which was moved on 4 February 2004

PRESIDENT (in Cantonese): The Council now resumes. We will now move on to the fifth debate session.

MR AMBROSE LAU (in Cantonese): Madam President, the policy address barely touches on security, just saying briefly that the Government will firmly crack down on illegal workers so as to safeguard local residents' employment opportunities. However, issues concerning our law and order brook no neglect. Last year, our overall crime figure exceeded 88 000 cases, reaching an all-time high since the reunification in 1997. However, the crime detection rate, being below 40%, was the lowest in 14 years. Fortunately, serious crimes showed no significant increase. However, almost all other offences, in particular robberies and thefts, went up across the board, which is indicative of the fact that the alarm has been sounded for our law and order situation. The Government must not treat it lightly.

More than 20 000 of those 80 000-odd criminal cases were robberies and thefts. Pocket-picking cases sharply rose from 859 of the year before last to 1 681 last year. The main reason is that tourists coming here under the Individual Visit Scheme tend to carry more cash, thus making themselves preys to pickpockets or swindlers. But those gangs of pickpockets are not just local people. Among them are also people from the Mainland, Southeast Asia and American countries. The media is saying that Hong Kong has become "an international hub for pickpockets." This is bound to have adverse effect on the extension of the Individual Visit Scheme and Hong Kong's reputation as a tourist centre. The Government should advise relevant mainland authorities to step up publicity among travellers under the Individual Visit Scheme so as to alert them against pickpockets and swindlers. The Government should also deploy more policemen, including some in plainclothes, for patrol duties in shopping centres as well as at tourist spots. In order to expedite the crack-down on pickpocket gangs, the police forces of Hong Kong and Guangdong should beef up their intelligence network. Furthermore, the police should step up their combat

against law-breakers from the Mainland, including prostitutes and "black-market labourers", so as to achieve a deterrent effect.

In his policy address, the Chief Executive made the decision to establish a Task Force to be headed by Chief Secretary for Administration Donald TSANG, with members including Secretary for Justice Elsie LEUNG and Secretary for Constitutional Affairs Stephen LAM, to conduct an earnest study on the methods for selecting the Chief Executive and forming the Legislative Council after 2007. The establishment of the Task Force marked the start of the first phase of a review of the post-2007 constitutional development.

The Hong Kong Progressive Alliance (HKPA) holds that the mission for this phase is to define certain major issues concerning principles as well as legal issues of the constitutional development. For instance, how should the explanation on the principles of the political structure of the Hong Kong Special Administrative Region (SAR) given by Chairman JI Pengfei of the Basic Law Drafting Committee be interpreted? How should the two principles enshrined in Articles 45 and 68 of the Basic Law which provide that the methods for selecting the Chief Executive and forming the Legislative Council shall be specified in the light of the actual situation in the SAR and in accordance with the principle of gradual and orderly progress be interpreted? How should the amendment provided for by Annexes I and II "if there is a need" to amend the methods for selecting the Chief Executive or for forming the Legislative Council after 2007 be activated? And how should the phrase "subsequent to the year 2007" be interpreted? The HKPA is of the view that rational discussions among members of the local community and constructive dialogues and consultation between Hong Kong and the Central Authorities are conducive to forging a consensus between Hong Kong and the Central Authorities.

Our constitutional development, in order to be in line with the provisions of the Basic Law, has to be conducted "in the light of the actual situation" in Hong Kong and in accordance with the principle of "gradual and orderly progress". The Central Authorities have a lead over our constitutional affairs. Hong Kong should seek the Central Authorities' views and respect them. Our prosperity and stability hinge on constitutional development. There must be in-depth exploration so as to reach the broadest consensus. Do not split up members of the community. Do not jeopardize our improving economy. Hong Kong is an economic city, not a political battlefield. Our constitutional development should be in keeping with the characteristics of Hong Kong as an

economic city, and propitious to the upkeep of our overall solidarity and harmony underpinning the community. Hong Kong people's fundamental well-being hinges on these issues.

In essence, the issue concerning the methods for selecting the Chief Executive and forming the Legislative Council after 2007 involves the power exercisable by the Central Authorities as well as the relationship between the Central Authorities and the SAR. It is, therefore, necessary to properly deal with the connection between the two systems. With regard to our constitutional development, the Central Authorities, in the first place, show "very serious concern", and, in the second place, "believe that the people of Hong Kong are able to come to a broad consensus". "Serious concern" means that the issue of political system is not just a matter concerning Hong Kong; and "broad consensus" means that to avoid splitting up the society and to render constitutional development conducive to social harmony and economic growth, any amendment to or development of the political structure must be based on extensive common agreement reached through rational discussions among all sectors of the community.

Madam President, I so submit.

DR ERIC LI (in Cantonese): Madam President, ever since the delivery of the policy address of 1997, I have been saying that failure to put forward, as soon as possible, proposals for constitutional reform may have the effect of reducing the policy address to a blueprint of faded colours. Up to now, I still hold such a view. During the consultation period of this year's policy address, other independent Members and I had a meeting with Mr TUNG, and we also organized a group visit to Beijing to convey to the leaders of the Central Authorities the point that in order that there can be smooth administration and social harmony as well as prosperity and stability, it is necessary for Hong Kong to walk with two legs, namely "politics" and "economy".

This policy address shows no progress in the area of constitutional reform. As far as I am concerned, it is quite disappointing. However, given the fact that mainland legal experts have put forward the view that there exists between the Central Authorities and constitutional reform a solemn and vital connection, it is a measure totally understandable for the Government of the Hong Kong Special Administrative Region (SAR) to establish a three-person Task Force to consult

the Central Authorities on the one hand, and to listen to the views of the public at large on the other.

Nevertheless, being a Member representing a functional constituency, I refuse to slow down. Well before the start of any full-scale effort by the Government, I proceeded ahead to do some preparation by actively conducting consultations on the constitutional reform review. Ever since 1998, I have published several articles, providing a platform for members of the accountancy sector and putting forward some views for discussion and consultation. Over the next two or three months, I am going to consult members of the sector further. I am going to faithfully relay the viewpoints on constitutional reform held by the accountancy sector. In the course of consultation, I will try my best not to take personal position on views.

I believe most Hong Kong people support the ideas of democracy and freedom out of their hearts. However, I do not believe all those supporters of these ideas are inclined not to heed the Central Government's stand on such an important topic first in total disregard of the consequence. With regard to the solemn issue of relationship with the Central Authorities, it is impossible for the SAR Government to blindly and dogmatically support the goal for direct elections without conducting dialogues first.

Whilst the art of politics embodies an underpinning philosophical ideal, it also has to take into consideration the actual conditions of politics, economy and livelihood. It is necessary to conduct discussions with equanimity through a peaceful and rational mechanism with a view to collectively accepting the outcome of consultation in the end. This is precisely the function of politics. Being a participant in politics, we ought to serve Hong Kong people with this as our objective, instead of using such an important decision concerning the future of Hong Kong as a cause for the purpose of gaining personal political assets.

With regard to the amendment to be moved by Dr YEUNG Sum, I find it hard to endorse. Surely, given the lack of progress in the matter, I am aware of the disappointment felt by Dr YEUNG and Honourable colleagues from the Democratic Party as fighters for the cause of democracy. I also understand that it is a matter of course for the Government to employ caution in proceeding with this matter. So, upon the release of the policy address, I took the very first opportunity to make the public appeal that members of the public should be

encouraged to give their views openly while discussions on the legal principles of the Basic Law are being conducted with the Central Authorities. The relevant consultation work can be done simultaneously. In this way, the likelihood of slowing down the constitutional reform review can be reduced. According to what Chief Secretary Donald TSANG openly said in the past, the Government's stand, I believe, appears to be so too. I, therefore, do not think there is a need to condemn the Government. Though the constitutional reform review is a spring long overdue, this year's policy address has finally marked its kick-off.

History proves that what those in power must strive for are plans acceptable to the majority, not necessarily plans that the minority wants to see. It is obvious that the standpoint of members of the middle class, people who generally seldom participate or express their political views, are vitally important. With regard to the whole issue of constitutional reform, the concept of "Attaching Importance to the Middle Class" in paragraph 72 of the policy address at least shows that the Government is on the right path. I, however, must remind the Government. Do not entertain the fantasy that middle-class views could be considered to have been heard in full by appointing to advisory bodies scores of representatives with so-called middle-class background. What ordinary people understand of the middle class is that, in the first place, they are the mainstays of society who are more knowledgeable and hold opinions that are more professional and independent, and whose political inclinations are also diverse.

So far, unfortunately, the debate on constitutional review tends to polarize between the democratic camp and the conservative camp. The relatively moderate middle course has found no platform and met with rejection by the ideologically biased. Not until today are there more opportunities for more moderate views to gain the endorsement of the people.

As a Legislative Council Member, I very luckily have been able to put forward some more specific moderate opinions openly. More specifically, in February I presented some comments in the journal of the Hong Kong Society of Accountants. In brief, it is to achieve the election of Members and Chief Executive by universal suffrage through a trilogy for constitutional reform. The first step is to increase the seats of Members returned by direct election under the current system. The second step is to turn functional constituencies and the Election Committee into a nomination committee. The third step is to

achieve the target of full-scale universal suffrage by the middle of the 50-year timeframe.

Furthermore, by making use of a general survey mechanism, such a schedule can also advance the materialization of the ultimate goal of full-scale universal suffrage mentioned in the Basic Law when the discussion is ripe and the opportunity arrives. In dealing with the question of constitutional reform, I use the concept of schedule as well as the mechanism of changing speed. There is nothing new in such a line of thinking. Way back in 1988, when taking part in the consultation work on the Basic Law, I already put forward such an idea. Here is the background for bringing up the concept. Constitutional reform is a Herculean project involving complicated dragnet of interests. Moreover, it is easy for opinions in the community to be polarized and division to arise. In the end, the community of Hong Kong will have to pay heavily for internal strifes. I, therefore, do not recommend putting the focus of constitutional reform on one election or two. Instead, a far-sighted vision should be adopted to construct the future so as not to let this old topic reappear again and again to periodically split up society unnecessarily and swell the causes of social instability.

When I spoke in the debate session on economy, I praised the Chief Executive and government officials on their efforts in striving for CEPA. When criticizing the shortcomings in land and housing policies, I also accepted that the SAR Government had brought order to chaos and I hoped that a full stop could be put to the matter.

With regard to constitutional reform, the SAR Government led by the Chief Executive for years has been beating around the bush, lacking a sense of direction and kicking off at a very slow pace. However, we still have two to three years' time. If the Government is able to proceed with determination in a manner similar to their fight for CEPA, and if they face up to the people of Hong Kong and the various opinions from different quarters with the same respect and modesty shown to the Central Government, it is, I believe, not difficult to accomplish this grand historical mission before 2007 and thus, place a nice full stop in history for the SAR Government in the post-reunification era.

It is my sincere hope that this will be another good deed to be rendered to the people of Hong Kong by the Chief Executive before he leaves office.

With these remarks, Madam President, I support the original motion.

DR YEUNG SUM (in Cantonese): Madam President, the Chief Executive, Mr TUNG Chee-hwa, announced in his policy address the establishment of the Task Force on Constitutional Development, saying also that it would be necessary to examine the relevant principles and legislative process in the Basic Law relating to constitutional development. The Government abruptly applied the brakes, calling into question matters not questionable, and labelling political issues as legal issues. Apparently, this is to make trouble out of nothing, and to bring about delay on purpose.

The message to the people of Hong Kong from the abrupt application of the brakes on this occasion is that "constitutional reform is not Hong Kong's internal affair". XIAO Weiyun, one of the four "defenders of the Law", also stated that "the Central Authorities not only must exercise control over constitutional reform, but actually has to do so right up to the very end." All along Hong Kong people are well aware that constitutional reform is not purely Hong Kong's internal affair. However, the Government has the duty to relay to Beijing our aspirations for democracy, and to proactively fight for our democracy. On the contrary, what the Government now does is to crush all things with technicality. It indicates that so long as the legal and procedural issues remain unsolved, the consultation for constitutional reform just cannot start. However, these legal issues in fact originated from a point of the view laid down in one article published in a certain newspaper. We cannot but ask this question. What criteria are being used by the Government to identify those views on legal and procedural matters relating to the Basic Law that require attention? On 14 January, the Government brought up five legal and procedural issues. Seven additional principle-related issues were brought up when meetings were held with various groups later on, and they were asked to give their opinions on the 12 issues. If the Government deems it necessary to solve those issues before launching consultation on constitutional reform, then why did the Constitutional Affairs Bureau not study these issues in its internal research? If this was not done, then it is dereliction on the part of the Constitutional Affairs Bureau. Why did not the Government, well aware of the fact that the Chief Executive election of 2007 is only three years away, bring up those issues earlier and have them solved as soon as possible? What are the problems? Why can the Government not bring them up at one go? If it goes on like this, then after solving the five big legal issues and seven major principle-related issues, the Government will again bring up nine other issues to complicate the consultation for constitutional review with side issues. Then the constitutional reform will become indefinitely unattainable. To raise these so-called issues when it is

about time to launch the consultation work is obviously "foul play". In the face of the people's aspirations for democracy, the Government just resorts to evasion and delay so as to render it impossible to launch the constitutional review. This can hardly help the Government overcome the crisis of governance that it is facing. What is more, it gives people the impression that the Government has neither the sincerity to pursue constitutional reform nor the courage to steadfastly fight for the pace of democracy aspired by the people of Hong Kong. The Democratic Party feels sorry that the Government has not responded to the people's aspirations for democracy in connection with their clamour for electing the Chief Executive in 2007 and the whole Legislative Council in 2008 by universal suffrage.

For a long time, 70% of the people — as Dr Eric LI just said "the majority", what I mean is that 70% of the people have for a long time been in favour of electing the Chief Executive in 2007 and Legislative Council Members in 2008 by universal suffrage. This is an indisputable fact. The Basic Law allows the election of the Chief Executive by universal suffrage by 2007. Even what XIAO Weiyun, one of the four "defenders of the Law", and ZHOU Nan, the former Director of the Xinhua News Agency, recently said bears testimony to this. Someone holds that, given the fact that 24 seats in the Legislative Council were elected by universal suffrage in 2000, and the number will be increased to 30 seats in 2004, then it is not in accordance with the principle of "gradual and orderly progress" to elect every Legislative Council Member by universal suffrage in 2008. According to him, to do so is "to reach the goal in one step". According to the Democratic Party, the definition of "gradual and orderly progress" in fact should embrace the meaning of "progress". So, the constitutional system should not remain stagnant. Besides, some 10 years have elapsed since the promulgation of the Basic Law. Is the constitutional reform not progressing in the direction of "gradual and orderly progress"? As a matter of fact, what JI Pengfei, Chairman of the Basic Law Drafting Committee, said in 1990 clearly indicates that the Basic Law only stipulates that the electoral method for the transitional period of the 10 years subsequent to 1997 cannot be one of direct election. According to a Statement on the Talks on Hong Kong Political System released by the Chinese side in 1994, "With regard to the question as to whether or not universal suffrage should be adopted for Legislative Council elections after 2007, both Article 68 of the Basic Law and Section III of Annex II of the Basic Law have made provisions. It will have to be determined by the HKSAR, the question about assurance by the Chinese Government being basically non-existent." Honourable Members, this bears out the fact that the

line of thinking of the Central Authorities then was to leave it to the Hong Kong Special Administrative Region (SAR) to decide for itself whether or not to have universal suffrage for the 2007 Legislative Council election. We call upon the Government to respond to a remark by XIAO Weiyun, that the Standing Committee of the National People's Congress has the power to reject submission for record by stating whether or not it is wrong. It is hoped that the Secretary can answer this in his reply later.

I would like to respond to a recent remark by someone, that full-scale universal suffrage might bring in welfare politics. This question can be approached from two different perspectives. In the first place, there are provisions in the Basic Law, which stipulate the adoption of low tax policy, the observation of fiscal balance, and the avoidance of having increase in public expenditure in excess of the rate of economic growth. All these are familiar to our ears. Because of these provisions, there is always some restriction on the growth of social services. In the second place, we have to trust voters' wisdom and choice. Hong Kong people are very sensible and calm. Once there is full-scale direct election, especially when every Legislative Council Members are elected by universal suffrage, the people will naturally make balanced choices. It is, therefore, sheer exaggeration to hold that full-scale universal suffrage will lead Hong Kong on the path to a welfare society.

According to some pro-China figures, there are people trying to raise the banner of "returning political power to the people" to snatch power from the Central Authorities, and to repudiate or take away the Central Authorities' actual power over Hong Kong. It is also alleged that there are people trying to speed up constitutional reform so as to turn Hong Kong into an independent or semi-independent political entity that is pernicious to "one country". As a matter of fact, Hong Kong people's demand for universal suffrage is not in conflict with the realization of sovereignty and the principle of "one country, two systems". Let me repeat. There is no conflict. With regard to Hong Kong people's aspirations for democracy, they just want to elect their own leader as soon as possible and to rectify the problems of the current political system, such as that of the current Government being "a lame duck", and the Government's inability to implement its policies for lack of support in the Legislative Council. This is a far cry from campaigning for independence. The people of Hong Kong all along accept the arrangement of "one country, two systems", and acknowledge "one country, two systems" as the cornerstone for prosperity and stability. "To snatch power from the Central Authorities" has never been on

Hong Kong people's agenda. If it is otherwise, please point it out. To equate Hong Kong people's aspirations for democracy with independence is to put a label on Hong Kong people. It is divorced from reality. It is hoped that whilst the people of Hong Kong respect "one country", the Central Authorities, as an obligation on their part, can honour the principles of "two systems" and respect Hong Kong people's wishes.

Articles 43 and 45 of the Basic Law state the principle that the Chief Executive is to be appointed by the Central People's Government, and is accountable to both the Central People's Government and the SAR. The Democratic Party is of the view that although the appointment by the Central People's Government is a substantive appointment, under the principle of "one country, two systems", the Central Government still ought to respect Hong Kong people's aspirations for democracy as well as the result of election by universal suffrage. Only in this way can the practice requiring the Chief Executive to be appointed by the Central People's Government with accountability to both the Central People's Government and the SAR Government be realized. If a proposal receives approval in the Legislative Council but later meets with the Central Authorities' veto, a constitutional crisis will arise. To pre-empt such a situation, it is now imperative to build up a foundation for dialogue and mutual understanding. So, the Task Force on Constitutional Development led by the Chief Secretary for Administration has to proactively relay to the Central Authorities Hong Kong people's aspirations for democracy, operate in a transparent and open manner, and keep the public informed of the progress of discussions so as to make Hong Kong people aware of the Central Authorities' concern as well as the progress of discussions. Furthermore, the Task Force on Constitutional Development must not just play the role of "messenger" who just delivers imperial edicts from Beijing. They must steadfastly relay Hong Kong people's aspirations. Otherwise, a confidence crisis like that in the 1980s, when the Sino-British talks were in progress, might surface again.

Madam President, the speech delivered by Premier WEN Jiabao at Harvard University touched on the emphasis placed on human rights by China. He said, "The reform and liberalization of China is precisely for the promotion of human rights in China, with the two relying on and promoting each other It is not true that the two are separated in the belief that China places emphasis on economic growth but disregards the protection of human rights". Judging from what they said when making visits abroad, our state leaders obviously do acknowledge the importance of human rights, and affirm the point that the

promotion of China's human rights and economic development are mutually dependent, not separated. If our state leaders also acknowledge the importance to China of promoting human rights and the significance in giving dignity to the lives of people, then I believe they will probably also acknowledge the importance of human rights to Hong Kong, and give affirmation and endorsement to the point that the best way to realize the right to participate is to hold popular and equitable elections in Hong Kong, which can also contribute to our economic growth.

Madam President, President HU Jintao spoke during his recent visit to France, announcing to the world that "Without democracy, there can be no socialism; nor can there be socialist modernization. We proactively promote the reform of political structure, and improve specific systems of socialist democracy, seeing to it that the people can fully exercise their rights and privileges in respect of democratic election, democratic policy-making, democratic management and democratic supervision." He made mention of the point that China has also joined 21 international covenants on human rights. If President HU Jintao also acknowledges that democratic election is the essential course for national progress and modernization, and is to set up the system of democratic election in the country, then let his words be applied to Hong Kong, where democratic election has been practised for many years. The method best in line with the actual situation in Hong Kong as specified in the Basic Law is to elect the Chief Executive and every Legislative Council Member by universal suffrage of "one person, one vote" in 2007 and 2008 respectively. This will have the effect of qualifying Hong Kong, in terms of political system, to be a *bona fide* metropolis in Asia. Then Hong Kong can contribute to the country not only in economic and cultural terms, but also politically. Also, it can be of great value in actively bringing about the peaceful reunification with Taiwan.

With these remarks, Madam President, I shall propose the amendment.

MR HUI CHEUNG-CHING (in Cantonese): Madam President, the year 2003 witnessed quite a few big events. In Hong Kong, with the economy still undergoing restructuring, and the world economy on the downturn, the unemployment rate hit several all-time highs. The outbreak of SARS rubbed salt into our economic wounds. As a result, society was abuzz with grievances, making it easy for many things to become politicized. The Government is

executive-led, but it is often unable to take its policies forward. It is necessary to further improve the current political system.

In response to the aspirations for democracy of some Hong Kong people, the SAR Government determinedly set up a Task Force on Constitutional Development (Task Force) to consult the Central Government first on the interpretation of the Basic Law provisions relating to political system, which is a commendable manifestation of the respect paid to the rule of law and the spirit of "one country, two systems". However, some Members probably consider the establishment of the Task Force a deliberate move to delay constitutional reform, and, therefore, move a motion expressing regret. In fact, the Task Force has already drafted the legislative process and related legal issues concerning constitutional development, and also arranged to meet, one after another, major political parties and Members as well as certain individuals from the legal and academic sectors. Obviously the first step of constitutional review has already been taken. What they are working on now is indicative of their sincerity in promoting constitutional development. Details of the relevant discussions have been made known to the media too. There is a high degree of transparency. It can be said that so far the Task Force has been very competent.

Coming back to the constitutional development itself. To achieve the ultimate goal of universal suffrage, it is necessary for the Central Authorities and Hong Kong to arrive at a consensus between themselves. To arrive at a consensus by seeking common ground while reserving differences, two points are vitally important. In the first place, publicity on the Basic Law has to be stepped up so as to make the people better understand "one country, two systems". "One country, two systems" is an integral concept. The Central Authorities and the people of Hong Kong should not place emphasis solely on "one country" or solely on "two systems" in total disregard of the other half. The two, however, are not equal. "One country" is the premise of "two systems". "Two systems" cannot exist without "one country".

Another point which may help tremendously towards reaching a consensus is that we ought to establish a discussion platform that is open to the Central Authorities so that the Central Authorities and all sectors of Hong Kong people can jointly take part in the discussions on Hong Kong's constitutional development. I am of the view that the Task Force may refer to the method adopted years ago in drafting the Basic Law. Forums on constitutional

development should be held in Hong Kong as well as in the Mainland, with the Central Authorities and different sectors of the SAR sending delegates to exchange views so as to expedite the forging of a consensus.

According to the Basic Law, the consultation on and the development of the political system must comply with two major principles, namely, to take account of the actual situation and to adhere to the principle of gradual and orderly progress. Some people think that the launch of the constitutional development must progress gradually and orderly in the light of the actual situation in Hong Kong. In other words, they are of the view that the principle on "the actual situation" is more important than that on "gradual and orderly progress". With regard to the question as to whether or not it is gradual and orderly progress, the decisive factor does not lie in determining the year for holding election by universal suffrage as this is not a numerical problem. Whether or not it is progressing gradually and orderly has to be considered in the light of the actual situation. However, I think the two principles are equal, both principles being equally important. There is no question as to which of them is more important. It is imperative for our constitutional development to simultaneously meet the two principles. Otherwise, it is proceeding not in accordance with the Basic Law.

Because of the big differences among different social sectors over the way in which the constitutional reform should proceed, it is unlikely that the two sides can come to a consensus in a short time. It is inevitable for some people to worry that there might be a legal vacuum if a schedule for new constitutional development cannot be worked out as both the Basic Law and its Annexes have not explicitly specified how to select the Chief Executive or form the Legislative Council 10 years after the reunification.

However, it can be noted that according to the "if there is a need" principle laid down in the Basic Law, amendment to the political system should be made only when there is a need. Amendment is not a must. In other words, even if no consensus on constitutional development can be reached, the question as to how to select the Chief Executive and Legislative Council Members in 2007 and 2008 respectively still will not give rise to a legal vacuum. The reason is that we can still use the existing political system and make amendment only when "there is a need". The case being so, to look for a constitutional development proposal acceptable to all parties and conducive to the maintenance of our

stability and prosperity is more practical than to rush for election by universal suffrage in 2007 and 2008.

At present, in the discussions on constitutional development, most people are focusing on methods for the selection of the Chief Executive and the formation of the Legislative Council. In fact the policy address contains a very comprehensive discussion outline on constitutional development, which covers enhancing the Accountability System for Principal Officials, giving the middle class bigger participatory and parliamentary roles in government affairs, and enhancing policy research. It is apparently moving in the right direction. Moreover, its importance is no less than that of universal suffrage, and it can contribute to "effective governance". It is hoped that the authorities can make the specific measures known as soon as possible.

Turning now to matters concerning the Civil Service and subvented organizations. I am disappointed with the lack of strength in cutting expenditure. Apart from the merger of the Civil Engineering Department and the Territory Development Department, there are no other specific new measures to cut expenditure in the policy address and the policy agenda. In order to be successful in eliminating deficits, it is necessary to first keep public expenditure to a reasonable level. However, there are no concrete measures for eliminating the fiscal deficits in the policy address. It also makes no mention of the way to curb the ever-growing expenditure on civil service salaries and allowances. In fact, if the Government does not first cut expenditure and effect downsizing, it is very hard to get enough justifications to persuade the public to accept any proposal for tax increase.

Under the new accrual-based accounting system, two other major problems have cropped up in the existing structure of civil service salaries and allowances, plunging the Government into heavy debts. The first problem is pension. Pension payable to pensionable civil servants will, according to estimate, amount to \$200 billion to \$300 billion. The second problem is pay for accumulated leave. According to the most recent accrual-based figures released by the Government, in order that the Government can fully pay off the pay for accumulated leave, it is necessary to dip into the fiscal reserves to the tune of \$20-odd billion. At present, the Civil Service Bureau can only advise members of the Civil Service to see to it that they do "clear leave balance" once every two or three years so as not to let civil servants' leave balance snowball. However,

I very much doubt the effectiveness of civil servants' "leave-clearing" programme. Given the manpower shortage, there can be no assurance that members of the Civil Service can "clear leave balance" smoothly.

With these remarks, Madam President, I support the Motion of Thanks.

MR ALBERT HO (in Cantonese): Madam President, one of the most surprising announcements in the Chief Executive's policy address this year is the abrupt application of brakes to the constitutional review that Hong Kong must seek clarification from the Central Government to see if there is any interpretation problem about the Basic Law. We cannot get on with our so-called actual review before the completion of the said task

Madam President, surely, the Democratic Party will never object to the SAR Government, inclusive of people from different sectors in the SAR, to have exchanges, communication or dialogues with the Central Government with regard to certain problems of interpretation or implementation in connection with the Basic Law. Over the length of the past year or so, when the Constitutional Affairs Panel of the Legislative Council held open and intense discussions, no major controversial issues had been heard, let alone those coming from the Central Government. We find this most frustrating and disappointing.

Madam President, while our three-person party, a high-powered delegation, is waiting for the trip to Beijing, we stress that it is the hope of the Democratic Party that our delegates do firmly bear in their minds several principles. What I want to reiterate are these five "don't" principles. First, do not politicize legal issues. Many issues ought to be interpreted according to legal principles. We should observe the spirit of law and the principles of the rule of the law. Do not resort to fabrication to coin some seemingly contentious legal issues to make the people of Hong Kong have the impression that there are many controversial issues. I consider this to be wrong. It will politicize some legal issues indeed. Here is the second "don't". Do not turn political issues into legal issues. The reason is that many matters of principle have, of course, been written into the law. Can they, however, be interpreted on the basis of legal definitions? As a matter of fact, those matters often involve political judgement. They require legislation by law-makers, especially local ones, on mastering the situation. Can we mechanically apply to them narrow definitions

so as to limit the options available to Hong Kong people with regard to future constitutional development? Surely, problems here involved are the so-called problems about matters like gradual and orderly progress and actual situation. These are declarations of principle, just like what the Basic Law mentions (under "financial system") about striving to achieve a fiscal balance and keeping expenditure within the limits of revenues. These are principle declarations. Is it very easy to mechanically apply to them some rigid legal definitions? With regard to the many issues that have yet to be determined, matters yet to be determined by legislators, it is hoped that legal definitions will not be rigidly or straightforwardly applied to them. We, of course, have time and again made mention of the third point, that is, do not be a messenger. The Government should be faithful to its standpoints, and respect the spirit of the rule of law. Do not do things in secret. They should remain transparent and accountable to the general public of Hong Kong. Then, of course, comes the final point, which is also the most important point. There cannot be and should not be indefinite delay.

By now, we in fact can no longer see any disagreement in many issues. For instance, in law it is permissible to have universal suffrage in 2007 and 2008. Even to mainland legal experts, this point is not very much in dispute. Their contention is on the question whether or not it is advisable to do so. It is not that it is not permissible in law. This is the first point.

The second point: Does it involve the problem of making amendment to the Basic Law? It seems that there is not much disagreement too. It is said that if we amend the method of election, then it is going to involve an amendment to Article 159 of the Basic Law. It appears that even this point is not in dispute.

The third point, we certainly do not dispute here, is that in respect of constitutional reform, the Central Authorities do play a certain role. However, it has to play its role and exercise its power in accordance with the provisions in the Basic Law. There cannot be any prerequisite or mechanism outside the law.

Now on the final point, one just quoted by Dr YEUNG Sum. Certain declarations made by the Ministry of Foreign Affairs in 1994 clearly said that in matters of constitutional reform, it was mainly up to Hong Kong to make the decision. The Central Authorities certainly have a role play, but they should, as

far as possible, respect the spirit of "Hong Kong people ruling Hong Kong", and refrain from becoming a stumbling block to democracy.

I so submit.

DR PHILIP WONG (in Cantonese): Madam President, at present the main concerns of the public are, namely, unemployment and constitutional development. I talked about unemployment the day before yesterday. Today I would like to speak mainly on constitutional development.

In the first place, I think it is a wise move to run the government in accordance with the law for the Chief Executive to make the decision to set up a Task Force to study constitutional development, with special reference to interpretation of provisions as stipulated in the Basic Law. On the one hand, the Central Government is being consulted, and on the other, all sectors of the community are being encouraged to give constructive ideas.

Here is the crux of the problem. We should understand clearly that Hong Kong is a Special Administrative Region (SAR) directly under the Central Government, not an independent or semi-independent political entity. The design and development of the political system cannot deviate from the premise of "one country"; nor can the involvement of the Central Government be repudiated. Having served on the Basic Law Consultative Committee and the Preparatory Committee of the SAR, I have a profound understanding of this. In the discussions about political system, it was agreed that the future constitutional development of Hong Kong should follow certain correct guiding principles, that is, to be conducive to the integrity of national sovereignty, to be conducive to the implementation of the Basic Law, to be conducive to economic prosperity and social stability, and to be conducive to the accommodation of interests concerning different classes, sectors or quarters. Obviously, it is not possible to accomplish all these objectives without the Central Government's participation. As we all know, the Chief Executive was selected in accordance with the provisions of the Basic Law, with his appointment and authorization coming from the Central Government. To be accountable to the Central Government and the SAR is an inherent legal duty. So, the claim that "the Central Government has no right to interfere with Hong Kong's constitutional development" is attributable to an inadequate understanding of the concept of "one country" on the one hand, and a neglect of the provisions of the Basic Law

on the other. For the same reasons, those people who, without even first clarifying the legal or textual interpretation of certain provisions in the Basic Law, venture to demand the SAR Government to announce a schedule itself or to put forward specific proposals, are not only imposing on others a mission impossible, but also ignoring the long-term overall interest of Hong Kong.

Let us do some recap on the Sino-British negotiations and the drafting process of the Basic Law. We will then be suddenly enlightened. Back then, the British Government proposed, one after another, "a request to renew the lease", "an offer to return sovereignty in exchange for the right to govern", and "returning the political power to the people". Her objective was to maintain Britain's political and economic interests in Hong Kong. As a matter of fact, the return of Hong Kong to China had nothing to do with a colony becoming independent, with no question of the so-called "returning the political power to the people". Being a sovereign state, China surely will not allow the British to maintain on Chinese soil "English rule sans Englishmen" after their departure from Hong Kong. Provisions stipulating the power of the Central Authorities, the relationship between the Central Authorities and the SAR, and the methods for the selection of the Chief Executive and formation of the Legislative Council as in Articles 2, 12, 15, 20, 43, 45 and 68 of the Basic Law and its Annexes I and II point out the course for our constitutional development, give expression to ideas long held by the Central Government, and support the development of democracy in Hong Kong as well as the preservation of its prosperity and stability. In recent years, the Mainland has also been actively pressing on with reform and liberalization, bringing into practice the rule by law. Therefore, the claim that "the Central Government is suppressing Hong Kong's constitutional development" does not match history and reality. We must watch out for those who do not want China to be strong, and who again carry the banners once used by Britain to mislead the people so as to inspire them with excessive expectations for constitutional development, provoke confrontation between the SAR and the Central Authorities, generate division and turmoil in society and adversely affect the business environment and economic recovery.

Mainland heavyweight experts on the Basic Law have recently advised on matters concerning our constitutional development by approaching the issues from the perspectives of legal principles and practical legislation, also bringing order out of chaos with regard to certain misleading, distorted or unclear interpretations. Those who understand the state of the country all know that

those opinions have delivered a clear message. They are substantial and worth noting. Whether or not they represent the Central Authorities in fact should not be a question. I believe those Hong Kong people who have a sense of responsibility will take into consideration the overall situation, and gradually iron out their differences on the basis of improved understanding of the Basic Law through rational and objective discussions

Secondly, constitutional development involves many aspects, including the relationship between the Central Authorities and the SAR, the relationship between the executive and the legislature, and the organization of the Judiciary and the Civil Service. The method for the formation of the legislature is just one of them. As everybody is very much concerned about the mode of election for the legislature, I would like to state my view on this.

During the course of formulating the Basic Law, a "dual mode" electoral method was devised for the legislature. This legal document evolved only through extensive consensus reached after thorough discussions among members of society. Here is one key point of the said mode. The industrial and business sectors, the professional sectors and the labour force of Hong Kong had all along been making joint efforts to promote democracy and freedom as well as prosperity and stability. There should still be such joint efforts in the days to come. Being a body representing the people's opinions, the Legislative Council must harmonize and balance the interests of every sector, every class or every quarter in accordance with the actual situation and the principles of gradual and orderly progress and balanced participation so as to make it possible for all trades and professions in a commercial city like Hong Kong to have their voices heard in the legislature, and bring into play their functions. This, in my opinion, is precisely the mode that suits Hong Kong.

I can recall that when the political system was under discussion then, someone from the legal profession pointed out that constitutional development should not be divorced from the economic system, social system or people's lifestyle. It is inconceivable for all rational systems provided for in the Basic Law to remain with the sole exception that abrupt change is to be made to the elections of functional constituencies. Experience accumulated since the reunification shows that the elections of functional constituencies can supplement district elections, rendering the expression of public opinions more wide-ranging, the legislature more wholesome, and the channels for representatives of various

trades and professions and the middle class to participate in government more accessible. So, it ought to be maintained for a longer period. If it is scrapped rashly, there will be unfavourable impact on the free market economy on which the success of Hong Kong has so far hinged, and the dangerous gateway leading Hong Kong to a welfare society will be opened too.

In today's speech, I would like to bring up another point. Hong Kong is a society that upholds the rule of law, where the people enjoy rights like freedom of speech, freedom of assembly and procession, and freedom of the press. However, the exercise of such rights ought to be subject to some restrictions, including compliance with the relevant laws, no obstruction to public order, and no disturbance to social stability and peace. While respect should be given to these rights, the people's right to lead a peaceful life ought to be given special respect and protection. It is necessary to strike a balance between the two. The Government certainly should listen to public opinions. It is, however, under obligation to take appropriate measures to ensure that most of the people can live and work in peace and contentment. Most members of the public do frown upon the actions of certain individuals who, in a bid to be "get the limelight", trample upon the law. The Government should not balk at taking measures that are duly warranted and just let there be a free-for-all on the pretext of "having to respect the freedom of expression". If it goes on like this, the few politicoes seeking to please the public with claptrap will be able to exploit the situation. Apart from this, it can be said that it can contribute nothing to bringing stability to the situation, reinvigorating the economy and reinforcing and strengthening our position as an international financial centre.

Finally, I would like to speak on what I saw and heard when I was away from Hong Kong around the time of the Lunar New Year. I visited a few countries, such as the United States, Canada, England and France. According to some overseas Chinese friends who are well-versed in international affairs and who are very concerned about Hong Kong's future, democracy and freedom in Hong Kong since the reunification have not been worse than what they were under British rule. In their opinion, the first and foremost task for Hong Kong is, instead of getting into the position at one go hastily to elect, by universal suffrage, a Chief Executive and a Legislative Council ready to act against the Central Government, to take hold of the opportunities offered by CEPA to put in full efforts to improve the economy and restore to society harmony and peace. A more and more politicized Hong Kong society with a non-stop constitutional dispute that drives away investors, depresses the economy and adversely affects

the people's livelihood is what they are most unwilling to bring themselves to see. They think that this definitely is not in the interest of Hong Kong. I quite agree with their views. To sum up, I am of the view that the ultimate aim of constitutional development is to devise a mechanism under which people loyal to the country and Hong Kong, well-versed in the principles of "one country, two systems", supportive of the Basic Law, patriotic and capable of making contributions to our stability and prosperity can be elected to be the Chief Executive or Legislative Council Members.

Madam President, I so submit.

MR CHEUNG MAN-KWONG (in Cantonese): Madam President, to the political system of Hong Kong, the greatest foe is not democracy. It is the utterly shattered accountability system.

The political aim of the accountability system is to make it possible for TUNG Chee-hwa not to be a "loner" anymore, removing from him the political crew inherited from the Hong Kong British Government. Thus TUNG Chee-hwa can give a good account of himself, and play the role as an all-powerful Chief Executive of Hong Kong.

TUNG Chee-hwa once said that the accountability system required six months' of gearing in. However, by now the gearing in has been in progress for 18 months, and yet the gears are still not in. Disputes have been non-stop. There is no strong leadership; nor is there a harmonious relationship between the executive and the legislature, not to mention an accountable government ready to sense the urgency felt by the people. Antony LEUNG had to quit because of the car purchase scandal. Mrs Regina IP quit her post on account of the storm over the legislation on Article 23 of the Basic Law. Dr YEOH Eng-kiong is under investigation because of the SARS calamity. Dr Patrick HO was questioned as a result of Michael WONG's scandal. Frederick MA was criticized for the storm over penny stocks. Henry TANG came under fire because of Harbour Fest, an event said to have wasted public money. He even had an open dispute with Prof Arthur LI because of cuts on funding for higher education. The people have been able to see these only. TUNG Chee-hwa's accountability crew is in a mess, badly divided and a far cry from the World Cup's South Korean team.

The relationship between the executive and the legislature is still each going on separate ways, minding one's own business. There has been no improvement upon the introduction of the accountability system. Mr James TIEN resigned from the Executive Council on account of the incident concerning the legislation on Article 23. With Mr Jasper TSANG going through thick and thin with the Chief Executive, the Democratic Alliance for Betterment of Hong Kong suffered a defeat in the election. In addition, there have been storms arising from the leaks of confidential information from the Executive Council. The media have described this as a fight for the office of the next Chief Executive. The fighting will not stop until the Chief Executive designate is known. TUNG Chee-hwa's coalition cabinet is being ravaged by internal and external woes, existing in name only. There is no longer a permanent royalist party in the Legislative Council. Can the royalist party still hold more than one half of the seats after the election of the next term Legislative Council? Can the executive still lead? In the event that the Legislative Council rejects some major bills, such as the budget, on account of heavy pressure from public opinion, will there be a constitutional crisis involving Articles 50 and 52 of the Basic Law, such as the dissolution of the Legislative Council leading to the resignation of the Chief Executive? This shows that the current political system in Hong Kong is in straitened circumstances, riddled with gaping wounds and beset with crises.

Facts speak louder than words. A political system providing for the election of the Chief Executive by a small circle can no longer continue, the governance of Hong Kong being beyond it. To eliminate and iron out the current political crises, it is necessary to revamp Hong Kong's political system. To elect the Legislative Council and the Chief Executive by universal suffrage is just part of the political reform. The Chief Executive in future must also ally with the major power in the Council to build a new relationship between the executive and the legislature so as to jointly govern Hong Kong and be responsible for the success or failure of governance. Under such a new political system, the Chief Executive has to be given both votes and power by means of universal suffrage, the Legislative Council has to be entrusted with power and responsibility through universal suffrage, and the people of Hong Kong are to become the true masters under democratic politics. This is the return of political power to the people.

It is not a national disgrace to return the political power to the people. It is actually a national honour. China recovered her sovereignty over Hong

Kong, thus ending a hundred years' of humiliation. With the State allowing Hong Kong people to rule Hong Kong and to elect the Legislative Council and the Chief Executive by universal suffrage, this is even going to be a milestone in Chinese history, good enough to make "one country, two systems" a *bona fide* long-lasting paradigm. This is conducive to a peaceful reunification with Taiwan. Hong Kong people are patriotic. However, they have their way of showing patriotism. They are sometimes so concerned that they are very passionate with their criticism; sometimes sharing pride in the nation's progress and glory but sometimes shouldering the nation's crises and duties. We take pride in space endeavour by YANG Liwei. We are furious over the loss of Diaoyutai. We lament the suppression of the 4 June incident. We feel encouraged by the success of reform and liberalization. We feel worried about Taiwan's move towards independence. A country's future and fortune tend to give a true patriot mixed feelings. How can there be just one voice? How can we sing praises of everything?

The people of Hong Kong have not the slightest intention to become independent. Local political parties, whether leftist or rightist, are in favour of coming under the Motherland's sovereignty again. To "one country, two systems", this is the strongest guarantee for "one country" sanctioned by public opinions. It is better than statutory law. It is also better than a pledge of loyalty. Why should the Central Authorities be apprehensive? Hong Kong people are heartily appreciative of the support extended to them by the Central Authorities ranging from CEPA to the Individual Visit Scheme. Why should Hong Kong seek to be independent? "One country," to begin with, is in no trouble. "To be independent" is not a platform at all. There is nothing in reality. Whence comes the dust? It is alarmist talk to assert that democratic general election might lead Hong Kong to independence. It is like a tale from the *One Thousand and One Nights*. It is a move to generate fear and discredit out of nothing. Why make such a fuss? Why so boundlessly exaggerating?

Insofar as our political system is concerned, it is necessary to seek consensus among Hong Kong people so as to strive for long-lasting administration and durable stability for our democratic politics. Hong Kong people are fully aware that the Central Authorities will take part in our political reform in accordance with the provisions in the Basic Law. The Central Authorities, however, ought to respect our consensus on democracy too. This in fact is the people's internal contradiction, not the continuation of the struggle between China and Britain. This also has a bearing on Hong Kong's future and

destiny as well as stability and prosperity. Since the reunification, Hong Kong has gone through six years of decline. All those who love Hong Kong and all those who were born and brought up here are under a duty to devise for Hong Kong a political system to further our economic strength, to facilitate the ultimate success of democratic politics, and to make Hong Kong again the pride of China and a sparkling pearl in the world.

A sparkling pearl does carry a price, but people are priceless. People constitute Hong Kong's prime asset. The people's minds constitute the most important mainstay of our prosperity. At present, the people have set their minds on the *status quo* as well as on reform. People setting their minds on the *status quo* means that they want the Hong Kong economy to stop sinking and their lot to improve steadily. People setting their minds on reform mean that they do not believe that Hong Kong's current political system and the coterie politics of the privileged few are competent enough to govern Hong Kong and safeguard the stability and prosperity that the people of Hong Kong are already enjoying. To preserve old glory and to meet the challenges from new economy, Hong Kong needs a political reform. Once it is understood why the people of Hong Kong have set their minds on both reform and *status quo*, then it is possible to devise for Hong Kong a political system different from that of small-circle election. That is democratic election by universal suffrage. With the election by universal suffrage as the foundation, the relationship between the executive and the legislature can be rationalized all over again, and accountable government rooted in the people and with the political power returned to the people can be established.

President HU Jintao announced to the world in the French parliament that "Without democracy, there can be no socialism; nor can there be socialist modernization." Some 50 years since the founding of China, when we are already in the 21st century, the early dawn of China's democracy at last came. According to HU Jintao, China is going to introduce the democratic system of universal suffrage to elect representatives to the National People's Congress up to the county level. Why does the reform of Hong Kong's political system remain stagnant at a time when the State is making a positive response to democracy and election by universal suffrage? Why must the pace of gradual and orderly progress remain forever the justification to delay democracy? Why are Hong Kong people's intellectual level and international outlook not good enough to prove that our "actual situation" does justify the adoption of full-scale election by universal suffrage?

China is marching into the world with full confidence. Hong Kong should also discard all scruples and put democracy to practice. "One country, two systems" is not a rigid entry in the ancient imperial calendar. It is in fact a national mission embracing and honouring all parties.

Madam President, I so submit.

MR KENNETH TING (in Cantonese): Madam President, what the industrial and business sector want to see in this policy address is a process of political reform striving for stability and supplemented by a set of economic policies capable of ushering in practical effects. As far as the overall direction is concerned, it can be said that the Government of the Hong Kong Special Administrative Region (SAR) is on the right track. However, judging from the various policies proposed in pursuit the goals, there is still much room for improvement.

With regard to political reform, the industrial and business sector hope to see in Hong Kong an evolution that is steady as well as gradual and orderly. This plays a pivotal role in preserving confidence among local and foreign investors, as well as in the business sector.

It was pointed out by Mr TUNG that during his recent duty visit to Beijing, the Central Government had expressed "serious concern and principled stance towards the development of Hong Kong's political structure". Honourable Members must understand this. Given the serious concern shown by the Central Authorities, the relationship between the Central Authorities and the SAR definitely will turn sour if the SAR Government fails to review the political system in accordance with the framework specified by the Basic Law. This is what the industrial and business sectors and members of the public do not want to see.

Madam President, on the whole, the Federation of Hong Kong Industries finds it an agreeable arrangement for the three-person Task Force headed by Chief Secretary Donald TSANG to take the lead in having dialogue with the Central Authorities. The political reform of Hong Kong has much to do with the implementation of "one country, two systems". Given such a premise, the Central Government's involvement in the issue of political system is irrefutable. We, therefore, are of the view that the work of the three-person Task Force is essential.

Let the Task Force led by Chief Secretary Donald TSANG, in conjunction with the Central Authorities, first carefully study the suitable steps pertinent to the reform in Hong Kong under the monitoring of Hong Kong people so that the Central Authorities and Hong Kong can both reach a sufficient understanding and consensus on political reform before proceeding with the reform in an orderly manner. Only in this way can Hong Kong society maintain stability and prosperity.

On the other hand, the SAR Government must also put in view the work progress showing that there is adequate consultation and that real efforts have been made to relay to the Central Authorities the people's opinions. Only such a political reform can proceed in a gradual and orderly manner in a peaceful and sensible atmosphere. Only this can inspire investors, both local and foreign, and businessmen with confidence to continue their investments in Hong Kong.

Madam President, I support the original motion.

MISS MARGARET NG: Madam President, the burning issue of the day is Hong Kong's political reform. Everybody expected the Chief Executive to at least announce a timetable for the consultation exercise. Instead, he announced the appointment of a Task Force for the purpose of consulting the Central Government in Beijing, and that no arrangements for consulting the Hong Kong public can be made until this is done.

We struggle to see the positive side of this development. One thing which can be said for it is that the Central Government is drawn into the discussion at an early stage. Since the Central Government's approval is required in the end, it is helpful that it should be involved from the beginning, provided that the process is open and transparent, and the views and wishes of Hong Kong people are fully respected. My Honourable friend Dr David LI has said that the objective of this crucial exercise is to decide how Hong Kong people should be governed. It is only right that the views and wishes of Hong Kong people are given the first consideration, even if the power lies with the Central Government to approve or deny at the end of the day. In its meetings with the

Central Government, the Task Force must speak for Hong Kong people. To quote Othello:

Speak of (us) as (we are). Nothing extenuate,
Nor set down aught in malice.

Madam President, we are in the midst of intensive discussion and debate on these constitutional matters. But there are numerous issues of governance which the Government must address. The accountability system has not resulted in more coherent government policies or their implementation. The role of the Civil Service is still confused, and upon civil servants still falls a large share of the political lobbying. The job of civil servants has become tougher because of the lack of interdepartmental co-ordination and lack of support from within. Civil service reform for the purpose of reinvigoration, not just of downsizing or reducing pay, is long overdue. I do not see much being done.

Another important issue is the report on the consultation on statutory and advisory bodies. This is the essential mechanism for tapping talents in the community for public service. But the principles of appointment and the system of vetting and review must be clearly formulated and scrupulously followed if public good is to be served. Following the unfortunate controversy of the former chairman of the Equal Opportunities Commission, we were promised a report of the review. So far, nothing has been heard. We must insist on the greatest transparency. Appointment must not be made as favours in exchange for political support. The power of appointment is to be used for public interests. Anything else is an abuse.

I come to the area of administration of justice and legal services, which Mr TUNG has failed to address in his policy address apart from indirectly, in relation with CEPA, which facilitates Hong Kong lawyers to extend their legal services to the Mainland. The Secretary for Justice has done much to assist the Hong Kong Bar Association and the Law Society of Hong Kong (Law Society), to iron out the wrinkles and smooth the way for the needed regulations to be passed. On behalf of the legal profession, I thank her and her colleagues for their efforts.

However, we must look after the system of justice in the Hong Kong Special Administrative Region (SAR) itself. The rule of law is a huge mansion

which requires constant upkeep and renewal. There are many matters for concern. Most important of all is access to justice and the availability of legal aid as an integral part of it. The growing number of unrepresented litigants is disturbing. The Judiciary has warned us that even with civil procedure reforms, our system of law and litigation procedures are not designed for the layman acting for himself. The lack of legal representation not only puts the interests of the litigants at risk, but also inevitably slows down court procedures and so wastes public resources. Last December, the Resources Center for unrepresented litigants was opened by the Judiciary. We were reminded again that the Centre cannot give legal advice and is no substitute for legal representation.

We know from our own contact with the public that few people go unrepresented by choice. For most people, they go unrepresented because they cannot afford the costs but are still denied legal aid. With the input of the community and the profession, the Panel on Administration of Justice and Legal Services has drawn up a comprehensive list of legal aid issues in need of review and urged the Government to carry out that review. The most fundamental issue is that the present scope and mode of provision of legal aid are antiquated and can no longer meet the needs of the changing community. Theoretically, there is no cap on legal aid funding. In reality, the decision of the Director of Legal Aid is increasingly dominated by the need to reduce expenditure, and sometimes, the economic motive may even override the requirements of justice. In a case discussed in the Panel, legal aid was denied to a defendant charged with kidnapping and murder because he had spent the money in his bank account to repay a debt and was unable to pay up-front the contribution exacted as a condition of granting him legal aid. As a result, the defendant was unrepresented at the trial and was convicted. The Court of Appeal had no hesitation allowing his appeal on the ground that he was denied a fair trial. The inevitable result was that a new trial was ordered. This will cause more public resources to be expended. Worse, the victim's family would be exposed to the pain of having old wounds reopened. This is false economy. It is also a scandal which should not be allowed to happen again. I urge the Administration to make a real effort to address the real issues about legal aid. The legal profession has been generous with *pro bono* services, and I hope that it will be more generous still. But this is no substitute for adequate legal aid. It is not only all about allocating more resources, but also about using resources more intelligently, for example, unbundling legal aid and channelling some of the resources from litigation to alternative dispute resolution.

Another example of a part of the justice system requiring renovation is labour dispute resolution, including the operation of the Labour Tribunal. I note with deep appreciation that in response to the suggestion of a joint Panel of this Council, the Chief Justice has appointed a committee headed by Madam Justice CHU to look into the matter. The Labour Tribunal system was created more than 30 years ago. Employment issues and litigation are much more complex nowadays. Yet, another example is the juvenile justice system which again cries out for modernization. A subcommittee of this House is now in discussion with an interdepartmental team of the Administration to consider the implementation of the recommendations of a consultancy report on this matter. In the important task of helping children and young people who may have gone astray, whatever the age of criminal responsibility, the SAR should actively learn from new developments in other parts of the world.

These are only some of the things which require careful consideration, but I am running out of time. However, it is necessary for me to say a few words about solicitors' professional indemnity. The escalating cost of insurance and on top of it the shock brought by the collapse of the HIH group in Australia, the indemnity fund's reinsurer, have caused solicitors double hardship and cast grave doubts on the present indemnity scheme. No profession is exposed to the same extent of responsibility whereby practitioners become insurers of the last resort for claims against each and every practitioner over whom they have no control. According to the report of Willis China, the independent consultant commissioned by the Law Society to review the present scheme, it is clear that the present scheme cannot go on. Two options for change are suggested. One is to fundamentally reform the present mutual fund scheme under the Law Society. The other is to follow the example of the United Kingdom and switch to a qualifying insurers scheme whereby each firm obtains its own insurance directly from an insurer. As indicated by surveys done separately by Willis and by myself, a great majority of solicitors favour the qualifying insurers scheme. Whichever option is chosen, the transition will require a great deal of work. It is not just a matter for the Law Society, but also involves the Department of Justice as an important legal policy and eventually for this Council, because legislative amendment will be necessary. A pro-active approach is vital because the new scheme has to be ready for implementation in September 2005. So time is short.

I urge the Government to avoid adopting a narrow and inflexible approach. The right question is not whether the public should accept less than 100% of the

public's claims against solicitors will be guaranteed to be met in full. Neither of the new options does this. No other professional indemnity or indeed any indemnity scheme does so. The present solicitors indemnity scheme is unique. But the present system also carries the greatest moral hazard, because it draws little distinction between prudent and conscientious practice and irresponsible practice. It demoralizes solicitors firms which are prudent, avoid claims, trim profits and pass the savings to their clients. In two recent surveys, one carried out by Willis China and the other carried out by myself, the response of lawyers is overwhelmingly in favour of a change to allow each firm to be responsible for its own insurance. We should go for a legal service sector which offers better choice to the consumer, and this is the opportunity to let it happen.

I cannot leave this policy area without touching on the independence of the Judiciary. It goes without saying that we all support an independent judiciary implicitly. The question is what is being done to strengthen the institutional safeguards. I urge the Government to accept the recommendations of Sir Anthony MASON on the remuneration of judges, in particular to legislate against the reduction of judicial salaries, and to entrust the adjustment of judicial salaries to an independent commission. The budgetary mechanism should reflect the respect for judicial separateness by providing for judicial salaries from a consolidated fund which is not subject to political debate from year to year. The Panel on Administration of Justice and Legal Services has carried out a study on the practice overseas. It recognizes that these measures are in line with the other jurisdictions in which independence of the judiciary is regarded as a matter of constitutional importance. A constant supply of judges of the highest calibre and standing is vital to Hong Kong's judicial system. We must do our best to provide the conditions for this to happen.

The major event in the area of security since the last policy address is undoubtedly Article 23 legislation. However, I have already said so much about it, in and outside this Chamber, that I only need to mark the event here, and to remind the Government that the watch over the liberty of the people never sleeps. Whenever the issue is raised again, we will remind the Government of all that has been said and written. The Government has promised not to introduce legislation again without first consulting the public in a wide and genuine consultation exercise and obtaining broad public consensus. I hope it will not make the same mistake twice.

In conclusion, Madam President, it is obvious to everyone that much is needed to be done to maintain good and effective governance in the SAR. I regret that the Chief Executive has done little to meet our fundamental needs. It may be that to introduce universal suffrage in 2007 and 2008 is the only solution. The people demand that. They deserve a chance. Mr TUNG has shut his ears to them, I do not feel I have to thank him for that.

MR LEUNG YIU-CHUNG (in Cantonese): Madam President, the prime function of a policy address is to amass public opinions so as to put forward a direction for social development and in so doing, to rally the people for joint efforts to accomplish the goals. Unfortunately, this year's policy address carries no real substance, not only disappointing pro-democracy Members and the general public, but also bringing much frustration to Honourable colleagues who have been supportive of Mr TUNG's governance. In the words of a pro-government Member, "What kind of outlook does the Chief Executive hold with regard to the next three years? Are there any changes in the administration? Forgive us for seeing nothing in this respect." Even Members long supportive of the Government without reservations also have described the policy address as "empty". The Chief Executive's policy address this year, I dare say, is not a forward-looking one, but is one without a future. It is also "the state of a terminal illness" declaring the TUNG Chee-hwa Government to be "hopeless".

As a matter of fact, through the marches of 1 July last year and 1 January this year, hundreds of thousands of people have prescribed a good prescription for the critically ill SAR Government, seeking to save the SAR Government with "a return of political power to the people". Today, the SAR Government has incurred widespread wrath and extensive resentment, because of the fact that a SAR Chief Executive returned by a small-circle election and a government led by him and manipulated by a small group of people tend to look after the interests of the few instead of the well-being of the general public in policies. Take news about the sale of Hunghom Peninsula by the Government in these two days as an example. The Government is willing to sell the land very cheaply, selling those apartments to the real estate developer at a depressingly low price instead of selling them itself, and thus passing the profit to the other side for nothing. Is not that a policy of collaboration between government and businessmen? Is not that an administrative principle going against the people?

The only way to overcome the current political predicament is to elect a government blessed with public mandate by means of democratic election. Unfortunately, the policy address actually smothered such an expectation of the people, cutting half a million people dead. In the end, there came not even a consultation schedule in respect of the political reform. This is a very big or even the biggest insult to the people of Hong Kong, who cannot but raise a query. Big rallies and various opinion polls have clearly shown that the people want to elect, by universal suffrage, the Chief Executive and Legislative Council Members in 2007 and 2008 respectively. Yet the Government still set up a so-called three-person Task Force to conduct study. What is being studied?

According to Mr TUNG and the three-person Task Force, it is necessary to consult the Central Authorities, and to clarify some so-called legal issues. In fact, even without the benefit of professional opinions from legal experts or counsels, Members of the public all understand that such a move is meant simply to bring in the so-called law upon a political issue for discussion. The purpose is to suppress the progress of democratization in Hong Kong. According to Article 45 of the Basic Law, the progress towards universal suffrage ultimately must be conducted "in the light of the actual situation" and "in accordance with the principle of gradual and orderly progress". Today, the actual situation in Hong Kong is very clear. That is, the great majority of the people are not happy with small circle election but are in favour of electing the Chief Executive by universal suffrage in 2007. If Mr TUNG and the three-person Task Force do not think so, then let us hold a referendum to find out the true will of the people. Regarding the so-called "gradual and orderly progress," our democratization did not start in 1997 indeed. In Hong Kong, it began in the early 1980s, when there came the so-called representative government reform. Is not a period of more than 20 years gradual and orderly enough? How many more years must we wait? According to Mr XIAO Weiyun, there cannot be full-scale universal suffrage or universal suffrage for the election of our Chief Executive until 2037 or 2047. Hong Kong people no longer have the patience or ability for such a wait.

Madam President, in our opinion, today the SAR Government has been facing the administrative blunders of Mr TUNG for more than six years. He has been cast aside by the people. What is more, even royalist Members and members of the royalist faction also consider Mr TUNG to be a "bad egg", one

who earned them the spurn of the people, and drained them of votes. Chief Secretary Donald TSANG is now facing an even "bigger disaster". Even before he left for the trip to meet the Central Authorities to relay to them the views supportive of universal suffrage expressed by Hong Kong people, there already came all sorts of pressure from the conservative faction. Those "defenders of the Law" spoke first, acting in Hong Kong like foxes masquerading as tigers to oppose universal suffrage in a bid to bring about a *fait accompli* of no universal suffrage in 2007 and 2008. Then came groups of old vested interests. To protect their privileges, they keep on ganging up with each other, saying words or making comments not in favour of universal suffrage. I, however, think this is the time to put our Government and officials to real test. Now Chief Secretary Donald TSANG and the Government of TUNG Chee-hwa must make a choice between the general public of Hong Kong and the faction of vested interests. The people of Hong Kong call upon Chief Secretary Donald TSANG not to act in the way he had acted in previous political reform consultation exercises, just playing the ostrich — that is, just burying his head in the sand like an ostrich and telling the Central Authorities that Hong Kong people are not in favour of universal suffrage. It is not our wish to see Chief Secretary Donald TSANG, who, according to his own admission, has grown up drinking Hong Kong water with Hong Kong blood running in his body, eventually betrays the people of Hong Kong, betrays our "high degree of autonomy" and betrays the principle of "Hong Kong people ruling Hong Kong".

However, the louder that Chief Secretary Donald TSANG claims his status as a Hong Kong man grown up drinking Hong Kong water with Hong Kong blood running in his body, the more concerned Hong Kong people feel. They are concerned about Mr TSANG's ability to bear the pressure from the Central Authorities. That is just like the case of Secretary Stephen LAM, who, when undertaking a small study, just totally flunked in drawing up a simple schedule for consultation when the Central Authorities made their attitude known a little. Whether or not Chief Secretary Donald TSANG is able to faithfully relay to the Central Authorities at closed door meetings Hong Kong people's desire to have universal suffrage as soon as possible is a question that really worries us.

It is hoped that Mr TSANG can think a little deeper indeed. Just as mentioned by Mr LAU Wong-fat yesterday, reference should be made to Chinese history. In the old days, China's political decay was mainly due to the fact that there were too many people ready to dispatch false imperial edicts, and

government officials did not dare to reflect public opinions. With regard to some well-governed dynastic periods, their success was mainly due to the fact that there were government officials who had the courage to make frank criticism. It is hoped that Mr TSANG can, for the sake of Hong Kong's future and for the purpose of conveying to the leaders of the Central Authorities a clearer picture about the views of Hong Kong people, adhere to the spirit of quadruple truthfulness as expressed by Mr WEN Jiabao to relay to the Central Authorities truthfully, truly sincerely, truly earnestly and truly clearly the wishes of Hong Kong people for full-scale universal suffrage.

Madam President, Mr TSANG must truly relay the people's opinions in order that their worries and concern can be dispelled and they can fully support Mr TSANG's work. However, no matter how firm he is and no matter how sincere he is in serving Hong Kong people, we still have doubt as to how Mr TSANG can contend with such a mammoth Central Government as he is, after all, just an individual. So, it is our hope that he can, in addition to siding with the Hong Kong people, also join hands with them so as to jointly strive for the cause. If Mr TSANG considers the stance of public opinions to be unclear, incomprehensive and not fully express, then Mr TSANG should, in my opinion, hold a referendum as soon as possible to solve the problem so as to get hold of and clearly gauge the stance of public opinions before relaying it to the Central Authorities. Madam President, finally I want Mr TSANG — it is a pity that he is not present here — to respond to the following questions in due course:

- (i) Will the three-person Task Force faithfully tell the Central Authorities that the aspiration of the half a million people who took to the streets is for the return of political power to the people?
- (ii) It is very clear that public opinions are in favour of full-scale universal suffrage in 2007 and 2008. What is the forthcoming government consultation going after? If the Government indeed does not trust the various opinion polls, or has doubts about the unanimity of the views of the half a million people, then why does it not hold a referendum to let the general public exercise a popular vote?
- (iii) If the Central Government is firmly against universal suffrage, how are Mr TSANG and the SAR Government going to fight for it

jointly with the people of Hong Kong and defend our "high degree of autonomy"?

Madam President, I so submit.

MS AUDREY EU (in Cantonese): Madam President, ever since 1 July, when half a million people took to the streets, the clamour for universal suffrage has become more and more distinct. Furthermore, Secretary for Constitutional Affairs Stephen LAM undertook on several occasions late last year to launch a constitutional review this year. As a result, there was a general belief that Mr TUNG would at least give an account on the schedule for constitutional review when delivering his policy address. In the end, the policy address, however, brought disappointment even to those not holding any expectations in the first place.

The Basic Law only specifies the methods for selecting the Chief Executive and forming the Legislative Council during the first 10 years following the reunification. So, the review on constitutional development in respect of 2007 and 2008 is very important to the future of Hong Kong. Unfortunately Mr TUNG is unable to lead the people to face it proactively, and just tries to employ delaying tactics. This is going to have far-reaching impact on our development or even stability in the days to come.

The people of Hong Kong naturally do understand that on this occasion it was the Central Authorities that issued the order to stop or slow down the constitutional review. However, it does not mean that Mr TUNG and the Government of the Hong Kong Special Administrative Region (SAR) need not be held responsible. As a matter of fact, there is extensive doubt among Hong Kong people on the question as to whether or not Mr TUNG has faithfully relay to the Central Authorities their aspiration for universal suffrage. Mr TUNG is also not prepared to account to the Legislative Council or the public on such a major issue.

Mr TUNG has good ties with the Central Authorities, and enjoys their support. This is his prime political asset. However, he has not made good use of this advantage to tell or convince the Central Authorities that Hong Kong people, being patriotic and pragmatic, will not elect a Chief Executive ready to go against China and disrupt Hong Kong when allowed to vote by universal

suffrage. With the acceptability issue also troubling the Government, the administration has not been smooth. The implementation of universal suffrage will obviate the need for the Central Authorities to attend to everything for Hong Kong.

On the contrary, the helplessness and incompetence on the part of the Chief Executive bring in even more direct involvement in Hong Kong affairs by the Central Authorities. Less than 10 minutes after the delivery of the policy address, the Hong Kong and Macao Affairs Office issued a statement forthright expressing high approval of the policy address, with its contents covering topics ranging from political system to economy and people's livelihood. According to a certain newspaper, the practice is going to become a convention. The continuation of such a state of affairs is bound to impact unfavourably on "one country, two systems" and "high degree of autonomy", to the advantage of neither the Central Authorities nor Hong Kong.

During the Question and Answer Session in the Legislative Council the following day, the Chief Executive said that the Central Authorities came before Hong Kong with regard to constitutional development. Fortunately, the three-person Task Force headed by Chief Secretary Donald TSANG has decided on a dual-track consultation. It is a pity that the three-person Task Force has not let the people know clearly how the consultation is to proceed. Nor are they prepared to conduct consultations on fundamental issues based on public opinions. They, instead, produced a so-called document of "four questions and one conclusion" to consult the people on procedures and some specious legal issues in a bid to confuse public opinions and divert attention. The most apparent example is the atypical viewpoint referred to in the document, namely, the point that to revise the methods for selecting the Chief Executive and forming the Legislative Council, it is necessary to invoke Article 159 of the Basic Law. When asked to tell whose opinion that was, the Government could not answer. In the end, we were given a paper with two cited examples. One of the two examples is just a newspaper article seeking to know whether or not it is necessary to invoke Article 159 of the Basic Law. The other example is even more ridiculous. The author concerned recently issued a statement in the press, saying that the Government had misinterpreted his meaning and that he had to retract the article. The paper also mentioned another problem, namely, the probability of giving rise to a legal vacuum. On seeing this — Madam President, excuse me for saying this — I really wonder whether the person who raised this question had suffered from a mental vacuum.

The three-person Task Force will also tabulate a summary of opinions from organizations, confining the scope of consultation to the 12 questions on the form. Whatever goes beyond the 12 points, such as suggesting specific electoral proposals or methods simply will not be included in the table, thus making it impossible for people to fully understand the views of organizations.

The people's request is, in fact, very simple. The Government has to conduct a comprehensive, fair and genuine consultation, which should cover such more fundamental issues as whether or not it is necessary to have universal suffrage, when to have universal suffrage, and specific proposals on universal suffrage. Those in favour of universal suffrage should also put forward matching measures. Those not in favour of universal suffrage should also put forward convincing justifications.

Actually, the people of Hong Kong are well aware of the fact that the Central Authorities do have a certain role to play in the political reform. Definitely unlike Dr Philip WONG, I have no worry that the people do not understand "one country". The people well understand that any amendment to bring in universal suffrage for the elections of the Chief Executive and Legislative Council Members ultimately must be submitted to the Standing Committee of the National People's Congress for approval or record. So, it is not possible to ignore the views of the Central Authorities. It is also very important for there to be dialogue between China and Hong Kong. When interviewed by the press, Mr Jasper TSANG made an appeal urging China and Hong Kong to sit down and consult with each other. He urged the democratic faction not to fight for democratization with a confrontational mentality. I must stress this. Dialogue is two-way. If the Central Authorities or some pro-China figures identify members of the democratic faction as die-hard opponents or ones with ulterior motives, then those with views not pleasant to their ears will be labelled as opponents seeking to go against China and disrupt Hong Kong, or be described as not patriotic, not understanding the "one country" or the Basic Law, and thus not qualified to talk about universal suffrage. Such mentality is not conducive to any good dialogues or rational discussions.

Madam President, the new Three People's Principles and the policy address are both people-based. If the Government just seeks to temporize but does not properly consult the people to make a good job of the review on constitutional development, it is not just irresponsible. Moreover, there can be

endless troubles too. For the above reasons, I support the amendment but oppose the original motion. I so submit.

MR LAU CHIN-SHEK (in Cantonese): Madam President, I believe most Hong Kong people were greatly astonished by what "Chief Executive TUNG" said about political reform in his policy address. More than half a million people took to the streets on 1 July. In the District Council Election, 1.06 million people, a record figure, cast their votes. On New Year Day, 100 000 people took part in a rally. After all these, clearly indicative of Hong Kong people's vehement demand for universal suffrage, the policy address still did not make mention of a specific schedule for political reform. This is most astonishing!

In recent days, comments against universal suffrage and democracy have been rising one after another. The words are leaning more and more to the left, arousing more and more fear and becoming more and more bewildering. According to someone, to ask for universal suffrage is to cast aside "one country" and to strive for an "independent Hong Kong". According to someone, the aspiration for the "return of political power to the people" raised in the big rallies is not acceptable as it was first brought up by Englishmen some years ago. It has even been claimed that it is fine not to have universal suffrage until 2037 or 2047. I reckon that the more often such comments are made, the more unlikely it is for the SAR Government and the Central Government to win the support of Hong Kong people. What is more, it will just infuriate the people of Hong Kong more and they will fight for democracy with even greater resolve. However, here I still want to respond to several points in the hope that there can be an earnest discussion on the political reform, an issue affecting the well-being of the 6.8 million people in Hong Kong.

Madam President, the colonial period is over. Hong Kong has reunited with China for some seven years. We have to admit that the "one country" issue has been fully resolved in Hong Kong. It is not possible for there to be any dispute. There is simply no justification to use incursion into the principle of "one country" as a pretext to delay or repudiate democracy.

On the contrary, the people of Hong Kong have a question. The colonial period is over. Why can Hong Kong people not select our own government?

According to the four "defenders of the Law" from the Mainland, "when China recovered its sovereignty over Hong Kong on 1 July 1997, it immediately set up the SAR and gave it a high degree of autonomy. This act by itself is a return of political power to the people." I, however, must point out that what is being practised now is not a return of political power to some 6 million people, but only to 800 people. The reason is that the SAR Chief Executive is selected by 800 people. The vast majority of Hong Kong people have no "say" whatsoever.

What is a "return of political power" to the people? To say it in the simplest and most straightforward way, a return of political power to the people means that the 6 million-odd Hong Kong people should be the masters of their own house!

Madam President, the fact that the rallies of 1 July and New Year Day attracted so many participants sums up the terrible experience of predicament that has been confronting the people of Hong Kong for more than six years. The situation is crystal clear today. Unless there is change in the method of selecting the Chief Executive through a small circle, it still "will not work" even if another person takes over as the Chief Executive because, with the Government enjoying no acceptability, it is still going to be hard for government administration to proceed, and impossible for society to face future challenges in cohesion. Madam President, on both occasions of the rallies, I was among those in the front row. During the rallies, I saw enthusiastic reactions from people along the route. On reaching the Central Government Offices, I talked with many people finishing the march. The talks gave me the deep impression that the request to rectify the dilemma of the current political system and the determination to strive for democracy had taken root in people's minds.

On 1 July and 1 January, the people took to the streets to demand political reform. In fact, it can also be said that they were striving for a chance of survival or the betterment of Hong Kong. However, such a good intention has been labelled as disruptive to stability, abandoning "one country", and scheming for an "independent Hong Kong". Such comments not only turn something good into something bad, but also affront the people of Hong Kong. I call upon the makers of those comments to seriously review their words and be careful with their tongue.

It is not just a response to public opinion in Hong Kong for Hong Kong to progress towards democratization. Also, it is not only good for the

development of Hong Kong. In my opinion, if Hong Kong's "one country, two systems" does not even allow democratic elections, then how possibly can the Central Government persuade the people of Taiwan to accept "one country, two systems"? Taiwan is going to hold another presidential election a month or so from now. This will be the third time that the people of Taiwan elect their president by "one person, one vote". If electing government leaders by universal suffrage is considered a pursuit of independence or semi-independence, then does it mean that Taiwan is independent in having a president elected by the people? How are the people of Taiwan going to react to comments holding that to allow one person one vote is to repudiate the "one country"? Are comments like that good or bad to the overall situation?

Recently, Mr TSANG Hin-chee, the lofty figure holding the position as a member of the Standing Committee of the National People's Congress, voiced his criticism, saying that those flying the banner of "returning political power to the people" to fight for universal suffrage were acting in concert with the power bloc of Taiwan Independence in a bid to turn Hong Kong into an independent or semi-independent political entity. Is there any justification or evidence supporting the remarks by Mr TSANG Hin-chee? I have to ask Mr TSANG Hin-chee not to label others. Otherwise, he will be unable to advance any further arguments to justify himself and only look like a big bully. Take a look at the Civil Human Rights Front, the group that organized the rallies of 1 July and New Year Day. Their core organizers, including Rose WU Lo-sai, CHOI Yiu-cheong and Jackie HUNG Ling-yu, are not at all in touch with the Democratic Progressive Party nor any other individuals or organizations striving for independence of Taiwan. They are not even acquainted with them. How can they act in concert?

Madam President, the success or failure of Hong Kong politics is not relevant to the democratization of Hong Kong only. It is bound to have some impact on the democratization of China too. How can political reform be handled properly? We may draw lessons from the experience of South Africa. Towards the end of the white regime in South Africa, the white president was prepared to negotiate with Nelson MANDELA, the black leader in jail. Ultimately, there emerged a society featuring full democracy and racial integration. Given their experience and breadth of mind, these political leaders mutually acted on goodwill and managed to resolve the differences of people representing different political stands, different interests and different races, achieving general reconciliation. Madam President, the past of South Africa

can really serve as our example. We really should ponder over it. Thank you, Madam President.

MS EMILY LAU (in Cantonese): Madam President, after the march of 1 July, the massive turnout for the 23 November District Council Election and the march of 1 January, many people say that the administration of the Chief Executive is bound to have a rough ride. The reason is that those who used to support him in the legislature are beginning to feel concerned, and have started to criticize his measures. Many people, therefore, are not expecting much from the policy address. Nor do they think that the Chief Executive has the courage to take any actions.

However, Madam President, we were deep in the belief that the Chief Executive and Secretary Stephen LAM would give us an account of the political reform in January. It can be said that it came like a bolt from the blue. According to the Chief Executive, during his duty visit to Beijing on 3 December last year, President HU Jintao expressed to him their serious concern and principled stance towards the development of Hong Kong's political structure. In fact, Madam President, I believe President HU Jintao said more than that. However, no account of that has been given here. Furthermore, when the Secretary later came here for meetings or when we met with him, nothing more was said. They made no mention of what had been discussed with the Central Authorities. Yet, in return there came 12 questions, some being issues of principle and some being legal issues.

Madam President, many Hong Kong people, I believe, have been totally baffled by such a development. They also feel very concerned. Some of them find it infuriating. Why did the Central Authorities come out to say something when it was already time to release the schedule for political reform? What did they say? Why has there been no study on these 10-odd questions prior to this? There is, Madam President, one exception — namely, item 12 which is on how to understand the phrase "subsequent to the year 2007" in Annex I. Discussions were focused on this item for the greater part of last year. I have made enquiries on different occasions in full knowledge indeed that it has been studied for years. Michael SUEN has done the study; so has Stephen LAM.

I just want to ask whether or not these 10-odd items have been studied. "Surely yes." However, even if it is "yes", it seems that not much has been

said about them. Whether or not there is study is one thing, Madam President. However, there has been no indication telling us that these are issues at stake. Of these 12 items, only one has been an issue, that is, the last one. Even that has been resolved. It has been found to be fine after months of study — the phrase "subsequent to the year 2007" covers the year 2007. How did the 11 items crop up so suddenly? Furthermore, these are not what the Central Authorities have said as consultation has yet to be made with the Central Authorities. So, these are our guesses, or our fabrications, or our allegations. Why did we not also discuss the other 11 items while we were discussing item 12?

Madam President, the situation is very bewildering. It even gives people the impression that for a long time to the SAR Government, these 11 items in fact were not questions. These 11 other questions were fabricated only after something had been said by President HU Jintao. What is more, so far it is not known how best these questions can be dealt with. It has been pointed out by some colleagues that it is a case of turning political issues into legal issues and turning legal issues into political issues. What should we do?

Whatever the Central Authorities have to say, there is nothing that we can do. We also do not blame the SAR Government. However, I want to know how the SAR reacted when the Central Authorities expressed their serious concern and principled stance.

Did the SAR also state that we also had serious concern, and that we had been so concerned for several years. The phrase "subsequent to the year 2007", the only problematic area found by us, has already been dealt with. The reason is that in October we were told that the matter had been settled. Did the SAR say such things? The reason is that Hong Kong people do not know what you people say in Beijing. So, last month, when we met with the Secretary, we, Madam President, mentioned to him our recollection about CHUNG Sze-yuen's trip to England in 1984, a mission to relay public opinions when the Sino-British talks were approaching the end. They in fact were seeking to maintain the *status quo*. At that time, however, the claim was to relay public opinions. I was then a reporter. When boarding the plane, they did not say what opinions they had to relay. Perhaps we, the reporters then, were less competent and less formidable than the reporters are today.

It is my hope that the Secretary will not make the same mistake when he goes north to relay views later. However, the Secretary is correct in saying that time has changed. But after meeting with the Secretary, I received other views from the people. They find it absolutely necessary to let Chief Secretary Donald TSANG know that he must clearly give an account of what sorts of views have been collected from Hong Kong people. If the SAR Government has its own stand, then it is even more imperative to do so. Everything must be made crystal clear. He cannot just address the 12 questions by extracting sentences here and there so as to quote out of context, or to be fragmentary in his reception. I find such an approach not acceptable. Here is something worse still. If what one says is beyond the scope of the 12 items, it is likely for it to drop to the ground entirely. I think such a method is totally not acceptable to us.

It is my hope that the Central Authorities can be fully informed of what the Hong Kong people say, not what is selected by you yourselves. I do not know why the 12 items were chosen. These issues have not been brought to our notice by the study during the last several years. The authorities concerned have not informed us of them. What is more, Madam President, at previous meetings of the Constitutional Affairs Panel of the Legislative Council, to which outsiders like businessmen, academics, and community organizations were invited, nobody said those words, absolutely none. Suddenly on 7 January came these words like a bolt from the blue. What was said? Why are we so concerned? Our concern is that there might be delay in the matter. It might be delayed to the extent of rendering it impossible to elect, by universal suffrage, the Chief Executive and Legislative Council Members in 2007 and 2008 respectively.

In my opinion, the public should at least be given an opportunity to have discussions so as to reach a consensus. There have been more than 10 opinion polls over the past few years. If we believe in opinion polls, they all indicate that more than 70% of those polled are in favour of having elections by universal suffrage in 2007 and 2008. I, therefore, also have to say this to the Secretary. When he goes to Beijing, in addition to bringing with him other views, he should also bring along all the opinion polls. If he can conduct more opinion polls before going to Beijing, then it is going to be so much the better. These constitute Hong Kong people's will that brooks no distortion.

However, if we now drop into this abyss of discussion, then when can we start our discussion on how to proceed with universal suffrage? Furthermore,

universal suffrage itself requires arrangements to be made. Madam President, as I have said by time and again, if we want to have universal suffrage in March 2007, election campaigns will have to start in 2006. Legislation will have to be drawn up by 2005. It is now 2004. How can we possibly have time to proceed with all the matters?

I, therefore, hope the Secretary will realize that members of the public are very anxious. I call upon him to deal with this matter as soon as possible. Some people want to know how much time Donald TSANG needs to get it done. My answer is that he is not in a position to know. He does not even know when to go to Beijing. It might be necessary for him to go to Beijing three times, 10 times or 20 times. It might take a year or two. What should we do?

So, Madam President, we feel very concerned, the issue having surfaced for no reason at all. The people of Hong Kong are looking forward to having universal suffrage. Some colleagues just said that the adoption of universal suffrage would inevitably lead to the election of a Chief Executive with an antagonistic attitude towards the Central Authorities. I disagree with this. I find these inciting remarks most lamentable. Is there any proof showing that the adoption of universal suffrage will lead to the election of a Chief Executive with an antagonistic attitude towards the Central Authorities? Is there any evidence showing that the adoption of universal suffrage will lead to campaigning for independence or semi-independence? Those people who made such remarks can give no evidence. However, there is extensive coverage by the media. As a result, some members of the public are beginning to feel concerned and a little frightened. I do not think this is to the benefit of Hong Kong. Do not imagine that the purpose can be accomplished by saying those things to browbeat them into silence. In fact, the people of Hong Kong are already well aware of the importance of democracy. Many of them cast their votes in November. I believe in the next few months, many of those not yet registered as voters will enthusiastically get themselves registered. It is not impossible that 60% or even 70% of the people will cast their votes in the election of September, which will be an expression of stand by the people of Hong Kong themselves, Madam President.

I trust Chief Secretary Donald TSANG and Secretary Elsie LEUNG, being accountability officials of the SAR, fully understand Hong Kong people's aspirations. So, they ought to have more courage to tell the Central Authorities that although the people of Hong Kong have aspirations for democracy, that does

not mean they will campaign for independence or confrontation, and that, on the contrary, the introduction of these democratic elections can reinforce Hong Kong's political system, boost the Chief Executive's accountability and cohesive power, and, consequently, push the development in both Hong Kong and China. I call upon the Secretary to say these words. So, he must let us know how he is to collect views, how he is to improve transparency and accountability, how he is to give an account to Hong Kong people before leaving for Beijing, how he is to give an account upon his return to Hong Kong, and how long it is going to take.

Finally, Madam President, I would like to speak on Article 23 of the Basic Law. We are all afraid of Article 23 — Secretary Ambrose LEE has left the Chamber. He enjoys high popularity. Why? Madam President, the reason is that he has not proceeded with the matter. I think all Directors of Bureaux have learned much from this lesson. That is to say, if you do not do things displeasing to the people, they will not be hard on you. If the authorities want to do something about Article 23 after the Legislative Council Election, then I hope that they will conduct sufficient consultation before submitting it to the Legislative Council. After all, this is not Hong Kong people's prime concern. At present, our top priority is on how to take forward the political reform.

With these remarks, I support the amendment.

MR JAMES TIEN (in Cantonese): Madam President, in the policy address just delivered, the Chief Executive decided to set up a high-level three-person Task Force to consult the Central Authorities on the interpretation of Basic Law provisions on the election of the Chief Executive and Legislative Council Members. The Liberal Party considers this to be the first positive step taken for the constitutional review.

I would like to point out that, with regard to the involvement of the Central Authorities, the attitude of the public is basically positive. The reason is that, according to the provisions in the Basic Law, any amendment to the method of selecting the Chief Executive and forming the Legislative Council of the Hong Kong Special Administrative Region (SAR), if necessary, must be submitted to the Standing Committee of the National People's Congress for approval and record. In other words, there has got to be the participation of the Central Authorities in our constitutional review. Also, it is not possible to ignore the

views of the Central Authorities. This is not just the political reality, but also an express provision in the constitutional arrangement.

It is our belief that with the involvement of the Central Authorities, there can be two-way interchange. That is to say, through such interchange the people of Hong Kong may know the views of the Central Authorities whilst the Central Authorities may hear what Hong Kong people have to say more clearly. The actual consultation work in connection with the constitutional review can then be taken forward with greater ease in due course. Moreover, a situation driving the two sides poles apart over the issue of political reform on account of their different interpretations of the relevant provisions in the Basic Law can also be forestalled. Otherwise, it is going to bring to our society immeasurable repercussions.

However, it is still the hope of the Liberal Party that once there is a consensus between the SAR Government and the Central Government on the principles and process of political reform, the SAR Government should expeditiously come up with various preliminary proposals for consultation on political reform before the Legislative Council Election in September. This will make it possible for voters to clearly understand each candidate's stand and attitude towards political reform at the time of the election so that they can make sensible choices.

Madam President, the Liberal Party, having revised its platform last year, has updated its stance on constitutional development and concluded that our constitutional development has to comply with the provisions in the Basic Law. That is to say, it must be in the light of the actual situation in Hong Kong and in accordance with the principle of gradual and orderly progress. Furthermore, all decisions on constitutional development must be premised on the maintenance of our economic prosperity and social stability. The interests of all social sectors should also be thoroughly considered and well taken care of.

I want to reiterate here once again. In putting forward the principle of gradual and orderly progress, we, contrary to the criticism leveled by some, are not seeking to delay or temporize. The Liberal Party does not oppose universal suffrage. The point is that constitutional review is a major issue. We think that there must be careful consideration and that it is not advisable to make a hasty decision.

In fact, the Liberal Party has collected views on constitutional development from our constituencies as well as from party members in preparation for the forthcoming public consultation. According to the opinions collected by us initially, many from the small and medium enterprises, middle class, professionals, and industrial and business sectors are not in favour of scrapping all the functional constituencies in 2008, which indicates that those in the industrial and business sectors and members of the middle class do have some reservations about conducting universal suffrage with the aim of reaching the goal in one step. Their worry is that politicoes or political parties, in a bid to win votes, might go for philanthropy on a lavish scale, and consequently cause adverse effects on the strengths long enjoyed by Hong Kong, for example, the well-tested effective capitalist system and the promotion of the spirit of self-enrichment and self-reliance.

The Liberal Party certainly does understand the aspiration for democracy expressed by people taking to the streets on 1 July last year and on New Year Day this year. Their demand is that the full democratization of the whole political system be speeded up. Our worry is that some political parties and certain voices in the community might ignore the underlying principle of gradual and orderly progress prescribed by the Basic Law, and resort to the tactic of civil disobedience in place of mutual consultation so as to force the Government, moderate political parties and members of the public into submission and thus reach the goal in one step. Such conduct can only damage the atmosphere of harmony and co-operation in the community. Besides, to reach the goal in one step actually is not a rational approach that should give due respect to different opinions in society and the wishes of the Central Authorities.

However, the initial findings of a survey conducted by the Liberal Party recently (which was carried out after my departure) show that the majority is in favour of gradual and orderly progress for the democratization of the political system, and that the ratio of those among them in favour of gradual and orderly progress ultimately leading to universal suffrage for Legislative Council election has been growing and, according to the trend of the last few days, is now over one half. However, so far, the ratio of those in favour of directly electing the Chief Executive in 2007 is still one half more than the ratio of those in favour of having full-scale universal suffrage in 2007. Moreover, the survey also shows that if our question is that the Central Authorities oppose reaching the goal at one go, the ratio of those who are prepared to compromise is far larger than that of those who are unwilling to compromise. So, all these show that whilst the

aspiration for democracy among the general public in Hong Kong is proactive, it is being pursued very sensibly and with a high degree of flexibility as well as a conciliating spirit.

However, there is indeed among the public an extensively-shared stance looking forward to electing a Chief Executive on a more representative base in the future. It is advisable, in the opinion of the Liberal Party, for the Government to face up to this. Here the Liberal Party urges the SAR Government to take the lead to consult different political parties and the public extensively on this so as to reach a consensus. Discussions should also be held with the Central Authorities to work out an agreement to allay the doubts and worries on the part of the Central Authorities with regard to Hong Kong people's sensible demand for gradual and orderly progress leading to full-scale democratization of the political system, and to look positively at such a sensible aspiration on the part of the Hong Kong people and speed up its materialization so as to reach an arrangement consistent with the interests and aspirations of different quarters.

In addition, we think that a really free and democratic society does not just feature the submission of the minority to the majority. It also features adequate attention to and respect for the interests of every sector. So, the future constitutional development ought to follow the principle of "balanced participation". As pointed out by the policy address, it is necessary to ensure that the voices of various strata, sectors and quarters of our community receive adequate representation.

Madam President, all along Members representing functional constituencies have been playing an active role in making contributions to strategies promoting our prosperity, stability and economic growth. We are of the view that so long as different sectors in the community have yet to identify a better substitute, functional constituencies are still worth keeping, and, for some days to come, should not be done away with hastily. However, we also think that it is necessary to further expand the scope of representation of the functional constituencies so as to strengthen their credibility as well as the people's support for them.

The constitutional review is going to affect our stability and prosperity in the future, carrying far-reaching implications for us as well as for our next generation. So, for this matter, the most important point is that there must be

adequate consultation and efforts to reach a consensus. Only this is a responsible approach capable of ultimately forging a consensus in the community and producing a plan agreeable to the people and acceptable to the Central Authorities. Unlike our policies in other areas, such as housing and health care, this plan can afford no mistake. The plan runs in the direction of full-scale democratization. There can be no going back. What is done will be done. So, we think it is necessary to make very careful consideration in dealing with the issue.

We are also of the view that any form of consultation work for the political system has to be conducted amiably and rationally. It also has to be transparent, thorough and above board. I, therefore, want to raise one particular point. At present, the people are not happy with the performance of the SAR Government. This is one matter by itself. However, the long-term constitutional development ought to be another matter by itself. The two matters should not be mentioned in one breath. Above all, do not let our dissatisfaction with the Government affect our ability to make rational judgement.

We are convinced that only a plan consistent with the interests of all strata and sectors in the community, bestowed with all the essential elements of democracy, and capable of relieving the Central Authorities and the industrial and business sectors of their doubts and worries is the ideal plan. Representing the moderate centrist line in the community, the Liberal Party, upon the start of the consultation, certainly will put in efforts to rally the industrial and business sectors, the middle class, the professionals and the general public so as to jointly work for the broadest consensus. To ensure the early materialization of the plan, efforts will also be made to seek clarification from and establish dialogue with the Central Authorities so as to lobby actively and, thereby, inspire the Central Authorities with confidence with regard to the consensus reached by the public and those in the political circle.

So, we are unable to accept the motion expressing regret over the policy address proposed today by the Democratic Party on the ground that the Government has made no specific proposal for constitutional development. I also call upon the democrats to give up their stance on reaching the goal in one step, and return to the rational political path that embodies joint consultation and gradual and orderly progress.

With these remarks, Madam President, I oppose the amendment.

MS LI FUNG-YING (in Cantonese): Madam President, in the chapter on effective governance in the policy agenda, the Government mentioned two "committed areas"; that is, (1) "committed" to maintaining a "small government", and (2) "committed" to maintaining a permanent, meritocratic, professional, politically neutral and clean civil service. At present, with the Government committing itself to the first one, the Civil Service has become very unstable. Though in the middle of last month, when explaining his policy address at a luncheon organized by the business sector, the Chief Executive undertook not to further cut civil service pay for the rest of his tenure of office, that was just the outcome of the tough struggles with the Government waged by the staff side of the Civil Service. It is believed that the Chief Executive's promise cannot ease the tense relations between members of the Civil Service and the Government as various measures pinpointing the Civil Service are coming in quick succession, emerging in an endless stream, and dazzling all spectators.

I agree that the Civil Service does need a revamp, which should head for enhanced efficiency, proper spending of public funds, and the setting of an example of good employer for the community. To put emphasis on fiscal deficit in the course of the revamp and then link fiscal deficit with the Civil Service is to make the Civil Service the scapegoat of fiscal deficit. This is not fair to the civil servants. The controversy over civil service pay cut has come to an end for the time being. However, the review on civil service allowances and the overhaul of the mechanism for the survey on civil service pay level are well under way. Failure on the part of the Government to learn from the mistakes made in the civil service pay cut will again lead to conflicts between the Civil Service and the Government.

According to the policy agenda, there is to be commitment to maintaining a small government. However, the size of a government should not be measured on the basis of the size of the Civil Service. To "hack" the Civil Service for such a reason will do harm even before gaining any benefit. Some time ago, there were reports in the media of damage done to Tung Chung Stream and of debris piling up at Lam Chuen, Tai Po. The Land Executives' Association commented that these were due to resource reduction. With further cuts in resources, they wonder how over-burdened front-line staff can deal with their workload as they have to handle illegal dumping in rural areas as well as cases of illegal village structures.

This year the Government revealed its financial situation by way of accrued accounts. Included is an item on civil servants' accumulated leave balance, which, with a cash value amounting to \$20 billion, constitutes the Government' largest liability to the Civil Service other than pensions. Given the extensive publicity aroused in public opinions, it is no wonder that there have been all sorts of suggestions for cuts on civil servants' leave. The current leave accumulation system of the Civil Service does have room for improvement. However, in the cases of quite a few departments, the accumulation of leave by staff members is the result of government policies. Staff of the Immigration Department (ImmD) have told me that it is not their intention not to take leave, but the problem is that the Department has not got enough manpower to let them take leave without affecting the daily operations. Consequently, it is very hard to apply for leave in the Department. In response to my written question, the Secretary for Security late last year told the Legislative Council that the ImmD and other disciplined services may exceptionally recruit staff. However, the Hong Kong Police Force, the Fire Services Department and the Correctional Services Department can recruit only to fill vacancies arising from natural wastage. Only the ImmD may actually recruit more staff to cope with the additional workload incurred from the growing exchange between Hong Kong and the Mainland. But do such disciplined services as the Police Force, the Correctional Services Department and the Customs and Excise Department not have the same situation just like the ImmD? The Secretary for Security, however, gave no explanation for factors justifying different decisions in respect of disciplined services' recruitment policies. If the Government, in dealing with the development of "small government", is to approach it from a numerical perspective, then the problem concerning the accumulation of leave by civil servants can only worsen as a result. I also have the worry that the Government might take advantage of the review on civil service allowances to simplify the issue by jumping onto the bandwagon of rationalizing the annulment of civil servants' leave and allowances.

Recently the Government has introduced another new measure to deal with civil servants' sick leave, requiring an entry to be made on the appraisal report whenever a civil servant takes sick leave in excess of three days in one month. As a matter of fact, every department has been keeping records of staff sick leave. I cannot see the purpose of the new requirement other than applying pressure on those taking more than three days' sick leave in a month and forcing them to

work even when fallen ill. If this is indeed the purpose of the new requirement, there are bound to be further adverse effects on civil service morale and deterioration in staff relations.

Civil service reform embraces a very broad scope, involving changes inevitably touching the interests of different strata. Must members of the staff side, faced with all the changes, take to the streets or institute legal proceedings on each occasion with the effect of making it necessary for the management side and the staff side to vie for public support by open struggles in the media? In my opinion, the most crucial part in the civil service reform is to change the way in which the struggle between the management and the staff is conducted with the institution of a mechanism for collective bargaining so as to regularize and rationalize the settlement of disputes. Only by so doing can the smooth progress of civil service reform be ensured and the morale of civil servants maintained.

Madam President, civil service reform is closely related to the services operated by subvented agencies and the terms of employment offered to their staff. In a bid to save resources, the Government has been making lump sum grants, which is a measure that materially affects subvented agencies themselves as well as the services available to the public. This year, the Government is going to close five single-parent centres, all of which were set up only in 2001. They, after three years' operation, will be replaced by the Integrated Family Service Centres. It does not matter whether it is for the reason that the Social Welfare Department has to save resources or whether it is for the want of more efficient service. However, to the organizations and workers all along serving those single-parent centres, such a reform, which treats them as things to be summoned or dismissed at will, has caused much discontent indeed. Those service recipients are also being affected.

According to the Hong Kong Council of Social Service, notice has been received from the Government that there is to be a 2.5% cut in the funding for social welfare agencies in the coming fiscal year. Some agencies are going to face a dilemma, that is, to cut services or to cut staff pay. The policy address referred however to the non-profit-making sector as the "third sector" and expressed the wish to establish a tri-partite partnership between the Government, the business community and the "third sector". The above circumstances being

prevailing, the Government still wants to establish a partnership with the "third sector". Where should it start?

Madam President, I so submit.

MR YEUNG YIU-CHUNG (in Cantonese): Madam President, this year's policy address was under strong criticism as soon as it was delivered, in particular, a scathing attack was launched for the absence of a specific timetable on the review of constitutional development.

It was pointed out in the policy address that before a full understanding of the procedure of conducting the review and the implications of respective legal issues was obtained, it was inappropriate to make relevant arrangements for the review of constitutional development. The Government therefore established a Task Force, headed by the Chief Secretary for Administration, Mr Donald TSANG, with members including the Secretary for Justice, Ms Elsie LEUNG, and the Secretary for Constitutional Affairs, Mr Stephen LAM, to examine the review of constitutional development, particularly those concerning the interpretation of the relevant provisions of the Basic Law. The DAB considers that an appropriate move. If we are confused with the initiation and legal basis of the fundamental procedure for the review of constitutional development, it would be impossible for us to promote the political development in Hong Kong which is in line with the Basic Law.

The Basic Law has a firm principle and stance, and there is a meticulous procedure for its amendment which prescribes that the Central Authorities shall enjoy the exercise of sovereignty over Hong Kong, and it authorizes the SAR to exercise the power of "Hong Kong people ruling Hong Kong with a high degree of autonomy" and enjoy executive, legislative and independent judicial power, including that of final adjudication. On the premise that the fundamental interests of the State are not undermined and the implementation of the "one country" principle is not jeopardized, the Central Authorities shall not interfere in the internal affairs of the SAR. Moreover, it is also stipulated in the Basic Law that no amendment to any provision of the Basic Law shall contravene the established basic policies of the People's Republic of China regarding Hong Kong.

Now if Hong Kong has to conduct a political reform, the existing administrative system of Hong Kong is bound to change, which will involve the question of China's exercise of sovereignty over Hong Kong. For that reason, the Central Authorities' concern is fair and square, and there is sufficient legal basis for the Central Authorities' participation. Since the political reform involves the implementation of the principle of "one country, two systems" and the relationship between the Central Authorities, and influences the stability and prosperity of Hong Kong in the long term, the intricacies of different political realities are enough reasons for Hong Kong to think twice before initiating any political reform.

Madam President, democracy should only be implemented and developed under the framework of one nation. The historical background of Hong Kong is worth noting. Under the British colonial rule, Hong Kong did not, and could not have genuine democracy. Since the rulers were foreigners, they represented the interests of the sovereign state, and they were different from that of those being ruled, or in a sense, there were conflicting interests. Thus, under that circumstance, the British Hong Kong Government did not dare to share the power with the people of Hong Kong, and the people of Hong Kong did not actually take part in politics at all. After the reunification, people of Hong Kong enjoy real democracy, but the fact is that they have just taken part in politics and become masters of their own house for just a short period of time. A number of surveys have proved that although the sense of national identity of the people of Hong Kong after the reunification has improved, it is still far from satisfactory. This is a latent problem to the principle of "one country, two systems". For that reason, I wish to advise the SAR Government that along with the constitutional development, it should vigorously promote nationalism education, for democracy in Hong Kong could only develop in a healthy way by walking on two legs.

Madam President, it is worth to draw on overseas experience. Let us take the United States as an example, it is a country the people of Hong Kong know well, and it is widely known that the American people have a strong national sentiment. The September 11 incident fully manifests the patriotic sentiment of the American people. The so-called strong national sentiment is to put the interests of a nation above everything. By so doing, society will have a principal axis, the rows among political parties, the rows in society, the rows about religion, the rows about race, the rows about human rights and various

forms of rows will finally yield to the premise that national interest is of the utmost importance. This rationale is simple and straightforward.

On the contrary, if we just give emphasis to some interests, if we give emphasis to the interests of religion, or if we give emphasis to the interests of a specific group to the extent that they are above those of the state, then this type of democracy would definitely lead to political instabilities. There are numerous examples in the international community, and it is worth to learn a lesson from the persistent internal turmoil and political struggles in the Philippines, Indonesia and the former Yugoslavia.

Madam President, we should also take heed of the experience of Taiwan as far as the development of democracy is concerned. Every time an election is held in Taiwan, there will be many onlookers from Hong Kong who try to learn the ropes. I wish to quote part of the article written by Prof LANG Hsienping entitled "Disproving WUERKAIXI's article 'On One Democratic China'", which was posted in the *Oriental Daily News* recently: "The ultimate goal of the Taiwanese people's quest for democracy is not pure democracy, it is a quest mixed up with a *bona fide* quest for the independence of Taiwan. Whenever an election or a major incident takes place, people from southern Taiwan would display a white banner with a few large-print characters on it in the Legislative Yuan, which reads: "China pigs get out (of Taiwan)". The author was extremely concerned about it and he said, "If CHEN Shui-bian of the Democratic Progressive Party (DPP) loses the election this time around, it will cause a major upheaval among the people in southern Taiwan. How can such behaviour be called the quest for democracy? Democracy in Taiwan is only a means, not a goal. Insofar as the current quest of the DPP is concerned, it is engaging in a substantive championing for independence of Taiwan in the guise of democracy."

Madam President, if we do not wish to see the independence of Hong Kong, or if we do not wish to see Hong Kong takes the path to independence, we should vigorously enhance nationalism education along with the development of democracy. I am not trying to raise alarmist talk. It is because in the course of calling for a political reform, some people have already made similar provocative statements, such as the criticism on the Chief Executive, and I quote "Our Chief Executive grew up drinking the water in Hong Kong and had the blood of Hong Kong people flowing in him, it turned out that he dared not or was not willing — I do not know which is the case — to lobby the Central Authorities

for democracy and 'Hong Kong people ruling Hong Kong' that Hong Kong people are entitled to." May I ask is this statement conducive to uniting people from all walks of life? Is it beneficial to the relationship between Hong Kong and the Central Government? Does it imply that mainland people who grew up not drinking the water in Hong Kong and have no blood of Hong Kong people flowing in them, and the Central Government, care nothing about the interests of the people of Hong Kong? All of these are thought-provoking questions which give us much food for reflection.

Madam President, Hong Kong has been a part of China from time immemorial, and it was then alienated from the Motherland, the Mainland, only after the conclusion of the Treaty of Nanking and the Opium War. Under the colonial rule of more than 150 years, Hong Kong was segregated from the Motherland by means of human effort. As a result of this, the people of Hong Kong have very little knowledge, understanding and sense of identity with the State. Six years after the reunification, no apparent and radical change could be seen as far as the situation is concerned. One of the major mistakes the SAR Government has ever made was its failure to take effective steps to strengthen nationalism education by making up the missed lesson of patriotism. Instead, it has adopted an indulgent attitude which allows unrestrained freedom. May I ask how it can enhance the national sentiment of the people of Hong Kong? For that reason, the DAB honestly hopes that in the course of examining political reform and developing democracy, the SAR Government can grasp the underlying principle that patriotism and democracy development are actually two ideologies in one, and vigorously strengthen our nationalism education.

Madam President, I so submit.

MR LAU PING-CHEUNG (in Cantonese): Madam President, constitutional development is an agenda of constant concern to the people of Hong Kong. This Council has on many occasions debated the issue, and I have had my stance clearly stated. In a word, I agree that the methods for selecting the first and second Chief Executives are not democratic enough. I think, by amending the relevant parts in Annexes I and II to the Basic Law, there is much room for enhancing the element of democracy in the election of the third Chief Executive and the fourth term of the Legislative Council to be held in 2007 and 2008 respectively. Moreover, I have pointed out clearly that whether Annexes I and II to the Basic Law should be amended and the decision to legislate on the 2007

Chief Executive election and the 2008 Legislative Council election method should be the responsibility of Members to be returned to the third term of the Legislative Council in 2004. In spite of this, the Government still has the responsibility to put forward different election proposals for public discussion and to foster the widest consensus in the community. Unfortunately, the Government has so far neither put forward any election proposals nor the merits and demerits of different proposals for public discussion.

A spokesman of the State Council's Hong Kong and Macao Affairs Office made a statement after the Chief Executive had delivered his policy address, and I quote, "earlier on, the Central Government have expressed to the Chief Executive the wish that the Hong Kong Special Administrative Region Government should thoroughly discuss the issue with the Central Government before determining the relevant working arrangements. I wish that different sectors of the community would think and discuss the issue in a rational manner, and to express their views to the SAR Government", end of quote. Therefore, I agree in principle the Chief Executive's appointment of the Chief Secretary for Administration as the head of the Constitutional Development Task Force that will meet with different local political parties and various sectors, as well as discussing the issue with the relevant departments of the Central Authorities. However, I want to point out that sufficient room and adequate time should be allowed for discussions between the Task Force and the Central Authorities, and local discussions in Hong Kong.

Objectively speaking, there is still ample time before a decision on the arrangement for the Chief Executive election and the Legislative Council election to be held in 2007 and 2008 respectively has to be made. The only cause for worry is the long-held mentality of government officials on deferring any proposals until deadline. By then, on the grounds of time constraint, Members will be forced to pass the legislation hastily. Public dissatisfaction with the proposals once added to the imminence of the issue may cause unrest and opposition in society at large.

Another issue is the room of discussion. During the past year, the scope of discussion related to the electoral arrangement for the 2007 Chief Executive election and the 2008 Legislative Council election was very limited indeed. Some voiced their quest for universal suffrage in one step; others opposed changes of any kind. However, in between the existing election method and universal suffrage, there are in fact many other options. Back to early 1990

before the Basic Law was finalized, several options on constitutional systems were opened to the public for open and rational discussion, going through several rounds of consultation. In the current discussion on constitutional development, political groups in Hong Kong seem to have taken a retrogressive move.

Recently, two legal academics from the Mainland participated in a forum on constitutional reform held in Hong Kong. Regardless of what their viewpoints are and whether we agree with them or not, the horizons of the discussion have been broadened and some procedural ambiguities cleared, thus giving the discussions on constitutional development depth. Public opinions, in general, acknowledge that the Central Authorities have a say in the constitutional development of Hong Kong. It is also acknowledged that the final decision regarding Annexes I and II to the Basic Law, which stipulates the 2007 Chief Executive election and the 2008 Legislative Council election, needs to be reported to the Standing Committee of the National People's Congress for approval and record.

In the forum, some academics and members of the legal sector pointed out that the "actual situation" and "gradual and orderly process" stated in Article 45 and Article 68 of the Basic Law are issues of a political not legal nature. If so, we have to remain calm, conducting rational discussions on different election proposals to foster the widest consensus, so as to strive for the consent of the Central Authorities on the choice of the people of Hong Kong eventually.

Madam President, we all know that the Task Force headed by the Chief Secretary for Administration will visit Beijing later on to hold discussions with relevant departments of the Central Authorities. Chief Secretary Donald TSANG is highly experienced in handling knotty problems. I hope the Chief Secretary will try to broaden the room for discussion on constitutional system, and that election proposals of any kind, including the election of Chief Executive and the Legislative Council by universal suffrage in 2007 and 2008 respectively, should not be ruled out hastily.

Constitutional development may develop into a factor of uncertainty in Hong Kong. I would now change my focus to some factors of certainty. In his policy address, the Chief Executive says he will attach importance to the middle class, and will appoint more middle-class people and professionals into advisory bodies. In respect of this, I pointed out in the fourth debate session that it was crucial that the nomination of the appointment was made by

professional groups. Only by doing so would the consultation process become transparent and the views so collected carry acceptability.

In the past, I have repeatedly reflected the plights of the middle class within and outside this Council, and have made some suggestions, tax concessions mainly, of which some have been accepted. I am glad to see the Chief Executive attach importance to the problems faced by the middle class by including this under the Chapter entitled "staying close to the community and improving governance". The issue is regarded as a political issue instead of just economy or taxation problems, and the discontent and aspiration of the middle class are given reconsideration, which may enhance social stability.

At the same time, I would like to point out that, within the Civil Service, we have many middle-class people and professionals. It is regrettable that in the past, when important policies were made, the Government had not consulted them in advance and failed to secure their support, the pay reduction of the Civil Service and implementing Article 23 of the Basic Law by way of legislation, for example. Regarding the adjustment of civil service pay, I know that a "zero-three-three" proposal of cutting pay in phases had been reached between the Government and civil service groups, and the proposal has already been implemented in phases. With the rapid upturn of the Hong Kong economy, the fiscal deficit of the Government may have a chance to be reduced. I thus do not consider it necessary to decide the rate of salary cut at too early a stage, which may repeat the fault made by the former Financial Secretary in projecting a salary cut. Instead, the issue related to pay adjustment mechanism that remains undecided does oblige the Government to negotiate carefully and patiently with the civil service groups. Once the mechanism allowing both upward and downward pay adjustments is established, any pay rise or pay cut will be imposed in accordance with this mechanism, and can thus avoid any unnecessary disputes and enhance stability in Hong Kong. Madam President, I so submit.

MR NG LEUNG-SING (in Cantonese): Madam President, the Chief Executive announced in the policy address that a Task Force would be established to examine the issue of constitutional development in Hong Kong, consult the views of the relevant departments in the Central Government and encourage various sectors in Hong Kong to consider and explore the relevant issues in a rational way. I believe this work arrangement put forward in the policy address is secure and reasonable. If the arrangements made are comprehensive and

reasonable, and if communication will be made with the parties vested with the powers and tasked with the responsibilities as well as all stakeholders, then they are commendable and worth supporting.

First of all, it can be affirmed that the ultimate bases for Hong Kong's future constitutional development are the "one country, two systems" principle and the provisions of the Basic Law. According to Annex I and Annex II to the Basic Law, if there is a need to amend the method for selecting the Chief Executive and forming the Legislative Council after 2007, the legislature and the executive of the Hong Kong Special Administrative Region (SAR) and the Standing Committee of the National People's Congress (NPCSC) all have their prescribed roles and powers. Among them, the duties of the NPCSC include approving or recording the amendments. This means that the constitutional development in Hong Kong is not just an internal matter of the SAR. If the concerns of the Central Government are ignored, or if its duties prescribed by the Basic Law, which are to be fulfilled through participation, are not acknowledged, in the belief that objectives can be achieved by hijacking some of the public opinions and lobbying through a confrontational approach, that would amount to an unrealistic fantasy. This will not be conducive to developing the political system of the SAR smoothly towards its ultimate goal and direction. Furthermore, Hong Kong's long-term social and economic interest will also be jeopardized.

The process of exploring and eventually determining the future constitutional arrangements for the SAR must be able to dispel all the misgivings harboured by any of the parties concerned. At present, it is an undisputed fact that different strata and sectors within the SAR hold different views and opinions on constitutional development. The SAR Government must attach equal importance to these views and opinions, regardless of whether the stratum or sector concerned is the majority or a minority in society. As long as the focus is on promoting Hong Kong's long-term overall interest, and as long as different voices and opinions are kept in view and a balance is struck, the direction and pace of constitutional development will be secure and beneficial to society. Moreover, the process of exploring and finally determining the future arrangements for the political system of the SAR also requires the approval and support of the Central Government. If no approval or support is obtained, then even though a new constitutional framework is pushed through, it would be difficult to imagine how a relationship of mutual benefit and close co-operation between Hong Kong and the Mainland in various areas can continue to be

implemented and maintained, nor will it be possible, at the end of the day, for Hong Kong society, its economy and the public's livelihood to benefit from the so-called constitutional development. This is a rationale known to all.

The constitutional arrangements since the reunification in 1997 have won the trust and support of the Central Government. The SAR Government, under the leadership of the Chief Executive, has striven to maintain a relationship of mutual benefit and close co-operation with the Mainland and put into practice the "one country, two systems" principle. In areas of administration relating to the Mainland, the Central Government has also shown its trust and support and has taken concrete and facilitating measures. Some people have taken it for granted that the Central Government should have trust in and support for Hong Kong and think it a matter of course that Hong Kong should fully benefit from the mainland market. However, I think in fact all these should not be taken for granted. The maintenance of such a relationship requires positive interaction and sincere complementary actions on both sides. As someone who has worked in the finance and banking sector for a long time, I have the opportunity to frequently come into contact with and gain an understanding of the many strata and sectors of society that attach great importance to the overall economic interest of Hong Kong. Of the views on constitutional development in the SAR expressed by some members of these sectors, one important consideration is whether the future arrangements will continue to win the trust and support of the Central Government and whether they will be conducive to maintaining and promoting a good economic relationship between the two places in the long run. To put it simply, if the Central Government is distrustful, how can the public feel at ease? This is without doubt one of the very important so-called "actual situations" that must be carefully considered in the course of constitutional development in Hong Kong.

Another actual situation in the SAR community that merits consideration is that Hong Kong has all along been a predominantly economy-based highly commercialized city. It will not be possible for a hastily introduced and simple political system of "one man, one vote" to fit into or replace the economic activities developed over a long period of time and the sophisticated social organizational structure. From the various controversies that have occurred in society, it can be seen that there are from time to time conflicts and contradictions arising from the differences in personal and sectorial interests in society. Therefore, it is necessary for them to elect their representatives through institutional arrangements to achieve a balance. Only in this way can

the free operation of the economy be insulated from the impacts of drastic political changes, the interests of investors and employment opportunities of the general public be protected and the stability of society and prosperity of the economy be sustained. Some people consider universal suffrage a panacea and it seems that any social, economic and political issues can be solved instantly if universal suffrage is introduced. This is over-simplification of a complex issue in the hope of attaining political ends and beliefs. However, as society becomes increasingly mature and complex, so will the constraints imposed by its political, legal and economic systems be increasingly mature and complex. If we are overly eager in adopting universal suffrage as the escape from various problems or difficulties, I believe more haste will only lead to waste and I am afraid by then, it would be too late to regret about this.

Judging from the actual situation in Hong Kong, I believe the system of functional constituencies still has an irreplaceable and active role to play in the constitutional arrangements for Hong Kong for some time to come. What it needs is continuous refinement rather than replacement. In this connection, in the context of the present examination of the issues relating to constitutional development according to the reality, issues that can be examined further include how the delimitation of the sectors concerned can be rendered more reasonable and comprehensive, whether the electorate can be enlarged, how the system of voting in groups and the division of labour between the two groups of Members can be improved, and so on. For example, it is at least worthwhile to consider further refining the delimitation of functional constituencies so that industries that have contributed to the development of Hong Kong economy can elect representatives to the legislature. This will definitely be conducive to invigorating the market and stabilizing society. It is an established fact that the Hong Kong economy has undergone a transformation and the emphasis is on knowledge and innovation. For example, there is no doubt that the tertiary education sector is different from the present so-called education sector, which basically represents the basic education sector. It is truly meaningful and essential to demarcate a separate tertiary education sector. Another example is how to detach the logistics industry, which has become very important, from the transport sector. It is only natural to do so. Regarding the Chinese medicine practitioners, who have just undergone registration according to the law and who have been a subject of discussion of late, the issue of how the Chinese medicine sector and Western medicine sector can both have reasonable representation of their own has also to be resolved at an appropriate time. Moreover, in recent years, the sector of China-affiliated corporations, which I am working for, has

seen a rise in status and they account for a rather significant portion of the stock market. The market will welcome a move to introduce a representative for the relevant sector.

Regarding the selection of the Chief Executive by means of the Election Committee according to the Basic Law, it is indeed necessary to have the four groups in society and various sectors extensively represented in the electorate. On this system which has operated for many years, it is necessary to retain and fully affirm its merits. In order to give full play to its role, the Chief Executive should fully rely on and liaise with members of the Election Committee during his term of office, so that the representatives of various sectors can reflect the views of the public through the present political system, so as to enhance the effectiveness of administration.

Madam President, I so submit.

MR MA FUNG-KWOK (in Cantonese): Madam President, before the reunification, when the Basic Law had not yet come into force and the concept of "one country, two systems" had not yet been implemented, it was understandable that the constitutional review was not carried out. Since the reunification over six years ago, the Government of the Hong Kong Special Administrative Region (SAR) has neither taken the lead in any discussion nor carried out any study, and even once adopted a passive and evasive attitude. As a result, the community has only rested on the controversy over the electoral methods of the Chief Executive and the Legislative Council, but neglected other areas of constitutional development such as the development of political parties, the accountability system, the relationship between the executive and the legislature, the consultative framework, the relationship between the Central and local authorities, and so on. In addition, the publicity and promotion of the Basic Law and the concept of "one country, two systems" has been insufficient. The general public lacks a comprehensive understanding of constitutional development.

In fact, the main objective of promoting constitutional development is to improve and enhance governance to better meet the needs of the public. In the last year, the SAR Government made many mistakes in handling public policies. Many of them have already been subject to open discussion and criticism. I do not intend to go into the details. Here I only wish to cite two examples.

First, in the cultural aspect, the Government has not yet responded to the policy proposal submitted by the Culture and Heritage Commission (CHC). It has been already six and a half years since the reunification of Hong Kong. Still an overall policy on culture is lacking. Four years ago, the Government established the CHC. Having held numerous meetings and put in lots of efforts, the CHC submitted its policy proposal to the SAR Government in March 2003. However, more than 10 months have gone. The proposal is just like a stone sunk into the sea. The Government has not yet given any response. Such performance is really disappointing.

The worse is that, on the one hand, the Government has failed to make any response in respect of an overall cultural policy. On the other hand, it has hastily decided to invite consortia to bid for the development proposal and the operation plan of the ever-biggest West Kowloon Cultural District as a single project without fully consulting the cultural sector and the community beforehand. This has aroused strong responses from all sectors.

Moreover, the Chief Executive has emphasized many times the importance of education. However, the recent controversy over university funding has illustrated to us how the principal officials each have their own sayings. The situation was once very inharmonious, leading to a confusion of information and many misunderstandings. It almost triggered a strike by students. In the decision-making process regarding university funding, the opinions of the academic sector were not seriously taken. In view of such style of administration, how can we have confidence in the long and arduous course of education reform?

A series of administrative blunders has accumulated to turn into strong aspirations of the public for constitutional reform. There are strong perceptual factors, which are not difficult to understand.

Madam President, the New Century Forum has been urging the Government to promptly launch a comprehensive consultation on constitutional reform, such that the community can have more sufficient time to hold comprehensive and in-depth discussions, in order to achieve a consensus proposal. The policy address of the year has proposed to establish a high-level Task Force. At long last, it has responded to the aspirations of the public. However, the present work of the Task Force is obviously unable to bring its functions into proper play.

Firstly, the first paper submitted to the Legislative Council by the Task Force only focused on 10-odd questions regarding the principle of law. Even when meeting with some bodies, the Task Force also requested them to respond to such technical questions. Strictly speaking, questions of law can only be answered and interpreted according to law. Although questions of law are important, the general public is more concerned about the principle and direction of constitutional development. An excessive concern about the technicalities of law will give the public an expression of a delaying tactic.

Secondly, neither the policy address nor the Task Force has put forward a clear timetable, so the public cannot clearly see how the constitutional reform will be carried out. The timetable that I meant has two levels. First, it is necessary to have a timetable for consultation. When will the consultation be held? How many stages are there? What are the areas for consultation at each stage? How long is the consultation period? I think it is necessary to have such a timetable to facilitate systematic discussions by the community.

Second, the timetable for constitutional development. The Basic Law has stipulated that the political system of Hong Kong should be developed in the light of the "actual situation" and in accordance with "the principle of gradual and orderly progress". What should this "order" be? Personally, under the prerequisite of ensuring social stability and balanced participation, I incline to speed up the introduction of election by universal suffrage. However, are the aspirations of the public that unitary? According to an opinion poll conducted by the New Century Forum during last August and September, some people demand election of the Chief Executive in 2007 and of the Legislative Council in 2008 both by universal suffrage, but the majority preferred the more moderate proposal of gradual and orderly progress. The interviewees opposing and supporting the preservation of the seats of the functional constituencies accounted for over 20% and 30% respectively, indicating that there was no mainstream opinion at all. Because of that, we have to calmly balance the interests of all sectors and all classes in the determination of an explicit "order" for constitutional development through thorough negotiations in order to ensure an environment for balanced participation.

Madam President, I would also like to talk about the role of the Central Government. Constitutional development is not only an internal matter of SAR, but also a matter affecting the people of the whole country, the Strait situation and international relations, and so on. Therefore, during discussions on

constitutional issues, the public must consider both the interests of the Central and local authorities from a long-term and comprehensive perspective. I fully agree with Dr YEUNG Sum's opinions that the Task Force should present the opinions of Hong Kong people to the Central Authorities in a transparent and open manner while the opinions of the Central Authorities should also be respected and sufficiently expressed. Not only has the Government to express the general opinions of Hong Kong people, but also lead all social sectors to communicate with the Central Authorities to seek a consensus.

Therefore, the SAR Government, together with the Central Authorities, shall study and establish a widely representative and transparent platform so that the Central Government can have more effective and two-way communication with Hong Kong people, striving to work out a proposal acceptable to both the Central Authorities and Hong Kong people. I once proposed in the newspaper that one of the proposals worth considering was to learn from the past successful experience of the Basic Law Consultative Committee. The Standing Committee of the National People's Congress shall authorize the Committee for the Basic Law to form a large consultative committee consisting of representatives from the Central and local governments and all sectors in Hong Kong, which will work closely with the SAR Government to reach a consensus through political consultations.

In addition to a communication platform, it is also critical for Hong Kong people to have a comprehensive understanding of the Basic Law. In January, two legal experts from the Mainland expressed some opinions on constitutional development in Hong Kong, which aroused some repercussions. It reflects that the general public has a limited understanding of "one country, two systems" under the Basic Law and the relationship between the Central Authorities and the SAR. In fact, the Basic Law Promotion Steering Committee of the SAR Government has never fully played its proper role. Given their limited resources, non-government organizations have also failed to launch large-scale promotions. Moreover, in the absence of a direction in the past, they only focused on the promotion of the rights of the people, but neglected the need to remind the people of their due obligations, let alone the relationship between the Central Authorities and the SAR. As a result, a substantial number of people cannot fully understand the Basic Law, thus obviously increasing the difficulties in communication between Hong Kong and the Central Authorities. Some people may even resist the Central Authorities to participate in the discussion on constitutional reform.

Therefore, the SAR Government must review the key direction for the promotion and understanding of the Basic Law. Not only should the Government promote the rights of the people, but also make the people realize their obligations, the relationship between the Central Authorities and the SAR, and so on. Moreover, the Government should also strengthen or restructure the Basic Law Promotion Steering Committee and properly deploy its resources to leverage on the forces of the non-government organizations to deepen the public's understanding of the Basic Law. I believe if Hong Kong people can understand better the Basic Law and "one country, two systems", it will facilitate rational and sensible discussions between the Central Authorities and Hong Kong people in order to reach a consensus, thus smoothing the progress of the implementation of the direct election of the Legislative Council and the election of the Chief Executive by universal suffrage.

Lastly, I would like to emphasize that the main objective of constitutional reform and development is to enhance governance. To achieve this objective, it is necessary to consider the constitutional reform in a holistic manner. In the past, the whole community simply focused on the agenda of universal suffrage. No doubt the electoral system is important, but the constitutional reform is "not just as simple as universal suffrage". Election is just a segment of the constitutional reform. Other areas including the relationship between the Central and local authorities, the relationship between the executive and the legislature, the operation of the accountability system, the roles of political parties and the functions of the consultative structure are all core issues that must be considered as a whole so as to achieve the objective of a better governance. Either the SAR Government or the consultative organ that may be established in the future must lead the community to more extensive and comprehensive discussion.

Madam President, the discussion on constitutional development is originally a very good platform for improvement to governance. Since the reunification over six years ago, we have never held a comprehensive and rational discussion on this point. On the contrary, we have made the constitutional reform become the focus of social conflicts. In this regard, the SAR Government, various political parties or groups, the media, and even the academic community, in fact, all have to bear certain responsibilities. Now the policy address has proposed to establish a Task Force. At long last, the consultation on constitutional development has been activated. I hope that all sectors can join in the discussion with more rational and sensible attitudes, and

soon arrive at a proposal for constitutional reform which is acceptable to both the Central Authorities and Hong Kong people through communication and consultation. Thank you, Madam President.

MS CYD HO (in Cantonese): Madam President, the Task Force set up by the authorities is expressly tasked with the responsibility of consulting the Central Authorities. However, people in Hong Kong all hope that the Task Force can represent to the Central Government the real situation in Hong Kong. The Chief Secretary for Administration has also pledged that he would do so. The 12 questions asked by the Task Force are only expressing the worries of the Central Authorities in the form of questions. They are a reminder to the people of Hong Kong that the National People's Congress can be called in to exercise its power to interpret the Basic Law and hence delay the progress of democracy in Hong Kong. The 12 questions do not attempt to list out the real situation in Hong Kong. If the Chief Secretary is sincere about presenting the real situation in Hong Kong and the wishes of the people to the Central Authorities, I would urge him to add the following questions:

First, what are the reasons for the accountable officials each merely minding their own business and lacking in team spirit? Would this be beneficial to the development of Hong Kong?

Second, members of the Executive Council do not have any recognition through elections, so apart from making political deals, how can it be ensured that various political parties in the Legislative Council all lend their support to the Government so as to make the administration smooth?

Third, as the behaviour of the Chief Executive has become the laughing stock of the people and his popularity ratings are constantly low, how can the Government maintain effective governance?

Fourth, as the Government perpetually deviates from public opinion, it has encountered lots of difficulties in governance, what are the reasons for that and how can the problem be resolved?

Fifth, would a democratic system make Hong Kong more advanced and become a cosmopolitan city or relegate Hong Kong into a third-world city?

Sixth, will universal suffrage induce a fairer business environment and healthier economic development, or will it just facilitate the exchange of interests in a small circle?

Seventh, recently many people are very eager in coming out to speak for the Central Authorities, will their remarks serve to make Hong Kong people more worried, make them misunderstand the Central Authorities or would Hong Kong people rather prefer to engage in direct communication with the national leaders?

Eight, as Hong Kong is stuck in this political deadlock and as the people are low in their spirits, would this be a good thing for Hong Kong and China?

I believe the answers to these questions can help the Central Authorities understand the actual situation in Hong Kong and thereby facilitate two-way communication.

Madam President, there are two causes for one's name to go down in history. One is good deeds done to the benefit of posterity. The other is bad deeds done to the harm of posterity. I would advise the Chief Secretary to be prudent in his choice.

MR LEUNG FU-WAH (in Cantonese): Madam President, based upon the principle of allowing the community to take a respite and build up its strength, the policy address this year has not put forward any drastic reforms. The controversies over civil service pay cut have also closed for the time being following the "zero-three-three" agreement reached by management and staff. However, the fiscal deficit of the Government is still hanging over civil servants like a huge sabre, only that the focus has switched from all the 180 000 civil servants to issues such as the design of the pay adjustment mechanism, downsizing of the civil service establishment, review of allowances and number of non-civil service contract staff. It can anticipated that all these issues may cause disputes between management and staff in the Civil Service which, if not properly handled, may result in confrontation. That is why it really requires immense wisdom on the part of the Government to strike a balance between the management of public finances and the stability of the Civil Service. It is of particular importance that the various issues related to the Civil Service must be handled with an attitude of respect and pragmatism, one which also balances the

interests of all. What I am especially concerned about is the very pressing problem of excessive manpower resulting from changes to the work procedures of some particular grades in the Civil Service.

Madam President, the last and most heated topic in the policy debate this year is surely the future development of our political system. In the policy address, the Chief Executive disclosed that when he was on duty visit in Beijing recently, President HU Jintao had pointed out to him the serious concern and principled stance of the Central Government towards the development of Hong Kong's political structure. For this reason, the Chief Executive has set up a Task Force comprising the Chief Secretary for Administration, the Secretary for Justice and the Secretary for Constitutional Affairs. The Task Force will discuss with the Central Authorities on the one hand and gauge the views of Hong Kong people on the other by inviting representatives of organizations from various walks of life to meet with it. The Hong Kong Federation of Trade Unions supports such a two-pronged approach to consultation.

The development of Hong Kong's political structure has serious implications on the relationship between the Central Authorities and the Hong Kong Special Administrative Region (SAR), the interests of all strata in society and the long-term development of Hong Kong and even the State. The SAR Government must therefore take account of the development in the long run and proceed in a prudent and meticulous manner. Last month, two mainland legal experts came to Hong Kong to meet with a number of local organizations. From the avalanche of media coverage, we can notice a discrepancy between the two sides over the interpretation of the Basic Law and the right to initiate a political review for Hong Kong. It is not hard to understand such a discrepancy, given the fact that different social systems are adopted in the Mainland and Hong Kong. For this reasons, it is only natural that the people of the two places may differ on their perceptions of the State, social values and democracy and may also differ in extent on their related demands. For example, the 1.3 billion people in the Mainland treasure particularly the fact that achievements to the envy of the world have been made since the founding of the State and the policy on reform and opening, so they are keen on maintaining the stability and progress of the country, and in this respect, their aspiration is different from that of Hong Kong people.

If we burst into an uproar and snub the mainland legal scholars simply because they have expressed some personal views which are different from those

of local lawyers, it must then be asked whether such an attitude of overweening arrogance is democratic. Can people with such an attitude conduct any sensible discussions on significant political issues, taking into account the interests of the State and the various social strata?

There are different ways to interpret public opinions. I buy the point that in different opinion polls, different questions will yield different replies. A question frequently asked is a simplistic one on whether or not the respondent supports universal suffrage or a "one person, one vote" system of election. Most respondents will say "yes". But when the respondent is further asked to prioritize the importance of various issues, "democracy" is frequently given a relatively low ranking, and employment, the economy and welfare benefits are usually ranked on the top. How should we interpret such an expression of public opinions? I think public opinions can be interpreted in different ways, but care must be taken not to "hijack" or even "rape" public opinions. I suppose this is the minimum standard of political ethics!

Is the immediate implementation of universal suffrage the only issue in Hong Kong's political development? Are the election of the Chief Executive by universal suffrage in 2007 and the introduction of full-scale direct elections for the Legislative Council in 2008 the only indicators of progress in Hong Kong's political system? Is it realistic to rely on universal suffrage as a means of solving Hong Kong's economic problems? All these questions must be discussed by the Hong Kong community rationally and from the long-term perspective, with a view to working out political arrangements that can look after the overall interests of the State and Hong Kong as well as their unique features.

Madam President, I so submit.

MR LEE CHEUK-YAN (in Cantonese): Madam President, a very important message carried by the policy address this year is "to take a respite and build up its strength". Surprisingly enough, the community seems to have taken it without any objection. We all seem to breathe a sigh of relief, as TUNG Chee-hwa realizes at long last that he should stay out of the way. I believe the people will never want a government which will do nothing, they just want this inept government stop messing up things. They want the TUNG Chee-hwa administration to do nothing because that is a kind of damage control, that is, minimizing the damage it causes.

This kind of mentality held by the people is actually a reflection of the reality that the TUNG Chee-hwa administration is totally bankrupt. It is an outright "lame ox" government. This lame ox government is the cause of all the miseries and disasters in Hong Kong. It has the qualities of an ox. TUNG Chee-hwa himself was born in the Year of the Ox, and there are also structural reasons for the lameness. As for TUNG Chee-hwa, the Hong Kong community has abandoned all hopes in him. There would be no need to criticize him, and we might as well save our efforts in attacking him. But we must focus our attention on how to tackle this structural lameness.

Madam President, the best reflection of this structural handicap occurred in about noon, 19 February 2002. On that day, TUNG Chee-hwa brought with him nominations from 706 members of the Election Committee and went to the Electoral Affairs Office and registered as a candidate for the election of the second term Chief Executive. It is amazing to see how an inept person who did not have any popular support was nominated by 714 members of the Election Committee and succeeded in becoming the Chief Executive for the second term — uncontested. I want to tell these members of the Election Committee that they are cracking a joke on the people of Hong Kong and that is going too far! They have never thought about the Hong Kong people and that is outrageous. They are just a group of people with vested interests and they only know that they should be loyal and excessively so to the source of power. What they did was to guard their privileges and vested interests and place someone who was not fit for the office to this seat of power. The result is there will be five more years of disaster for Hong Kong.

In the course of the recent discussions on the constitutional reform, we see some people from the privileged class who, in a bid to protect their political privileges, are exhausting every way and means to block the progress of democracy in Hong Kong. May I ask these people from the privileged class, for how long they want Hong Kong to suffer before they will let go?

What God wants to destroy must be made mad first. The lunatic act in 2002 is a pronouncement of the destruction of the "small circle" elections. This part of our history will not be erased and forgotten. For with the countless catastrophes that we have gone through, the people of Hong Kong can never trust in this game of preordination. To maintain effective governance, the method to

return the Chief Executive and the Legislative Council must see some fundamental change.

Mr James TIEN said earlier that we should not seek to reach the goal in one go. But for Hong Kong, the reality is many steps have been made and we are still short of the goal. The reality is that the gradual and orderly progress has become a snail's pace. As to the question of whether or not the Chief Executive should be returned by universal suffrage in 2007 and all Members of the Legislative Council be returned by the same in 2008, I think the opportunity for discussing these has long passed. These are no longer the themes of this constitutional review, for the people of Hong Kong have got their answer already. Now and at this juncture in time, what is most in line with the wish of Hong Kong people and their interest is to study the plans for the election of the Chief Executive by universal suffrage in 2007 and the formation of the Legislative Council by the same in 2008 and what matching measures should be taken for such purpose.

May I advise the Government and those groups with vested interest to delay no more! For the world will not stop and wait simply because they want to dodge and delay. If things can get started early, the gap between these people and the public will narrow sooner; the rift between these people and the public will be mended sooner; and everyone can work together under a fair political system to make Hong Kong a tolerant, harmonious and prosperous place. I also believe if these people can take part in the discussions on constitutional reform in a rational manner, we can certainly work out sound arrangements for universal suffrage.

Madam President, some time ago when Mr Jasper TSANG was interviewed by a newspaper, he made the comment that the democrats should convey a message to the Central Authorities that they were willing to talk it over with the Central Authorities. I can say to Mr TSANG that the democrats camp, like the people of Hong Kong, wish to start a rational dialogue with the leaders in the Central Authorities. But so far, we have only heard the leaders say that they are very concerned about the constitutional development in Hong Kong. Other than that, we have only heard the new and the old privileged in the SAR speaking in the name of the Central Authorities and posing as the penultimate rulers of Hong Kong and pointing their fingers at this and that. They cannot help forge a rational dialogue between the people of Hong Kong and the Central Authorities.

What they do will only be objectionable to the Hong Kong people. In the words of Mr LAM Hang-chi, they are just a flock of red-billed mynahs. They are nothing but political eunuchs who make wrong conjectures of the will of the emperor, bully people by flaunting their royal connections and pass on their own will as that of the emperor. They are trying to have a hand in Hong Kong affairs on behalf of the Central Authorities. If this goes on, the people of Hong Kong will only be pushed into confrontation with the Central Authorities, which is most tragic indeed.

Mr James TIEN said earlier that the misapprehensions of the Central Authorities about universal suffrage in Hong Kong should be dispelled. But the problem should be solved at its roots. Hong Kong people are most sincere about starting a dialogue with the Central Authorities. They want to talk with President HU Jintao, not TSANG Hin-chi; Premier WAN Jiabao but not Raymond WU. Now these red-billed mynahs are pulling the wool over the eyes of the Central Authorities in the communication with Hong Kong, and the Central Authorities are often bypassed. We do not want this situation to continue.

I would also like to respond to the remarks made by Mr YEUNG Yiu-chung earlier. He said that when I asked the Chief Executive a question, I said that the Chief Executive drank the water of Hong Kong and the blood which flowed in his body was that of a Hong Kong person, so in other words, as the leaders in the Central Authorities did not drink Hong Kong water and the blood which flowed in their bodies were not that of a Hong Kong person, so they never cared about the interests of Hong Kong people. I think the remark made by Mr YEUNG only serves to sow discord and arouse hostility. I have never said that the Central Authorities never care about the interests of Hong Kong people. But unfortunately, there are many red-billed mynahs that drink the water of Hong Kong and with the blood of a Hong Kong person flowing in their bodies, and they do not care a bit about the interest of Hong Kong people. That is true.

Mr YEUNG Yiu-chung also talked about the need to make the people identify with the country before the Central Authorities could permit democracy in Hong Kong with peace of mind. I am not sure if Mr YEUNG is passing the wrong message again. The people of Hong Kong are definitely patriotic, but they do not identify with the Communist Party of China. A love for the party should never be made a prerequisite for democracy. I hope that in any rational

and reasonable dialogue, there will not be any people saying things to the effect that an identification with the country is a prerequisite for democracy in Hong Kong.

Mr James TIEN said that the misapprehensions of the business sector should be dispelled. Misapprehensions are worries about things that have not yet happened. The discontent which the people have for "small circle" elections, political privileges, under-table dealings, and so on, are not things in the future but things which are happening right now. Who then is to dispel the discontent of the people? Having said that, the misapprehensions of the business sector about universal suffrage must be addressed. They should be solved through dialogues. But I just want to make one remark in response and say it to the business sector, that is, I hope they will trust the choice made by Hong Kong people and respect this choice. They should stop making guesses on how Hong Kong people will choose when universal suffrage is in place. I hope the people of Hong Kong can be respected.

Madam President, finally, I would like to conclude my speech in the manner of a prayer, the Lord's Prayer. I would like to say to the Lord, "Thy Kingdom come." For it is my strong belief that in the Kingdom of God, everyone is born equal and this quest for democracy is only an attempt to realize this right that everyone is born equal. I hope all the people in Hong Kong can work together to this end. Thank you, Madam President.

MR CHAN KWOK-KEUNG (in Cantonese): Madam President, I would like to focus my discussion on the Civil Service. The Civil Service is the cornerstone of the Government. The Government should not look at civil servants from the angle of an employer, but should treat them as working partners. Indeed, the ideal employer/employee relationship is one of co-operation rather than oppression. This naturally will be the best and the most harmonious relationship.

The Government has introduced a second Voluntary Retirement Scheme, indicating that the Government has still not given up the "slimming" objective. It is also complementing it with a salary review in order to achieve an effect of tightening the expenditure. The salary structure needs to be reviewed and the Civil Service also accepts that. However, I hope that the authorities concerned, in comparing the salary level of the Civil Service with that of the private sector,

will consider the financial pressure on the civil servants too. This is very critical as quite a number of civil servants at present are owners of negative equity properties. If their income is substantially reduced, there is bound to be some repercussions in the Civil Service.

The civil servants may not be afraid of the salary review or the Voluntary Retirement Scheme. However, if the two measures are implemented at the same time, as the Government wishes, a large number of civil servants may be forced into early retirement. A lot of civil servants have sighed deeply that it seems to be the conspiracy of the Government to force them to leave the Civil Service through this two-pronged strategy. The Government's wish to constrain the establishment to 160 000 has imposed pressure on the civil servants who "can leave" and those who "cannot leave".

To those who can leave the Civil Service, they suddenly have to face uncertainties about their future. To those who cannot leave, they are afraid that there will be heavier workload. Besides, they have to face various measures like allowance reductions, enhanced productivity and structural redeployment. The situation is equally difficult whether they leave the Civil Service or not. If they stay in the Civil Service, they have to face salary reductions. At the end, the stability of the Civil Service will be gone. A clean Civil Service with high salary level will only become a pre-historic heritage, and is no longer a foundation of the SAR Government.

If the Government wants to achieve effective governance, the stability and professionalism of the Civil Service should not be neglected. However, on the issue of salary review, the Government only emphasizes "cost cutting". And in the face of the staff, it will only say "consultation". Actually, the Government already has a hidden agenda of cutting the salary. The civil servants do not mind moving ahead with the times. But they only fear that a stable job will finally taste like chicken ribs — be of little or no value with the loss of aspirations and the protection. When the morale of the Civil Service is low, how can the Government achieve effective governance? I hope that, in respect of these questions of concern to the civil servants, the Government can consider the views of the civil servants, turn away from a purely rational angle and give sufficient respect and understanding to the civil servants.

Thank you, Madam President. I so submit.

MR SZETO WAH (in Cantonese): Madam President, Chief Secretary for Administration Donald TSANG once said that he grew up drinking Hong Kong water, and his body was filled with Hong Kong blood. But Maria TAM and Raymond WU also grew up drinking Hong Kong water and their bodies are filled with Hong Kong blood, yet I know one of them holds a foreign passport and is a citizen of a foreign country. Water and blood, what on earth can they stand for?

In fact, Hong Kong water has its origin in the Dongjiang, which is in China. The Chinese in Hong Kong are also Chinese by ethnic origin. Now the majority of Hong Kong people who demand "returning the political power to the people" all grew up drinking water from the Dongjiang, and their bodies are filled with Chinese blood. They are all patriotic. Just recall what happened during the democratic movement in 1989 — the several mass rallies then participated by over a million people fully demonstrated their patriotism. But they also love democracy. On 1 July last year, 500 000 people took to the streets, fully reflecting the people's determination to fight for democracy. Patriotism and the love for democracy are not mutually exclusive. Instead, they are united. A genuine patriot will surely support democracy; and a genuine supporter of democracy is definitely patriotic. Therefore, the most important issue is not what kind of water a person drinks, or what kind of blood runs in his body. Instead, what matters most is whether that person is really patriotic, whether he really supports democracy.

With a mother of Japanese origin, ZHENG Chenggong drank water of Taiwan for the latter half of his life. SU Manshu, whose mother was also a Japanese, was born in Japan. However, both of them were patriots, and were highly respected.

This time, Chief Secretary for Administration Donald TSANG carries a tough mission of great complexity. I feel that maybe this is the toughest test in his life, which will determine his reputation in history. When he communicates with officials of the Central Authorities, I have several points of advice for him:

First, be frank and precise in fully reflecting the aspirations of Hong Kong people. He should not just reflect part of the aspirations, nor should there be any distortion.

Second, explain clearly that "the return of political power to the people" does not mean "the independence of Hong Kong". No one in Hong Kong pursues, or will pursue or can pursue the independence of Hong Kong. Nor would there be a usurpation of power because the power belongs to the people originally. "Returning the political power to the people" is allowing the people to really own the power, and no one can take it away.

Thirdly, explain to them in specific terms that an economic recovery does not mean that all the political problems could be resolved as well. Only through political reforms and democratization can we maintain the long-term prosperity and stability of our economy.

Fourth, account fully and explicitly the events and details of each such communication, especially each point of opinion of the Central Authorities, to the people of Hong Kong.

"Man proposes, God disposes." Confucius says, "At fifty I knew the mandate of heaven." By "mandate of heaven", I interpret it as "the development pattern of history". Chief Secretary for Administration Donald TSANG is already over 50, does he know what our "mandate of heaven" is? "The trend of democracy is an irresistible historical development. If you act in line with it, you will prosper; if you act against it, you will perish." This is the "mandate of heaven" of the 21st century. I hope Chief Secretary Donald TSANG could make his contribution to this historical trend.

Recently, someone told a core member of the Democratic Party: Beijing is willing to conduct communication with the Democratic Party. But there is one condition, namely, the withdrawal of SZETO Wah from the Party. I doubt such a relayed message, coming to the conclusion that "someone is issuing a fake decree for the emperor" because the person making such a suggestion is too ignorant — ignorant about Hong Kong, the Democratic Party and me. He said I had to withdraw from the Party because I am the Chairman of the Hong Kong Alliance in Support of Patriotic Democratic Movements of China. In fact, he does not know that, apart from me, Mr Andrew CHENG, Mr Albert HO, Mr CHEUNG Man-kwong, Mr LAU Chin-shek and Mr LEUNG Yiu-chung are all Committee Members of the Alliance. He does not know that in the platform of the Democratic Party, there is an agenda on rehabilitation of the 1989 pro-democracy movement. Obviously, this is a trick aims to divide, and more such

tricks will come one after another in future. The pro-democracy camp must be on the guard. I also think that, the employment of such a trick is not conducive to sincere and co-operative communication.

Recently, someone has asked me if I am willing to travel to the Mainland and conduct talks on constitutional review on a confidential basis. All along, I have a personal dislike for any hush-hush approach. Why should it be confidential? An open discussion, regardless of the results, would at least reduce the conflicts and contradiction and create a harmonious atmosphere, which will pave the way for reaching an eventual consensus. As for the constitutional review, the public opinions stress that it is important that Hong Kong people should first have some internal communication, and then proceed to communicate with the Central Authorities before eventually reaching a consensus. On 1 July 1985, which was in the last century, the Basic Law Drafting Committee held its first plenary meeting in Beijing. In my speech, I said, to such effect "While the final outcome of drafting is important, the drafting process is equally important. It should enable us to learn from the education of solidarity in the process." Insofar as our recent discussion on the constitutional review is concerned, I hold the same view: While the final consensus is important, the whole communication and discussion process is equally important. However, evident in events of the last several months, though the formal process of communication and discussion has not started, many people have already made some destructive remarks and moves, poisoning the whole atmosphere. If we do not rectify it, the situation will worsen substantially. It is indeed very worrying. The process will affect the outcome.

From my observation of the words and conduct of Mr HU and Mr WEN since their assumption of office, I reckon that they have not made the final decision, though they have expressed great concern about the constitutional review. The most urgent priority for them at the moment is the presidential election in Taiwan which will be held next month. The outcome of the election will be a major reference factor of consideration on the formulation of their policies towards Hong Kong.

The most important agenda now for Beijing officials in charge of Hong Kong affairs is to prevent the pro-democracy camp from winning more than 50% of the seats in the Legislative Council Election to be held in September this year.

Their attitude towards the constitutional review of Hong Kong will be affected one way or the other, regardless whether such a scenario will come true.

I always think that the road to democracy is long, devious and bumpy. The election in this September will be a very important step on this long, devious and bumpy road. Be it a forward step or a backward step, it is going to be a very important step. I hope our friends in the pro-democracy camp can unite together and exert our utmost in making this significant forward step on our road to achieving a "return of the political power to the people".

With these remarks, Madam President, I support the amendment.

DR RAYMOND HO: Madam President, the Hong Kong Special Administrative Region (SAR) Government has taken the right initiative in establishing a Task Force headed by the Chief Secretary for Administration to examine major issues concerning our future constitutional development which will have significant implications on every aspect of Hong Kong. Although the initiative may not be bold enough for some of our colleagues, the Government has at least taken the first step and is not trying to evade from this major challenge.

Among many other major issues involved, we must first agree on what types of amendments are required to implement reforms regarding the election of the Chief Executive and the Legislative Council. From my involvement and experience as a member of the Basic Law Consultative Committee during the period 1985 to 1990, I tend to hold the view that no Basic Law amendment is required for review of the Annexes. Back then, I was one of the 89 members of the Business and Professional Group of the Basic Law Consultative Committee which comprised members from professional and business sectors (sometimes called the group of 89).

If my memory serves me right, the method for the selection of the Chief Executive of the SAR and the method for the formation of the Legislative Council of the SAR were included in Annex I and Annex II of the Basic Law respectively, so as to allow for flexibility for their subsequent amendments if required, without resorting to the amendment procedures for the Basic Law as stipulated in Article 159. I hope that the Government can clarify this point as soon as possible.

On the subject of constitutional reform itself, the Government must conduct a broad and real public consultation. For the purpose, the Government may consider setting up a Constitutional Review Consultative Committee, comprising say 1 000 members nominated by all sectors of the community, which in a way is along the line of the former Basic Law Consultative Committee of which I was a member elected by the Council of the Hong Kong Institution of Engineers. I must stress that all the members are to be nominated by different sectors of the community and not appointed by the Government. Also, the consultation must be an in-depth one, allowing for a real discussion among members of the public on the future constitutional arrangements of Hong Kong. There must be no rush in the whole consultation exercise. It could last one to two years if necessary. Adequate time must be allowed for thorough consultation. I must say up to now, as far as constitutional reform is concerned, the Government's time management has clearly failed the reasonable expectation of the general public. As I have openly suggested to the state leaders in Beijing previously, the Chief Executive may consider leading a Legislative Council delegation, comprising all 60 Members of the Legislative Council to visit Beijing. Besides paying visits to state leaders, the delegation should also meet with senior officials who are in charge of Hong Kong affairs to discuss the future political arrangements as well as other major issues of mutual concern. They will also be able to discuss the subject with former Basic Law drafters. The visit would definitely help enhance mutual understanding between the Mainland and Hong Kong.

Madam President, the Government must learn from the lesson in its clumsy handling of legislating for Article 23 of the Basic Law. Dialogue must be open all the time to all parties. Adequate time and opportunity must be afforded to every member of the community.

Madam President, with these remarks, I so submit. Thank you.

MR FREDERICK FUNG (in Cantonese): Madam President, the most conspicuous topic related to the policy address this year must be Hong Kong's political reform. The methods for selecting the Chief Executive and forming the Legislative Council, in particular, have become the talking points of the people recently. The Hong Kong Association for Democracy and People's Livelihood (ADPL) and I both hold the view that basically, there are two aspects to the current controversies over Hong Kong's political reform. The first is

about the legal basis, interpretation, application and adjustment of Hong Kong's political system. The second is related to the actual course and pace of political reform.

The legal basis of Hong Kong's political system is derived from the constitutional instrument known as the Basic Law. The methods for selecting the Chief Executive and forming the Legislative Council are explained respectively in Article 45 and Article 68 of the Basic Law. It is stated that the methods shall be specified "in the light of the actual situation in the Hong Kong Special Administrative Region and in accordance with the principle of gradual and orderly progress", the "ultimate" aim being the introduction of universal suffrage. As to the specific methods for selecting the Chief Executive and forming the Legislative Council, they are prescribed in Annex I and Annex II respectively. Prof Johannes CHAN, a member of the Basic Law Committee, has examined the issue from the legal perspective, deeming that there are no difficulties in law in implementing universal suffrage in 2007 and 2008, for the Basic Law does not forbid the selection of the Chief Executive by universal suffrage in these two years. So far, I have not heard any legal experts say that from the legal perspective, it is in breach of the Basic Law to introduce universal suffrage in 2007 and 2008.

That is why I think that what remain are the political problems related to the introduction of universal suffrage.

With respect to the Basic Law provisions on universal suffrage, both the ADPL and I think that there are two political problems yet to be dealt with. First, Article 45 and Article 68 mention "in light of the actual situation" in Hong Kong and the principle of "gradual and orderly progress". What do all these mean?

Second, Annex I and Annex II to the Basic Law require that amendments to the existing methods for selecting the Chief Executive and forming the Legislative Council shall be reported to the Standing Committee of the National People's Congress (NPCSC) for approval and the record. In regard to "for approval and the record", what is the role of the NPCSC?

In the following part of my speech, I shall concentrate on these two points.

Both the ADPL and I think that the focus of Article 45 and Article 68 of the Basic Law is the establishment of an electoral system consistent with "the

actual situation" in Hong Kong and also the principle of "gradual and orderly progress", the aim being to elect the Chief Executive and the Legislative Council by universal suffrage. For this reason, the ADPL and I think that from the perspective of constitutional law, we must clearly define "the actual situation" and "gradual and orderly progress" before anything else, and then seek to ascertain the fundamental relationship between the two, before we can continue to hold any fruitful discussions on the pace and actual contents of the political reform.

To begin with, some hold the view that the concept of "the actual situation" should refer to the actual situation in the entire People's Republic of China, including Taiwan. For instance, it is argued that in determining the pace and contents of the political reform in Hong Kong, we should consider the progress of the reunification of the Mainland and Taiwan as well as the internal political situation of the latter. I think such an argument is meaningless in two ways. First, it is because regardless of Taiwan's internal political situation, whether or not it follows the path of "independence", or whether or not President CHEN Shui-bian can be re-elected in the Presidential Election of Taiwan in March, Hong Kong will not be affected at all. The reason is that even if CHEN Shui-bian is re-elected, they will not look to Hong Kong as an example anyway. If the opposite is the case, that is, if CHEN Shui-bian is not re-elected, it will prove that universal suffrage, far from being a factor serving to further alienate any particular part of Chinese territory, can in fact offer a chance for the people to determine their own direction sensibly. That is why no problem will emerge either. The legal perspective must be noted in particular. Article 45 and Article 68 of the Basic Law provide that, actually they stipulate that, the methods for selecting the Chief Executive and forming the Legislative Council should be specified only "in the light of the actual situation in the Hong Kong Special Administrative Region", not in the light of the situation in any other places. Therefore, "the actual situation" as mentioned in these two Articles must refer to Hong Kong only, and the political situation in Taiwan should not be allowed to influence Hong Kong.

We must also consider how "the actual situation" is to be defined and assessed. The ADPL and I maintain that although it is rather difficult to quantify this concept, it is nonetheless obvious that it must be asked whether or not "the actual situation" covers the aspirations of the 7 million Hong Kong people, whether or not it covers the leftists only, the pro-democracy camp only, or the SAR Government only. Or, should we genuinely respect the aspirations

of the 7 million Hong Kong people? We maintain that the majority aspiration of the 7 million Hong Kong people should be regarded as the principal and most important factor in judging "the actual situation". Therefore, the ADPL and I must remind the authorities concerned that in assessing "the actual situation" in Hong Kong, they must gauge the people's aspirations in regard to democratizing the political structure with an open, objective and impartial attitude. Besides seriously consulting various organizations on the future development of Hong Kong's political structure, they must also consult the people of Hong Kong; they must never be bound by any particular stance on the political structure and become selective in gauging public opinions. As to the specific method for consultation, the ADPL and I think that the establishment of an independent "survey office" as proposed by local academics is worth consideration, because we believe that an independent survey office is capable of coming up with objective and impartial findings on public opinions.

The question of how to define "gradual and orderly progress" as mentioned in Article 45 and Article 68 of the Basic Law also warrants discussion. The ADPL and I hold the view that "gradual and orderly progress" is not a rigid indicator, nor is it a strict point of law. In other words, the principle of "gradual and orderly progress" should be perceived as dynamic in nature, meaning that there is absolutely no need to rigidly prescribe how big each step should be, no need to pre-set any parameters, by referring to the methods for selecting the Chief Executive and forming the Legislative Council of past terms. The ADPL and I maintain that insofar as the political development of Hong Kong is concerned, "gradual and orderly progress" should not be perceived as denoting any statistical game of proportionate increases; rather, it should be taken to mean a set of adjustments and arrangements designed to keep pace with the development of "the actual situation" in Hong Kong. This means that in case it is discovered after extensive consultations that the people of Hong Kong are rather conservative about the introduction of political reforms and more directly elected seats, the authorities should, in response to this finding, formulate a scheme of political development featuring a slower pace in respect of direct elections and universal suffrage. However, what is to be done if the people of Hong Kong express a strong and unequivocal demand for political reforms and universal suffrage in the consultation? In that case, the authorities concerned should respond to the people's opinions and democratize the political structure drastically, or even seek to achieve the ultimate goal in one single stride, introducing universal suffrage for the election of the next Chief Executive and Legislative Council. The ADPL and I therefore hold the view that "the actual

situation" and "gradual and orderly progress" are actually two closely related and interactive concepts.

Second, according to the Basic Law, the NPCSC possesses the ultimate power of approving amendments to the election method and accepting them for the record. The ADPL and I both hold the view that in order to ensure that the NPCSC will approve the scheme worked out in the future and accept it for the record, the NPCSC may seek to understand and grasp Hong Kong people's aspirations beforehand; this will be of help to the NPCSC in approving our future scheme and keeping it for the record. Since the relationship between China and Hong Kong is already stated in detail in Article 1 and Articles 12 to 23 of the Basic Law, as long as the political reforms discussed in the future fall within the parameters of the Basic Law and are formulated in accordance with the procedures specified therein, I do not think there will be any violation of the Basic Law, any challenge to "one country" and any case of "opposing China and creating disorder in Hong Kong", whether we are going to mark time or introduce universal suffrage.

Therefore, I think that when we discuss the future political development of Hong Kong, we should consider the idea of establishing a consultation mechanism. Such a mechanism can enable the NPCSC to know the public opinions in Hong Kong directly and can also enable Hong Kong people — not any specific Hong Kong people, nor those invited by the Chinese Government or Central Government to Beijing, but all Hong Kong people in general — to voice their views to the NPCSC. This mechanism should not of course be reduced to a means through which the NPCSC can listen to, ignore and accept the views expressed on a selective basis.

Madam President, I wish to tell you two things. I once presented Chief Secretary for Administration Donald TSANG's 12 questions to the residents' leaders in my constituency; they are all heads of Mutual Aid Committees. Their response to the first three questions is kind of strange. What are these three questions? I do not know whether the President knows what they are, so let me just read them aloud to Members and the President. The first question: The document mentions Article 1 of the Basic Law, which says that Hong Kong is an inalienable part of China, fully realizing the spirit of "one country". The second question: The document mentions Article 12 of the Basic Law, which touches on the principle that "the Hong Kong Special Administrative Region shall come directly under the Central People's Government". The third

question: The document mentions Article 43 and Article 45 of the Basic Law, which state the principle that "the Chief Executive shall be appointed by the Central People's Government, and shall be accountable to the Central People's Government and the Hong Kong Special Administrative Region". Having read the questions I presented to them, they commented, "It looks as if one's mother is asking, 'Son, are you really my child? Son, were you brought up by mammy?'" They then went on to say, "The greatest problem is: How does he want me to answer his questions? Does he want me to say: 'Son, you must obey me!' or 'Son, you have come of age already. You are now capable of handling things yourself, so just be good.'" So, there are two vastly different expectations. But they are all worried that the ultimate aim of asking these three questions is just to elicit this answer: "Son, you must obey me."

Yesterday, in Radio Television Hong Kong's A Week in Politics, I had a discussion with six Secondary Six students, all under 18 and not yet old enough to register as electors. I asked them several questions during the programme, and I now quote part of our dialogue yesterday. I asked them, "Can you think of any ways which can really ensure, or which can effectively ensure, that the Government will listen to the people's voices?" They replied, "Election of the Chief Executive by universal suffrage. Since he is elected by us, he must pay heed to our voices." I then asked them, "What would you think if even a Chief Executive elected by universal suffrage does not listen to you?" He replied, "Then, I have only myself to blame. No one tells me to elect him anyway." I asked again, "Then, how is this different from having no universal suffrage? Is it just the same?" He replied, "It is not the same. I will not elect him next time."

The dialogue was very straightforward, but it delivered some significant messages to us. First, very simply, it serves to remind politicians, be they leftists, democrats or whatever, that they are elected by the people, that if they can do a good job, they can stay on, but that if they do a poor job, they will not be elected next time. Second, very simply again, the dialogue makes us realize that we people in the pan-democracy camp are not the only fighters for democracy, that not only the middle classes who constituted the majority of the 500 000 marchers on 1 July are fighting for democracy, that not only the next generation (for in politics, one generation is 20 years), not only the next generation are fighting for democracy. They are just 17 years old, belonging to the generation after next, but they are already aspiring to democracy, wanting to elect their own Chief Executive and realizing that they may choose not to elect

anyone they do not like as the Chief Executive. I want to tell the Government that aspirations for democracy are no longer found in the minds of pan-democrats only; they have already spread to the next generation and the next. How can anyone still be so stubborn as to ignore Hong Kong people's aspirations for democracy?

If the Government or the Central Government continues to ignore the aspirations of the majority of Hong Kong people, I am sure that they will continue to "take sensible steps" — I mean, they will continue to take part in marches, not riots — and they will also continue to voice their views through the ballot box on every possible occasion, just to show the ruling regime that if it counters the aspirations of Hong Kong people, they will not support the Government, will not support its political apologists and the political parties on its side. Politics is sometimes very interesting, in the sense that government policies of a particular nature will always lead to consequences specific to them. The causes and consequences just interlock with one another, and they will only become more and more interlocked. The more interlocked they are, the more difficult it will be to break them up.

Madam President, I do not have any particularly fresh ideas to put forward, but I really hope that the Government can listen more, observe more, and trust the people of Hong Kong after listening to them. Hong Kong people will not oppose China and plunge Hong Kong into disorder in their fight for democracy, nor will they attempt to discard "one country" and stick only to "two systems" in the process. It is no longer possible to obliterate the people's desire for democracy. Even a 17-year-old secondary school student is also saying that he wants to fight for democracy. Thank you, Madam President.

MR LAU KONG-WAH (in Cantonese): Madam President, on behalf of the DAB, I wish to discuss the issue of law and order and offer some suggestions. The Commissioner of Police has set down a number of Operational Targets for this year. We are extremely concerned about two of these targets: "Quick Cash" Crimes and Crimes Committed by Illegal immigrants and Mainland Visitors. Last year, the overall crime rate in Hong Kong stood at some 80 000 cases, representing a drastic increase of 16% over the figure of the year before last, and returning to the high level of crimes in the 1990s. However, the detection rate of the police dropped further to below 40%. What is rather disappointing is that the last Commissioner of Police also set down "quick cash"

crimes and crimes committed by mainland visitors as two of his key areas of work for last year, but in the end, the number of "pickpocket" crimes soared almost 100% last year, and crimes committed by mainlanders also went up by 14%. Thugs seem to be declaring, in open defiance of the ability of the police to combat crimes, "You act, and I shall react." I hope that the authorities can focus on combating these crimes in the coming year and redeploy resources to enhance the ability of the police to deal with the various new tactics of crime syndicates in recent years.

On crimes committed by illegal immigrants and mainland visitors, the policy address this year does not mention any actions to clamp down on illegal workers, which is a bit disappointing. The unemployment problem faced by low-income and low-skilled workers has not yet shown any signs of abatement, but the problem of illegal employment is still very serious, so I am puzzled as to why the policy address neither pays any attention to this problem nor puts forward any measures to clamp down on illegal employment.

Last year, the DAB proposed to impose heavier penalties on employers taking on illegal workers, so as to tackle the problem at source, but the problem remains very serious now, as illegal workers continue to snatch the "rice bowls" of local workers. What is even more outrageous is that like prostitution, illegal employment has by now become a highly intricate business, involving many intermediaries who provide accommodation to illegal workers, arrange employment for them and even provide them with transportation to and from work. Some intermediaries even convert "cubicles" into "bedspaces", or units in industrial buildings into residential units, and let them to illegal workers. In this way, they are able to get referral fees and rentals from illegal workers. At the same time, indirectly, these "cubicles" have become "illegal workers' dens", places where employers can locate illegal workers easily. Such a vicious cycle has existed for a very long time, leading to the formation of an intricate crime network. Have the authorities really turned a blind eye to the problem?

The DAB is of the view that loopholes are still found in all the legislation on combating illegal employment. The penalties are just imposed on employers who directly employ illegal workers and on illegal workers themselves. There is no law that deals specifically with the acts of intermediaries. The DAB urges the Government to thoroughly address and study all the related legal issues, so as to remove the long-standing grey areas.

Besides dealing with illegal employment, the authorities should also engage in a joint review with the relevant mainland authorities to look into the indiscriminate issuance of business endorsements. As far as I know, about 50% to 60% of the mainlanders arrested for offences every year are here on business endorsements. So far, the Government has not worked out any specific measures to deal with the problem. Sole reliance on mainland public security authorities to enhance screening may easily result in omissions. For this reason, I hope the authorities can work out a consensus with the Mainland on tackling the problem.

Members of the public are also very concerned about some new types of crimes. For example, in October last year, the first case of minibus hijack and robbery occurred in Hong Kong. The police immediately launched a full-scale investigation, and there were more than 10 witnesses, and liaison with mainland authorities was also stepped up, but after more than a month, there was still no progress at all. In the end, "minibus hijackers" appeared again. A couple of days ago, the passengers on board an overnight minibus were robbed. This has caused grave concern among members of the public.

Madam President, the law and order situation in Hong Kong has been good. What are the causes of the increases in those crimes mentioned above? In particular, how are we going to deal with the increasing crimes committed by mainland visitors in Hong Kong? In any case, members of the public are rightly concerned about a rising crime rate and a declining detection rate. Thank you, Madam President.

MR ALBERT CHAN (in Cantonese): Madam President, first of all, I wish to talk about law and order, about how the unscrupulous practices of debt collection agencies affect members of the public. In the past two years, I raised two oral questions on debt collection agencies, and I found that the relevant statistics were very alarming. In 2000, the number of cases involving nuisances caused by debt collection agencies stood at 466 per month, and in 2001, it was 748. But then, last year, the number of such cases increased to 1 502 on average. In other words, there was a 100% increase against 2001 and a higher than 200% increase against 2000. Many people have to live in panic as a result of the practices employed by debt collection agencies. The resultant problems do not only pose threats to members of the public but have also led to wastage of police

resources. In the past 15 months, the number of cases involving nuisances of a non-criminal nature was as large as 22 532. It can thus be imagined very easily how much police manpower has been wasted.

The nuisances made by debt collection agencies are many. Personal visits are frequently conducted to approach third parties, very often the debtor's family members, especially old people, for debt collection. Sometimes, more than 10 dunning telephone calls are made in a matter of just two days. All these dunning actions will cause immense frustration to the family members of a debtor. One debtor even attempted to commit suicide together with his wife and three children by burning charcoal. In some cases, a person's address is used by a debtor; the person is thus urged to repay the debt, but he is simply not the debtor. In other cases, it is said that if the debtor does not make repayment, someone will call at his workplace to collect the debt. In yet other cases, it is said explicitly that some "thugs" will call at the debtor. In some other cases, it is said that if the debtor does not make repayment, he must be prepared for any consequences. In yet more, hell-notes are even sent to the debtor. There are all sorts of practices.

(THE PRESIDENT'S DEPUTY, MR FRED LI, took the Chair)

The organizations which commission such debt collection agencies are not small in scale or those of bad repute. Let me read aloud the names of some of these organizations to Members: the Citibank, Wing Heng Bank, Hang Sang Bank, DBS Hong Kong, American Express Bank, Citic Ka Wah Bank, Tao Heng Bank, Dah Sing Bank, BOC Credit Card International (Ltd), Overseas Trust Bank, Aeon Credit, Promise, SHK Finance, Cheung Kong (Holdings) Limited and City Telecom (HK) Ltd — all being large companies. Actually, debt collection agencies are commissioned not only by these organizations but also by some very large banks and consortia. It is therefore hoped that the Government can address this problem very squarely.

As recommended by the Law Reform Commission, legislation should be enacted to ensure that the actions of debt collection agencies are subject to the law. Besides, large consortia and banks should stop commissioning debt collection agencies. Very often, when a bank receives a complaint, it will reply

that it will stop commissioning the debt collection agency concerned immediately. But then, maybe six months later, the agency will resume its dunning actions. Banks often say that they are unable to supervise the debt collection agencies commissioned by them. But this is simply unacceptable. If we do not want to see some 20 000 complaints in a matter of just 15 months, we can only hope that the Government will take proper actions to deal with this problem.

Mr Deputy, the other topic I wish to discuss is the political structure. I shall talk about amoebas and snails in my discussion of the debate on the political structure. I personally think that the pace of Hong Kong's political development has been as slow as that of a snail already, but some amoebas nonetheless think that a snail is crawling too fast. After World War II, many colonies became independent countries. When compared with Hong Kong, their situation was even worse in terms of the wealth gap, population quality, education standards, affluence, number of professionals, legal framework and internal conflicts (class conflicts and racial conflicts included), but they already started to tread the path of democratization, not in 2000, not in 1999, but in the 1950s, 1960s and 1970s. Two to three decades ago, many of these countries already started to develop their democratic political structures. But Hong Kong is still caught in various arguments, with some saying that universal suffrage cannot be implemented too soon, and that 2007 is definitely out of the question. It is just like someone hiding comfortably inside a snail's shell, but at the same time some also want to make a little progress. The snail also wants to move forward a little bit, but seeing that the snail is moving, the amoeba says that the snail is moving too fast. Do Members know how fast an amoeba moves? It is 10 mm per hour. If an amoeba should criticize that a snail, burdened so much by its shell, is moving much too fast, what kind of political review will we see? If Members think that the 6 million or so people in Hong Kong want to go on living like an amoeba, then just let it be. But I must warn Members that the lifespan of an amoeba is very short. That of a snail is already not so long, but an amoeba's is even shorter.

I hope that Members can look around the world. In many places, places Members may not even know, places we are not familiar with, such as Antigua and Barbuda, Belize, Dominica, Gibraltar and St. Christopher, there are already democratic direct elections, and in some cases, these elections were introduced as early as the 1980s. What about us now? We may also look at the case of South Africa. It is plagued with racial problems, but fortunately there was

Nelson MANDELA, who after spending 27 years in prison eventually succeeded in leading the blacks in South Africa to participate in government. But we are very unfortunate, for we in Hong Kong do not have anyone with MANDELA's vision. TUNG Chee-hwa continues to stay in office, and for this reason, our political development has to proceed at a snail's pace. It is hoped that the Chief Secretary for Administration will not go on moving at an amoeba's pace. A snail is already slow enough, and an amoeba will only cause Hong Kong to die a gradual death.

MR MICHAEL MAK (in Cantonese): Mr Deputy, last year was a significant milestone in the democratic development of Hong Kong. First, we have over 500 000 people — this is an official figure, yet from my logical estimation, I think there should be more than 500 000 people, some 1 million — taking part in the march on 1 July in protest of the forced enactment of laws to implement Article 23 of the Basic Law, as well as to request for return of the political power to the people. Second, in the 2003 District Council elections, the voting percentage had soared substantially. Over 1.06 million people used their votes to express their aspirations for democracy. Finally, on 1 January of this year, 100 000 people turned up again to take part in a march to fight for the election of the Chief Executive by universal suffrage and direct election for all the seats in the Legislative Council.

After the reunification, the Provisional Legislative Council acted against the will of the people by enacting the relevant laws to reintroduce the appointment system to some of the seats in the District Councils. This is an open deprivation of the voting rights of the people. The Chief Executive still argued that the appointment system was not a retrogression in democracy. He said the system was reintroduced because some professionals were unwilling to serve the public through talking part in elections. That was why the Government had to appoint them. In a Question and Answer Session held in the Legislative Council last October, the Chief Executive pointed out that the appointment system had been adopted out of the consideration that there were different voices in society, and this could provide an opportunity to the professionals, that is, people with professional knowledge, to participate in the work of District Councils.

Mr Deputy, all these are sheer absurdities, which overlook the fact that professionals could serve the public by honourably participating in politics

through running in elections. Many Honourable colleagues, who are present in this Chamber now, are professionals. Professionals who are interested in assisting their respective professions or providing services to society could choose to come forward to take the test of election and let the people cast their sacred votes for them. No matter what the outcome of the election is, the voters will accept it, though not everyone will necessarily like the outcome. As such, I admire Mr IP Kwok-him very much, though he is at the moment not in this Chamber. He did well in his election. I think voters in his constituency have gladly accepted Ms Cyd HO as the incumbent District Council member of their district. Did he come out and say anything? Absolutely not. Therefore, there must be some people who do not have the courage to face the people; and such people will think that it is not necessary to face the tough test of elections. Only such people will think that it is fine to accept the "political free lunches".

In fact, on the list of appointed members of the District Councils — Ms Emily LAU had asked a question on this yesterday and it seemed to be the 16th or 17th question — actually most of the appointees are open or hidden royalists. None of them are dissidents. May I ask the Government, how it can open up more channels for the people to voice their opinions, how it can adopt the people's views in a more extensive manner and think in the way people think?

Although I am a Member from the functional constituencies, I still strongly support the implementation of full-scale direct elections for all the seats in the Legislative Council as well as direct election of the Chief Executive by universal suffrage. I also believe that the seats should go to the capable, albeit I have stated this very explicitly in my election platform. I think the professionals are absolutely capable persons who can come forth to stand in elections. If a full-scale direct election is held for all the seats in the Legislative Council, I am sure some candidates will be concerned about certain matters in the professional sectors, and they will present platforms that may address the concerns of their target voters.

Mr Deputy, Secretary for Constitutional Affairs Stephen LAM, who sits at the opposite side now, mentions in the introduction of his webpage that it is necessary to conduct a review and a public consultation on the constitutional development after 2007. However, it has been more than a year since he assumed his office. What actually has he done? If he has fulfilled his responsibilities, there is absolutely no need to establish the Constitutional Review Task Force now! Did he not know before this there was the need to consult the

public, the Department of Justice and the Basic Law Drafting Committee? Did you only start to realize the political crisis after you had witnessed the 1 July march, the District Council elections, the 1 January march, and only after these incidents did the Government start realizing that a constitutional review is necessary? Please tell me, please tell everyone, has there been any negligence of duty on your part? You are paid several hundred thousand dollars monthly, can you sleep tight with such a performance?

In fact, a former member of the Basic Law Drafting Committee, XIAO Weiyun, once said that, if Hong Kong had to change the method for the selection of the Chief Executive and that for the formation of the Legislative Council, the first prerequisite was for the Central Government to decide whether there was such a need. I do not understand what justifications he has. He said this without rhyme or reason. Has he ever read Article 45 of the Basic Law? Besides, if this is true, why was this not put down clearly in black and white to let us know it when the Basic Law was drafted? Why should it be written so subtly that we have to guess its implications?

Besides, TSANG Hin-tze, a member of the Standing Committee of the National People's Congress condemned the pro-democracy camp as trying to turn Hong Kong into an "independent" or "semi-independent" political entity by making use of the false pretense of "returning the political power to the people" in order to introduce universal suffrage to the elections. I hope Mr TSANG can listen and see the reality with greater clarity, so that he can listen clearly to the voices of the million people and the one hundred thousand people. We would also like to ask him to name any of our specific actions, if any, which could turn Hong Kong into an "independent" or "semi-independent" political entity. Had anyone held such a banner in the marches? Can I ask Mr TSANG not to make specious statements to confuse the minds of the people? Besides, I would like to use the remaining time to tender Secretary Ambrose LEE a piece of advice; not to try to force through the enactment of laws to implement Article 23 of the Basic Law because your predecessor had been forced to step down for trying to do that. Before introducing the relevant legislation, you must conduct full-scale, extensive and representative consultations.

MR HOWARD YOUNG (in Cantonese): Mr Deputy, since its return to this Council in 1998, the democratic camp has been citing a variety of reasons to

propose a so-called motion of regret on the policy address delivered by the Chief Executive almost every year. It seems that this amendment proposed by Dr YEUNG Sum today, representing the fifth such attempt, has become something of a ritual. We consider it meaningless for the democratic camp to hold on to this "ritual" of opposing for the sake of opposition. The fact that the previous four motions of regret were all negatived in this Council does show that it is impossible for such an act *per se* to gain recognition.

Hong Kong has always been a pluralistic society. There are bound to be people in the community expressing satisfaction or dissatisfaction with the policy address, no matter how it has been written and whether the policies outlined therein are good or not. For instance, some people have praised this year's policy address for heading in a right direction by presenting a policy of allowing the community to take a respite and to build up its strength. At the same time, some other people have criticized the policy address for lacking new ideas.

Do we have to propose a motion of regret to deny the entire policy address, just because of some dissatisfactions with the policy address? I consider this way of handling the matter inappropriate. Actually, the tradition of moving a motion of thanks in this Council serves to provide Members in this Council with an opportunity to, in the light of the sentiment of their electors, present their views on various policies. Members can praise and criticize, or say whatever they want to say.

I think what we should do in this Council is to put forward more constructive proposals on the Government's administration or policies, rather than deliberately making things difficult for the Government or say no to whatever proposals made by it.

What we oppose is some people opposing for the sake of opposition. We feel sorry that some people would regret for the sake of regretting.

With these remarks, Mr Deputy, I oppose the amendment proposed by Dr YEUNG Sum.

DEPUTY PRESIDENT (in Cantonese): Does any other Member wish to speak?

MR MARTIN LEE: Mr Deputy, I have a song, a most beautiful song of freedom and democracy. I learned this song in the prime of my life, but I cherished it even more as I now approach the evening of my life. (in Cantonese) Mr Deputy, I do not have a good voice. But every day, I will sing this song of freedom and democracy.

In fact, since 1 July last year when more than a million people participated in the rally for democracy and freedom, and after the District Council Elections on 23 November, this song of freedom and democracy has become the most popular song in Hong Kong. As a lot of Members from the pro-democracy camp have said, the great majority of Hong Kong people hope that our Chief Executive could be elected by direct election in 2007, and all Legislative Council Members elected by direct election in 2008.

However, there have been some noises recently. Some people have put forward some specious arguments to counter democracy and slow down the pace of democratization. In fact, the many proposals made by them were already discussed by us and decided during the drafting of the Basic Law, which was between 1985 and 1990.

Mr Deputy, I have three versions of the Basic Law at hand. I believe not many people in Hong Kong have all the three versions. (*Laughter*) The first draft of the Basic Law was published in April 1988. Article 45 then read, "The Chief Executive of the Hong Kong Special Administrative Region shall be selected by election or through consultations held locally and be appointed by the Central People's Government. The specific method for selecting the Chief Executive is prescribed in Annex I: 'Method for Selecting the Chief Executive of the Hong Kong Special Administrative Region'. The method for selecting the Chief Executive as prescribed in Annex I may be modified in the light of actual situation in the Hong Kong Special Administrative Region and in accordance with the principle of gradual and orderly progress. Such modifications shall require the endorsement of a two-thirds majority of the members of the Legislative Council of the Hong Kong Special Administrative Region and the consent of the Chief Executive, and shall be submitted to the Standing Committee of the National People's Congress for approval."

Mr Deputy, I think a quorum is lacking now. I very much want Members to listen to my speech.

DEPUTY PRESIDENT (in Cantonese): I now suspend the meeting. Will the Clerk please ring the bell to summon Members.

(THE PRESIDENT resumed the Chair)

(After the summoning bell had been rung, a number of Members returned to the Chamber)

PRESIDENT (in Cantonese): Mr Martin LEE, you may continue to speak now.

MR MARTIN LEE (in Cantonese): Thank you, Madam President. Annex I of the first draft of the Basic Law was about the method for selecting the Chief Executive of the Hong Kong Special Administrative Region. Of the five options listed in it, four were very conservative. There is only one which is "to the palate" and that is option two, as it was proposed by me. *(Laughter)* The content is: "The Chief Executive of the Hong Kong Special Administrative Region shall be nominated by no less than one-tenth of the members of the legislature, and directly elected by a general election held throughout Hong Kong." There are other paragraphs, but I do not have enough time to read on. This is the first draft.

Subsequently in February 1989, the second draft was published. In fact, before the second draft was published, as I can recall, since a decision had yet to be reached for many proposals concerning the first draft, some mainland members of the Basic Law Drafting Committee (BLDC) came to Hong Kong for inspection. They also met a lot of organizations, political parties and professionals of Hong Kong. I recall that there was an occasion in Eagle's Nest, at the top floor of Hilton Hotel, when Mr LI Ka-shing invited us to lunch as this hotel belonged to him. At that time, the mainland drafters said to them excitedly that Hong Kong people really wanted democracy, and they felt that Hong Kong people should have democracy.

Therefore, when the second draft was published, one sentence had been added to Article 45. The second paragraph read (the first paragraph being unchanged): "The method for selecting the Chief Executive shall be specified in

the light of the actual situation in the Hong Kong Special Administrative Region and in accordance with the principle of gradual and orderly progress. The ultimate aim shall be the selection of the Chief Executive through general election." That sentence was added to the second draft. The content of Annex I was different, and I believe a lot of people might not feel surprised. In regard to the first Chief Executive, it said that the first Chief Executive should be elected by the Election Committee composed of 400 members and appointed by the Central People's Government. This referred to the first term.

As regards the second and the third Chief Executives, according to Annex I, they would also be elected by the Election Committee composed of 800 members. It said here that the second and the third Chief Executives would also be elected by the same method. However, during the term of office of the third Chief Executive, the Legislative Council would formulate a specific method to decide, through a referendum in the Region, whether the Chief Executive should be selected by general election after nominations were made by a broadly representative nominating committee in accordance with democratic procedures. The result of the referendum should be reported to the Standing Committee of the National People's Congress for the record. In other words, whether the fourth Chief Executive would be selected by general election should be decided by a referendum during the term of office of the third Chief Executive. It was written as such at that time. It also said that if the above result was not attained during the election, that is, if there were not enough affirmative votes in favour of direct election (the result of the referendum would only be valid and effective with the affirmative votes of more than 30% of the eligible voters), another referendum would be held 10 years later. We thus see that there was no fear of referendum then. Therefore, what was prescribed then was one term later than that in the present version.

However, four months after this draft had been published, there was the 4 June incident in 1989. We all remember what happened in Hong Kong. At that time, the leftists, neutralists and rightists all took to the streets to support the student movement in Beijing. Many pro-communist Members here also joined the procession with us. About a million people took to the streets twice — on two Sundays on 21 and 28 May 1989 — and the 4 June Incident happened next. Subsequently, the work of the BLDC came to a halt, the work of the Basic Law Consultative Committee (BLCC) also came to a halt. Mr LEUNG Chun-ying was the Chairman of the BLCC then. He announced that the meeting would be

suspended indefinitely. However, since DENG Xiaoping had once said that the Basic Law had to be finished within five years (counting from 1985 onwards), so in December 1989, all members of the BLDC had to get back to work. Four Hong Kong members of the BLDC did not return: Bishop Peter KWONG and Mr Louis CHA resigned. Mr SZETO Wah and I said that if DENG, LI, YANG did not step down, we were not going back.

Under that situation, only 18 members of the BLDC were left, and these 18 members were very, very conservative. Nevertheless, among these 18 members, 11 of them jointly submitted a letter to the Central Authorities, making two requests: speeding up the pace of democratization and abolishing the mechanism of voting in groups.

How did the Central Government deal with that? Up till then, the British Government had no means to interfere with the drafting of the Basic Law at all, as the Central Government had said that the drafting of the Basic Law was our own business and had nothing to do with the British Government. Therefore, a lot of proposals from the British Government then through Miss Maria TAM, and occasionally by me. I would accept those that I thought appropriate and not accept those that I thought inappropriate. Those that I did not accept would then be put forward by Miss Maria TAM.

At that time, seeing that it could not handle the situation, the Central Government talked to the British Government, and it was then that the seven secret documents were born. I remember the television report saying that both Hong Kong and mainland members of the BLDC had stayed in Beijing, waiting for the result of discussions between the two Governments. It was finally endorsed. In fact, some Hong Kong members of the BLDC were not at all pleased about it. However, they had no alternative. Under the situation that the British Government had given its agreement, they did not raise any objection.

The third draft, that is, the present version of the Basic Law, was endorsed in Beijing on 4 April 1990. In the afternoon of the same day, since it was a Wednesday, I moved a motion in the Legislative Council, demanding the National People's Congress to make various amendments to the Basic Law just endorsed. The amendments were proposed on the basis of the report of the Executive Council and the Legislative Council then. We proposed to amend the Basic Law according to the consensus proposal reached by the two Councils on

the political system. I had written and read out a lot of provisions, and Members can check against the Hansard. They included the request of speeding up the pace of democratization.

Under such circumstances, although the Central Government was fairly strict on its directions and policies regarding Hong Kong, in the Basic Law, the timing in this regard had been advanced. Therefore, Annex I says that if there is a need to amend the method for selecting the Chief Executives for the terms subsequent to the year 2007, "such amendments must be made with the endorsement of a two-thirds majority of all the members of the Legislative Council and the consent of the Chief Executive, and they shall be reported to the Standing Committee of the National People's Congress for approval." In other words, the Chief Executive can be directly elected in 2007, which is one term earlier than that written in the second draft. Similarly, when can universal suffrage be conducted for the Legislative Council election? The answer is also one term earlier. Since my speaking time is running out, I am not going to elaborate on this point.

Since we have talked about it, discussed it and reached a decision, why are we still discussing it now? In fact, in these 10 years after the reunification, as JI Pengfei said (as some Members have also said), we have been progressing gradually and orderly. However, it is surprising that a lot of people, including some members of the BLDC then, are now bringing these issues up for discussion again. In other words, they are frying several times the leftover rice which has been shelved for 14 years. Just keep the rice for yourselves. Will such leftover rice be still delicious? I hope our Secretaries of Departments will not eat it.

During these 14 years, both Hong Kong and the Mainland have indeed experienced substantial changes. Hong Kong is no longer the Hong Kong as in the past. It is not a colony anymore, but part of the country. The Mainland is also not the Mainland as in the past. The principle of "one country, two systems" advocated by DENG Xiaoping can be considered to have been implemented roughly in Hong Kong for almost seven years. Nevertheless, "one country, two systems" is facing the biggest test now, as some people in the Central Government think that Hong Kong will get out of control. However, I still believe that the State leaders have still not made up their mind on the policies to be adopted in Hong Kong. I agree with Mr SZETO Wah that a lot of people at present are conveying false messages. When DENG Xiaoping introduced the

principle of "one country, two systems", he hoped that Hong Kong could lead the Mainland in development, and of course, in economic development. The development has been, in fact, very successful. Thousands of Hong Kong people make investments in the Mainland. With the Central Authorities adopting the policy of opening the economy, a lot of big cities are very prosperous. Although I cannot go back, my wife can. She told me that those cities were booming, and a lot of food there was very delicious. Sometimes, she would bring back some food for me to taste.

However, since the 4 June incident in Hong Kong, this Xinhua News Agency, which is the Liaison Office of the Central People's Government (Liaison Office) at present, has taken a very leftist route. For a long period of time, the Xinhua News Agency and the Liaison Office have been devoting their manpower, money and resources to earnestly support some pro-Communist political parties, especially the Democratic Alliance for Betterment of Hong Kong, Hong Kong Progressive Alliance and the like, in the hope that after 10 years, they can secure a majority of seats in the Legislative Council even through direct elections. However, the result of the District Council Elections on 23 November has given them a shock and put them in a great panic.

Indeed, I think that the Central Authorities should review whether it is still appropriate to implement this extreme leftist policy in Hong Kong, before and after reunification. Actually, people with a clear mind will say that this policy or direction is a total failure. Some well-informed people recently told me that even some persons in the pro-Communist camp are not satisfied with the performance of a few royalist Members in the existing Legislative Council. They even said that those Members had to be replaced. I do not mean to scare you. Before the reunification, a pro-Communist Member of the business sector told me, "Oh, Martin! It is distressing indeed. The Xinhua News Agency told me not to run in the election. But I still want to run." I answered, "Why not run in the election? I do not appreciate the person who they have now handpicked to replace you. I believe you will win. As I have a little experience in the functional constituency election, we can talk about how to start the preparations tomorrow." The next day, he said, "Martin, I have already figured out that I can win." I said I always thought that he could win, but he said he was not going to run in the election. I asked him the reason. He said that if he ran in the election against the wishes of the Xinhua News Agency and won the election, he might as well fold up his business. Finally, his position

was taken up by another Member. However, I hear that this Member also has some troubles recently and may be replaced.

Therefore, when we look at these problems, I think that there is a fault indeed. However, this is not totally the fault of the royalist Members, nor is this the fault of Chief Executive TUNG Chee-hwa. The biggest fault is the implementation of the extreme leftist policy in Hong Kong for more than 10 years after the 4 June incident.

Now some people want to smear me in a high profile, and also to smear Mr Albert HO in a high profile. Mr SZETO Wah is right in saying that these are the primitive tactics of united front. But I believe this kind of smearing will fail eventually, as the eyes of Hong Kong people are discerning. Democracy cannot be smeared. These people will smear their own faces eventually, even beyond recognition by their wives.

In fact, the Central Authorities have two options at present: One of them is to continue implementing this leftist policy, and even go further left so that "one country, two systems" will no longer be necessary, or can even be neglected. Then, our compatriots in Taiwan also need not consider what is "one country, two systems". The other option is to let Hong Kong implement democracy, let Hong Kong people elect the Chief Executive in 2007 and all the Legislative Council Members in 2008 by universal suffrage.

A lot of Members have said that we should be afraid of nothing, as nobody is pursuing independence of Hong Kong. In fact, after the reunification of Hong Kong, who is the first to make this point about the independence of Hong Kong? It is Prof XIAO Weiyun. He said that if Hong Kong took that course, it would be tantamount to independence. For all these years, no one has mentioned this. Is it necessary to bring this up by such a heavyweight? However, I feel that he was lying, because to our surprise, he said that when the Basic Law was being drafted, they had not thought of or discussed whether there would be election of the Chief Executive by universal suffrage in 2007. If this had not been thought of or discussed, why would that be written into the Basic Law? Although I was not present on that occasion, I can now assert that he was lying.

Fortunately, leaders of our country, President HU Jintao and Premier WEN Jiabao, have been visiting some foreign countries recently. On 14

December last year, in his address to the Australian Parliament, Chinese President HU Jintao said: Democracy is the common pursuit of mankind, all countries must earnestly protect the democratic rights of the people. The two Secretaries of Departments, two Directors of Bureaux and other Directors of Bureaux, please listen, the Chief Executive very much hopes that you can relay my words to him. In fact, these are not my words. I was just restating or repeating the remarks of the Chinese President. Hope that you can consider how to earnestly protect the democratic rights of Hong Kong people.

Finally, Madam President, I would like to say the following in English: The path of democracy never doth run smooth. But I will spend the rest of my life with the people of Hong Kong, to bring democracy to Hong Kong. And I hope I will see the day when democracy will also come to China, when the human rights of 1.3 billion people in mainland China will be protected by the rule of law under democratic institutions. Thank you.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

MR ANDREW WONG (in Cantonese): Madam President, with respect to the issue of constitutional reform, I hope to discuss it in a more pragmatic manner. Many of these views have been said on numerous occasions in the past. But the Chief Executive has still urged us to use a rational approach to think about these issues and explore into them. So I am going to discuss them a bit. I am not going to talk about things like the quest for values, and so on, or to shout some slogans. I would like to tackle the issue of governance from a problem-solving perspective.

(THE PRESIDENT'S DEPUTY, MR FRED LI, took the Chair)

Now there is a need for the Task Force to liase with the Central Authorities. I sense that the Task Force now has some problems to tackle. I have heard many Members mention views like a high transparency should be maintained in consulting the Central Authorities, and so on. I think there might be some problems in this. For I think the Task Force should have a stand of its own, and this stand should be less restrictive than the relevant provisions in the

Basic Law and there should be some sort of aim in it too. The aim is to promote the development of the constitutional system and if this stand is adhered to and if discussions are made with the Central Authorities in camera, some sort of consensus may be reached. That would be something preferable. For if not, the situation may become one which views expressed by some people in Hong Kong in public would be analysed by the Task Force and discussed in Beijing. That will render the Task Force very much like a loudspeaker engaging in some of diplomatic negotiations, and in the end there could well be more losses than gains. So with the Task Force in place, I would like to make use of this opportunity to say that I hope the Task Force will adopt a stand which is open and not restrictive, and one which will facilitate the political reform when it is to discuss with the Central Authorities.

If no consensus can be reached, then it will certainly be most unfortunate. But at least the people can know the grounds on which the Central Authorities reject the stand of the Hong Kong Government.

In my opinion, just as Mr Martin LEE has said, many things should have occurred yesterday. I think we are not going after democracy as an ideal. We should stick to the two phrases, namely "the actual situation" and "gradual and orderly progress", in the Basic Law and the concepts behind them.

We can see that the Basic Law was promulgated in 1990 and in 1997, sovereignty was returned to China. In such circumstances, the entire legislature is to be formed by elected members. But the first major problem with respect to a legislature formed by elected members appears and that is, in the actual situation, if the elections are not popular, equal and direct in principle, then the case would turn into one where some seats are returned by the people while some seats are returned by a minority. And that situation cannot sustain for a long time.

Mr Martin LEE mentioned earlier the OMELCO consensus proposal in 1989. At that time, we thought that in order to be in line with the actual situation, once there were elections, the course should run like driving a car, that is, engage the first gear, then the second gear, third gear and finally the fourth gear. Only a proposal like this would be workable. If up till now this cannot be done, then we should conform to the so-called actual situation, that is, most of the seats are to be returned by popular, equal and direct elections. Now it is 2004, and half of the total number of seats are still not returned by popular, equal

and direct elections, but by small-circle elections. But in any case, seats returned by functional constituencies can only be defined as seats returned by a group of people who elect some representatives among themselves. These seats are not returned according to the principle of popularity. Such an electoral system will not last long.

For this reason, the so-called gradual and orderly progress mentioned at that time was premised on the notion that a timetable should be formulated. For it is thought that if a timetable is not formulated, and if the constitutional system is to be reformed in a slow and gradual manner, then problems will only be tackled as they appear. Often these problems do not just arise from the demands and aspirations of the people, but they are produced by the new structure under the Basic Law. So in such circumstances, I think it is beyond doubt that this actual situation is not something to be defined by anyone. When analysis is made of the situation, we can see that it is essential to phase out all functional constituency elections.

Mr NG Leung-sing has raised many new ideas about functional constituencies earlier. Mr James TIEN is of the view that these functional constituencies should be preserved. But the question about functional constituencies is not how many people would support it or how many people would think that functional constituencies should be preserved. Rather functional constituencies by nature lack a clear definition in terms of concept.

Mr NG Leung-sing asked earlier how the traditional Chinese medicine practitioners could be included as a functional constituency. If the traditional Chinese medicine practitioners are included in the functional constituency of the practitioners of Western medicine and dentists, and if the number of the traditional Chinese medicine practitioners is large, then this functional constituency may be swallowed by the traditional Chinese medicine practitioners. So the functional constituency is in fact a transitional arrangement and it should be scrapped by all means.

Mr Deputy, I would like to talk more on the actual situation after 1997. If the actual situation is one which the legislature is not returned by universal suffrage or if not all its seats are returned by universal suffrage but only some of its seats are returned by universal suffrage, and if the executive authorities do not take some matching actions, then a difficult problem will appear, that is, the

executive authorities may have to rely on some seats returned from a minority of people to sustain its rule.

In my opinion, even if we cannot achieve a situation whereby the entire legislature is returned by universal suffrage, there is still a need to put into practice a genuine accountability system in the executive-legislative relationship. As to this genuine accountability system, I think we should examine the political systems around the world. We should not look at the system in Hong Kong as an American presidential system, but as a parliamentary system practised in European countries, that is, the cabinet system. In such circumstances, the Chief Executive should rule but do not govern, or he rules but seldom governs. This is like the president of France who is returned by direct elections, so even if the former presidents of France were not returned by direct elections, he rules but seldom governs.

In other words, the executive authorities must govern with the consent or the absence of opposition from a majority of the members of the legislature. In such circumstances, there will be co-operation between the two. Therefore, I think this will work without the need to amend Annexes I and II. The presidential system is basically a system of a head of state with actual powers and the parliamentary cabinet system is basically one which has a nominal head of state. The merit of having a nominal head of state is when there are blunders by the government, that head of state may intervene and replace some of the people concerned and hence rectify the governance.

However, the current views are often that our system is basically an executive-led system. But there are no provisions in the Basic Law which say that the system we are to practise is an executive-led system. Once the legislature is returned by universal suffrage, it will become a legislature-led system. But the issue at hand is not one of whether or not the executive-led system or the legislature-led system should prevail. It is actually a case of, under the parliamentary cabinet system, the executive authorities always have the right to take the initiative. However, the executive authorities cannot govern wilfully and recklessly, for without the consent of the legislature, the executive authorities cannot govern and rule. That is why there is no such thing as a legislature-led system in practice. The House of Commons in Britain, for example, has about 650 seats and there is a statutory requirement that the ministers and members of the cabinet must not exceed 95 persons. In this case, a government which is formed by a certain political party will only be a

government formed by some of the members of that party and the other people in the party will become the so-called backbenchers, but these backbenchers still exercise great restraint on the government.

I hope that with the foregoing discussions, Members can come to the conclusion that with respect to the issue at hand, they should define what is the actual issue that we are facing. The issue is basically one that if the legislature is to be returned by elections, it is only when elections are popular, equal and direct that this legislative assembly can be formed. And even if not all the seats can be returned by such a method, at least an overwhelming majority of it should be returned by such a method, with the remaining seats returned in a manner which may, for example, be modelled on the House of Lords in Britain where the aristocrats will take up the seats. But if a unicameral system is adopted, some principle will need to be affirmed and if this principle of universal suffrage is to be achieved ultimately, then a timetable should be devised. The progress towards such an objective may not be achieved in one step, it may be achieved gradually and in phases.

There are also some other actual situations, that is, if the legislature is elected, the executive authorities must exercise a matching function and that function is to match the system and a government must be formed with the consent and the support of the legislature.

Mr Deputy, at this moment in time and place, I can only wish the Task Force good luck. I do not know if members of the Task Force will hear views from the Members of this Council. I hope that members of the Task Force will form some views of their own, some preliminary views after they have listened to views expressed by Members of this Council, and then they can talk with the relevant authorities in Beijing. Only when things are done in this way that there can be any progress.

Mr Deputy, with respect to the remarks made by Mr Howard YOUNG on the amendment to the motion of thanks, I have something to say.

I do not think this motion of thanks should be vetoed, for the motion has been proposed out of courtesy. However, if there are Members who are not satisfied with any part of the contents of the policy address, they may put forward an amendment and amend the motion and hence make their views known. So even if the amendment is not passed, at least it will serve to make the Chief

Executive and the officials know not only the number of Members who do not speak in favour of the amendment or in opposition to it, but that they can know how great is the voice of the opposition and how strong the feelings these Members may have. All these can be seen from the numbers.

When I vote later, I will support this amendment. But if this amendment is not passed like what happened in the debate on the policy address last time, then I will vote in support of the motion of thanks. Thank you, Mr Deputy.

MR JASPER TSANG (in Cantonese): Although Mr Martin LEE had kept on discrediting the Democratic Alliance for Betterment of Hong Kong (DAB) in his speech earlier and I raised my hand to indicate my wish to speak only after Mr Martin LEE's speech, I absolutely do not intend to "return fire" at him. In fact, I seldom scold other people when I speak in this Chamber. Even for Mr Martin LEE, I have never called him a traitor to China. Nor have I criticized the Democratic Party as a pro-United States political party. In these three minutes or so, I just wish to express the views of the DAB on legal services.

(THE PRESIDENT resumed the Chair)

First of all, Miss Margaret NG mentioned litigation costs in her speech. Many people are deprived of legal representation in court proceedings because they cannot afford the litigation costs, and this is a big problem. We entirely agree that this should be dealt with properly. Certainly, to solve the problem of many people not being able to afford the payment of litigation costs, there are many policies and measures that can be considered. However, we think that a point mentioned by the Chief Justice of the Court of Final Appeal in his address at the opening of the legal year last year (2003) warrants attention of the Government. The Chief Justice pointed out the public's aspiration for greater transparency of legal services. That is, the public should be given more access to information concerning legal fees, lawyers' expertise and experience, and so on, as transparency is very low now. The Chief Justice said that the Bar Association had, in recent years, made a number of attempts to enhance the transparency of legal services but in vain, adding that if the relevant professional rules were not changed, consideration should be given to resolving the problem

by legislation. I certainly know that this lies within the ambit of the two lawyer professions. But since the Government did play a part in the process of abolishing the scale fees of solicitors a few years ago, I believe the Government also has a part to play in enhancing the transparency of legal services.

A related issue is whether the two lawyer professions should remain separated. There are often complaints that maintaining two separate branches of lawyers in Hong Kong is a reason why litigants are made to bear a heavier burden. Is this true or untrue? Certainly, we have had many discussions and there have been many controversies over this issue. But at least we can see on the surface that in places where there used to be two separate branches of lawyers in the legal profession, there is the tendency of a merger of the two branches. This has been discussed in Hong Kong before, and we know that there are plenty of obstacles. But I think this should not be removed from the agenda of our discussion. To enable the people to have more effective access to justice, this is something that we must discuss in any case. I think the Government should pay attention to this.

Miss Margaret NG also mentioned in her speech the Solicitors Professional Indemnity Scheme. The DAB shares her views, because the moral risks involved are too high, and the personal liabilities of the solicitors cannot be reflected in the scheme. We propose that this scheme be improved and amended to reduce the level of moral risks, so that solicitors' personal liabilities can be duly reflected. But before the new scheme is implemented, we understand that the problem of a huge debt incurred under the existing scheme has not yet been resolved. Disregarding what the new scheme will be like, it is necessary to make up for this shortfall anyway. But how? Many solicitors have told us that they are already close to their breaking point. In this regard, I think the Government must consider how it can provide assistance to help the profession solve the problem in a fair way. Thank you, Madam President.

MR JAMES TO (in Cantonese): Madam President, I will not exhaust my 15 minutes. Recently, a friend of mine, who used to be a solicitor, has gone to the Mainland to develop his business on a full-time basis. So he has become acquainted with many people in the Mainland, including some ministerial officials. He told me in a joking manner that (I am now responding to the remarks made by Mr Martin LEE just now) the officials said all the most leftist cadres in China had been deployed to Hong Kong, so there would not be any

more obstacles to the development of the Mainland. There should not be any more demarcation of provinces and cities. Even if there were some leftists, it did not matter because such people could be deployed to Hong Kong to "rein in" the situation there. Of course, I do not know whether they could really "rein in" the situation here.

The second point I would like to make and put it on record is about an article written by Mr Frank CHING recently in his *Apple Daily* column. He quoted the *People's Daily* as reporting on 29 February 1994 (I have verified this and it is true) that the Chinese Government rebutted the British Government on certain issues related to political reform and election by universal suffrage during the time of Sino-British negotiations. The background was, in the process of the negotiations (that was in the '90s), the British side asked the Chinese side whether it could guarantee that the Hong Kong Special Administrative Region (SAR) would hold elections by universal suffrage in 2007 and 2008. The Chinese Government then answered to this effect: First, it was none of their business because this would be the internal affair of China. Second, (as quoted by him) in its statement, the Chinese Government quoted provisions of the Basic Law, which was the final draft, the third draft, the one currently in use by us, to say that this issue would actually be decided by the SAR on its own. As such, there was no question of whether or not the Chinese Government could guarantee the occurrence of such.

I find this issue very significant: Since history can in fact testify that the Chinese Government, after endorsing the Basic Law, really believed that this matter could be decided by the SAR on its own. Of course, the provisions which mention "endorsement" or "to be endorsed by the Central Authorities" still ensure that it possesses a great measure of endorsement power on the Chief Executive and the Legislative Council. However, this statement, that is, the statement reported by the *People's Daily* on 29 February 1994 reflected the thinking of the Chinese Government.

On security issues, I have chosen several points for discussion. First, some Honourable colleagues mentioned that, insofar as the recent general crime situation is concerned, the crime rate has recorded a new all-time high, whereas the crime detection rate recorded a new low. If we analyse the situation purely from the perspective of crime figures and crime detection rates, this is an objective description. However, if we analyse the situation by looking at the details and the social conditions, I still believe that Hong Kong at the moment is

still a rather safe and stable society. Different crimes have different characteristics. For example, during the past few years, there have been more offences related to debt collection, and for some of such offences, the detection is rather difficult. Therefore, when compared with the situation in the past, we do have more crimes now. However, as a whole, what the people feel now is, apart from certain problems arising from the nuisances caused by some debt collection companies, Hong Kong in fact is still safe generally.

As for the problems related to debt collection companies as mentioned by Mr Albert CHAN just now, I really share his feeling. This is because I had already brought up such problems as early as 1994 in meetings of the Law Reform Commission (LRC) or even the Fight Crime Committee (FCC). However, the police did not give their support at that time. Then later, in 1998 or 1997, when economic problems started to surface in society, even the police wanted to make some substantial efforts. But then they found that there were no legislation or guidelines governing such debt collection companies, and they in fact found it very difficult to take enforcement actions. So they came under enormous pressure. However, very unfortunately, even though the LRC proposal was made after a lot of difficulties — Secretary for Justice Elsie LEUNG knew it all too well, it seems that the Bureau has shelved it now. As a result, there is no indication whatsoever that anything is coming on-stream. It seems we shall have to wait until the term of 2004-08 for the issue to be addressed. I hope the relevant proposal can be introduced expeditiously in the session of 2004-05.

On the other hand, I hope the Government can watch out for some intelligent criminal techniques or some fraud cases. In fact, as I review my past speeches, I found that I had already warned the Government of this four or five years ago. In fact, the employment of such intelligent criminal techniques is absolutely an imminent trend. Everything could be forged: forged credit cards, forged letters of credit, fake title deeds. In other words, everything could be forged. Recently, some young people (I believe they are being controlled by people behind the scene) would change their names before committing offences. With some advanced planning, they stole the refund cheques from recipients whose public offer applications have been unsuccessful. Then, after finding out the names on such cheques, they change their own names to those on these cheques and have them cashed at the bank. The problem is, we have also started realizing that such so-called "intelligent" fraud cases usually involve large sums of money. A single refund cheque could involve several tens of thousand

dollars. Frankly speaking, if they plan to conduct an armed robbery, it requires some money to buy the firearms, and they may need to set aside some money as "fleeing expenses", "family comfort money", and so on. And if they plan an armed robbery in order to get away with several hundred thousand dollars, they need to do a lot of planning, research work on the relevant security system — all these are by no means simple tasks. You may say that they are risking their own lives. But for this type of offences, they do not have to do these things.

Therefore, I hope the Government can consider two points. First, the Independent Commission Against Corruption (ICAC) has a team specializing in assisting organizations in formulating guidelines to prevent corruption. Can we ask them to do a special assignment to study the issue in a most thorough manner. Secondly, the police have a Crime Prevention Unit. If they conduct a study, they should find out under what kind of circumstances will most ordinary criminals commit an offence. For ordinary criminals, they will commit an offence when they find some valuable articles, or on invitation. These are relatively more external factors. So the offences are burglaries, jewellery shop robberies, and so on. These are more external offences. However, for such so-called "intelligent" cases, under what kind of circumstances will they commit the offences? In a law firm, they will think about the receipt and dispatch of documents, the title deeds of sale and purchase, the sale and purchase of properties and mortgages with banks, and so on. They would think if there are some ways that something could be forged or some means be employed to fraud. In this connection, can the Crime Prevention Unit set up a special team, similar to the one in ICAC, to find out how we can heighten the awareness of the sector against such offences?

Of course, we may say that, as the banks have so many valuable items in their custody, so very often, they will hire some retired superintendents, chief superintendents or even overseas intelligence personnel to identify security loopholes. So can we not leave this to the banks? However, I believe there is something we should advocate. In fact, credit card companies have already done a lot on this because such fraud cases involve a lot of money. However, for some cases which may not involve large-scale business operations, I think the police may conduct more in-depth studies on such issues. For example, in computer crimes, hackers are very often involved. Some governments think that this is a very serious problem and they may even commission some hackers to assist the detection of security loopholes. I hope the authorities in Hong

Kong can look into the current situation and examine if there are loopholes and make early suggestions so as to tackle the problems specifically.

Some Honourable colleagues mentioned the problem of "illegal employment" just now and said that no special punitive actions have been taken against the middlemen. I have studied the issue quite thoroughly, and felt that, it seems to me, people making such an allegation do not understand the laws and the procedures involved. In fact, the arrest of any middleman mainly depends on the evidence available, and apprehending the middlemen is as difficult as apprehending the employers. However, for some people, we really could not collect the evidence to prove that they had really acted as the middlemen in the employment of illegal workers. But we can prove that they had let residential flats to certain people. In such cases, can we interfere at certain points to penalize certain persons, so that other people providing support to illegal workers will be deterred and restrain themselves instead? However, insofar as the Immigration Ordinance is concerned, the incumbent Secretary for Security (especially he used to be the Director of Immigration) knows it very well that it is basically a matter of evidence, because once someone gives support or has taken some active actions to support certain illegal immigrants, we can already take action against him. The only difficulty is: If a certain person has taken some active actions to support some persons who are not illegal immigrants, but holders of two-way exit permits (people who are not employable), and if the so-called support is just the provision of accommodation, then their acts are no different from operating hotels and guesthouses — obviously just providing a place where they can stay. Then what should we do? This issue deserves our deliberation. Are there some ways we can take some early precautions as far as the provision of information is concerned? There seems to be some advantages in such actions. However, we are acting close to the limits because if the actions are too stringent, we may affect normal business operations.

Recently, some people have mentioned the case in which five senior investigators of the ICAC had sought voluntary demotion to the assistant investigator rank. It seems that the resource problem has dealt a blow to the combat against corruption. In fact, for a disciplined service of a smaller scale, especially the ICAC, if it has to accept an across-the-board cut in budget of the same magnitude as that of the Police Force, which has a much bigger budget, it appears it would inevitably affect their operations and support. However, after looking into the situation, I find that the demotion of these five senior investigators to assistant investigators is voluntary. It seems that it is entirely

unrelated to the resources problem. Or I should say, it only has a marginal relevance to the resource problem. Why? It was because these five persons have all along been assigned to conduct eavesdropping work. They were promoted to the rank of senior investigators after having worked in the posts for a long time. All along, they have been performing eavesdropping duties. If they are asked to achieve enhanced productivity, can they be deployed to investigate corruption cases? However, all along, they have been performing eavesdropping duties and analysing information. It would be very difficult for them to be transferred to other posts because they have not grasped certain techniques. So what should they do? Their only way out is to start from learning the basics. This is like deploying the policemen on beat duties, to receive the training again. Therefore, the eavesdropping work has been degraded, for such duties do not require the service of such senior officers now. Therefore, this transfer is rational. The allocation of resources is reasonable. It is just a pity that, due to resource consideration, it is undesirable to deploy such senior officers or officers with such high salaries to perform only eavesdropping duties. Therefore, I have come to one conclusion. That from this incident, we can see that the resource problem of a certain department is not allowed to affect its efficiency.

Finally, I would like to talk about the crime problem arising from offences committed by mainlanders coming to Hong Kong under the Individual Visit Scheme. An Honourable colleague has mentioned that the business endorsement is a critical point. The Government said that it had conveyed this to the mainland authorities, and some actions would be taken soon. I wish such actions could be successful. It seems that the first batch of individual visitors to Hong Kong are mostly people with good records and those who have come to Hong Kong before. So, I think the situation will be very different when the second batch of visitors arrive in Hong Kong, that is, when the Individual Visit Scheme is really extended to wider sources of mainland visitors. I hope the police, the authorities concerned and the Government can pay closer attention to the situation because the problems generated could be very substantial in scale, depth and severity.

MRS SELINA CHOW (in Cantonese): Madam President, the Liberal Party thinks that in the consideration of improvement to the political system of Hong Kong, discussions must be conducted calmly, objectively and rationally on the basis of mutual understanding, with a view to seeking consensus to resolve

divergence of opinion. We should, through dialogues and discussions, identify a system which is acceptable to all quarters of Hong Kong and to the Central Government as well.

So, at a time when this strenuous task of seeking consensus has just begun, hurling abuses at the Central Government, as what Mr LEUNG Yiu-chung did just now, and insisting on opposing the Central Authorities, or shouting abuses at the Hong Kong Government, as demonstrated by Mr CHEUNG Man-kwong who had passed strictures on government officials with merciless rhetoric, are indeed detrimental to fostering a good atmosphere for discussion.

The Liberal Party believes that an overwhelming majority of Hong Kong people hope that the political system can bring about good government and open up new horizons for Hong Kong. But will it turn out to be as simple as described by the democratic camp, that is, improvements to government can be guaranteed simply by implementing universal suffrage? Conversely, can we achieve the objective of having a government better than the existing one simply by implementing universal suffrage, particularly implementing it in 2007? Is it not an oversimplification of the issue to consider universal suffrage the panacea?

We hold that for those Hong Kong people who consider Hong Kong their home, they have no reason not to love their country and not to love Hong Kong. Nor do they have a reason to resist "one country, two systems". So, it is indeed unnecessary to admonish Hong Kong people so harshly and critically, saying that "one country" is a precondition. But in the meantime, the full implementation of universal suffrage is a matter of great significance. The democrats ask the Central Authorities not to set preconditions. But have they not also set preconditions, pressing the Central Authorities to implement universal suffrage according to their own timetable? As each side insists on their own view, it is indeed not conducive to bridging the gap between them. Worse still, they will be drawn farther and farther apart and conflicts will be intensified. Ms Emily LAU said earlier that there was the view that an election by universal suffrage might return a Chief Executive who would always oppose the Central Authorities, and she considered that people holding this view were sowing discord in society. I do not understand why Ms Emily LAU would say this. Does she mean it is unlikely that Hong Kong people will elect a Chief Executive who will always oppose the Central Authorities? If universal suffrage is fully implemented, then there is certainly this possibility. I am not saying that there will definitely be this outcome, but there is certainly this possibility. Or does she think that the

Central Authorities do not have such worries or they do not worry about this at all and that these people are deliberately stirring up troubles?

In fact, this is precisely the crux of all discussions on the political system, and this also explains why there is Article 45 in the Basic Law. This reflects that the Central Authorities do have worries. Under a very complicated political situation both globally and in China, is it not understandable that the Central Authorities will have such worries?

What Mr LEE Cheuk-yan has said is even more puzzling. He said that the industrial and business sectors must listen to the views of Hong Kong people. He appeared to be suggesting that members of the industrial and business sectors are not part of Hong Kong people. If we respect democracy and respect the principle of pluralism as entrenched in democracy, then my advice to Mr LEE Cheuk-yan is that he should listen more to the views of Hong Kong people, including those of members of the industrial and business sectors. In fact, not only members of the industrial and business sectors, but also other people are worrying about an expansion of welfarism as a result of the implementation of universal suffrage. Such worries must be discussed and addressed. We should identify ways to resolve the differences in our opinions, with a view to building up a consensus by all means.

The Liberal Party considers that a more desirable basis or approach for discussion is to focus on how to address squarely Hong Kong people's dissatisfaction towards the administration of the Government, thereby improving the culture of governance and creating more opportunities for nurturing talents to participate in politics and at the same time facilitating the development of political parties. Only in this way can we inspire confidence in all sectors of the community in universal suffrage and hence incubate a balanced development of democracy.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

MR TAM YIU-CHUNG (in Cantonese): Madam President, I believe this debate which has spanned three half days or over 20 hours is now approaching the end. Some people think that today's session should be a very important part of the

debate, but it seems not to be the case anyhow. When it comes to discussions on the political system, certainly there will be acrimonious arguments, like sparks flying off in all directions. I would like to take this opportunity to respond to some of the remarks made by Mr Martin LEE and Mr SZETO Wah earlier on (regrettably, both of them are not here but I will not ask for a summons call). In his speech just now, Mr Martin LEE recollected his work when he participated in the drafting of the Basic Law. He disclosed for the first time that the British had given him many views then. I was also a member of the drafting committee. From his remarks, I understand only now that Mr Martin LEE was actually a spokesman for the British back then. Recently, a columnist has revealed in an article Mr Martin LEE's special relationship with certain organizations in the United States. I hope Mr Martin LEE will not only act as the spokesman of Britain and the United States.

Mr SZETO Wah said earlier that people who fight for democracy are definitely patriotic. I would like to ask him this: As supporters of the independence of Taiwan are also democracy fighters, does Mr SZETO Wah consider them patriotic as well? This is my brief response to their remarks. I will now come back to what I have intended to say, as I am responsible for the two major areas of the Civil Service and constitutional review in the DAB.

First, I would like to talk about attaching importance to the Civil Service. Under the premise of resolving the fiscal deficit, the Government has been working very hard towards the goals of reducing public expenditure by \$20 billion by 2006-07 and reducing the civil service establishment to 160 000. It is a difficult task to achieve these two goals. To reduce public expenditure and the number of civil servants while ensuring the quality of public service, the Government must enhance its communication with the civil servants, so as to prevent instability in the Civil Service. The Government absolutely cannot treat this matter lightly.

At present, there are actually a number of hidden worries in the various reforms of the Civil Service. One is whether the pay adjustment mechanism being devised now can be widely supported by the civil servants. The Government has already commissioned consultants to conduct the pay level survey and submit proposals on the pay adjustment mechanism. The purpose of the review is to identify pay levels agreeable to both the management and staff, and any adjustment to the pay scale or pay level will definitely involve various kinds of comparative studies. However, the findings of these comparative

studies are unlikely to be absolutely reliable, and they can only serve as an important consideration in making decisions. It is because there are no absolutely scientific and objective procedures for conducting comparative studies that whatever methodology for pay level determination must be acceptable to both the management and staff before it can serve its purpose. This is the "generally accepted ruler and generally accepted set of criteria" consistently stressed by civil service organizations. But up till now, we still see that civil service organizations are filled with misgivings about the methodology to be adopted by the Government for the pay level survey. In fact, both sides have only been repeating their arguments. I am worried that the tranquility and stability at present may only be an illusion.

Therefore, the Government must carefully consider the importance of stabilizing the Civil Service and the protection rendered by the provisions of the Basic Law. The Government must not instantly apply the findings of the survey to civil servants in a haphazard manner. It must not focus only on individual issues that arise on one occasion only. Rather, it should hold more discussions with civil servants and collect different views continuously, in order to identify a practicable option which is acceptable to both sides. Only in this way can the morale and efficiency of the Civil Service be maintained. If we look at the pay system reforms in overseas countries, we will see that they involve a process of gradual transformation over 10 years or so. According to their experience, it is most important that the reforms must have the support of the civil servants themselves. In Britain, for example, there are the pay co-ordination units, and the pay systems of different departments or units are all determined through consultations between the British Treasury and the trade unions. In Britain, there are a total of 170 pay co-ordination units in all government departments and each can, through consultation, work out the pay system which they consider appropriate.

The second hidden worry is that there are increasingly more cases of staff doing the same job being remunerated differently. Although the Government has sought to reduce its establishment, public services will not be reduced in tandem. Therefore, the Government has to employ a large number of staff on contract terms. There is a view within the Government that these contract staff are very useful and better still, their pay and fringe benefits fall far short of those of civil servants on pensionable terms. As staff are now employed on contract terms for a longer and longer period, the case that civil servants and contract staff are remunerated differently although they are doing the same job has

become all the more obvious. The Government must address this irregularity squarely and resolve it as soon as possible.

Another hidden worry is what will the Government do if it fails to achieve the goal of reducing the civil service establishment? This year, the Bureau expects that the civil service establishment can be reduced to 167 000. In other words, the establishment will have to be further reduced by 7 000 persons next year. The civil service establishment could be substantially reduced in the past few years because many departments had been merged and restructured after years of planning and this had created the milieu for the voluntary retirement scheme. But in the second round of the voluntary retirement scheme, the number of participating civil servants already fell short of the anticipated number. At present, we cannot see any further proposal from the Government on merger and restructuring of departments. Besides, how many more grades have a surplus of manpower? What measures will the Government take if it fails to reach the goal in respect of reducing the civil service establishment? This is something about which the civil servants have long been worrying.

To promote the development of the political system, the Chief Executive has announced in the policy address the establishment of a Task Force to examine the principles and procedures of the constitutional review. The Constitutional Development Task Force headed by the Chief Secretary for Administration has begun to arrange visits to Beijing to meet with the relevant mainland authorities, in order to discuss with them the principles and provisions of the Basic Law relating to constitutional development. In this connection, the DAB considers that the Government has kicked off the work on the constitutional reform and undertaken to enhance communication with the people. So these initiatives should be affirmed.

It is the position of the DAB to strive for the implementation of universal suffrage for the two elections in 2007 and 2008. This has been written in our political platform as early as since 1997. We expressly advocate that a constitutional review be conducted before 2007, and we will strive for the election of the Chief Executive of the following term by universal suffrage, and the election of all seats of the Legislative Council by universal suffrage of proportional representation. It is only natural for us, being a political organization actively participating in elections, to work for these objectives.

We understand that any proposal on constitutional development must be consistent with the principles and procedures prescribed in the Basic Law. We also understand that there are different voices in society expressing different aspirations in respect of the constitutional reform. Therefore, the DAB will exchange views with other organizations and individuals on the development of the constitutional system with a rational and sincere attitude, hoping that the constitutional development will be in the best interest of the community as a whole.

Over the past few months, local discussions on the constitutional development have shown that public views on the pace of the constitutional reform are diverse. Therefore, in promoting the development of a democratic political system, the SAR Government must fully play its role by, firstly, facilitating the expression of different views in society in order to promote discussions among all sectors of the community, and secondly, handling the relationship between the SAR Government and the Central Government properly to avoid conflicts between Hong Kong people and the Central Government with a view to ensuring social stability. On the basis of these aspirations, the DAB has made five requests to the Constitutional Development Task Force headed by the Chief Secretary for Administration which include respecting public opinions, enhancing communication with the Central Government, ensuring transparency in its work, and ensuring an unequivocal understanding of the principles and intent of the Basic Law.

The amendment proposes to express regrets at the Government's failure to respond to the democratic aspirations of Hong Kong people. The DAB cannot fully agree with this. The policy address has announced the establishment of a Task Force to look into the principles and procedures of the constitutional review. This is tantamount to launching the constitutional reform work. Moreover, the Task Force has promptly started consultations and met with various organizations to listen to their views. Under the basic principle of "one country, two systems", the constitutional reform in Hong Kong cannot and should not bypass the Central Government and proceed unilaterally. This understanding is already a consensus in the community of Hong Kong. It is, therefore, imperative to enhance communication with the Central Government and to clarify all legal basis and procedures for amendment. Only in this way can better conditions be created for the further formulation of substantive proposals

on and contents of the constitutional reform. For this reason, the DAB does not support the amendment.

I so submit.

PRESIDENT (in Cantonese): Does any other Member wish to speak?

(No Member indicated a wish to speak)

PRESIDENT (in Cantonese): If not, Council will now be suspended for 10 minutes. Public officers will speak when Council resumes.

7.29 pm

Meeting suspended.

7.45 pm

Council then resumed.

PRESIDENT (in Cantonese): Council now resumes to continue with the fifth debate session. Five public officers will speak in this session. On the basis of 15 minutes' speaking time for each officer, they have up to 75 minutes in total for their speeches.

SECRETARY FOR JUSTICE (in Cantonese): Madam President, many Members have spoken on the parts in the Chief Executive's policy address on the administration of justice and law, the constitutional system, the Civil Service and the staff of the subvented organizations and security. I would like to thank them here. With respect to the administration of justice and legal services, only Miss Margaret NG and Mr Jasper TSANG have spoken and they are the Chairman and Deputy Chairman of the Legislative Council Panel on Administration of Justice and Legal Services respectively.

The Chief Executive mentioned in his policy address many initiatives to promote people-based governance, and these include the strengthening of the contact between principal officials and the public, carrying out more studies on public policies, enhancing the co-operation with the Legislative Council and undertaking a serious review of the constitutional system.

The Department of Justice will exert its utmost to contribute to the above efforts and it is committed to ensuring that all measures adopted by the Government are consistent with the laws and procedures, especially the Basic Law. This includes the basic rights and freedoms of the people as protected in the Basic Law and as Miss Margaret NG has said, we will stay vigilant in upholding the rule of law and the independence of the Judiciary in Hong Kong.

As a principal official, I will try my utmost in gauging public views and those of the legal sector on issues affecting judicial matters and the judicial profession. For example, the Mainland/Hong Kong Closer Economic Partnership Arrangement (CEPA) is the result of the intimate co-operation of the Government and the sector, including the Bar Association, The Law Society of Hong Kong and the Association of China-Appointed Attesting Officers. We have incorporated with success the item of legal services into CEPA and it has become one of the mainland services industries open to Hong Kong. Thus a new platform for co-operation between Hong Kong and the Mainland in legal services is provided, with macro and far-reaching benefits being brought to the legal services sectors in both places.

The Department of Justice has been trying to promote the following:

- (1) to assist lawyers (including both solicitors and barristers) to enter the mainland market, and to facilitate lawyers in the setting up of offices on the Mainland, forge business partnership with mainland law firms, or find employment in mainland law firms as advisors on Hong Kong law; and
- (2) to strive for the right of Hong Kong residents to sit for the China National Judicial Examination to qualify as a mainland lawyer and to start restricted practice on the Mainland.

All these are implemented in CEPA. The Judiciary in China has promulgated five sets of related regulations. These regulations are very

comprehensive and they have come into force since 1 January 2004. It can therefore be seen that a harmonious co-operation will bring about the greatest advantage for Hong Kong.

In addition, the Department of Justice has started a tender exercise to commission a study on the supply and demand of legal services. The scope of the study will include both paid and free legal services. Findings of the study will help decision-makers respond to public aspirations and meet practical needs. I hope this will help us address the problem of providing legal services to those litigants who do not have the financial means but do not meet the eligibility requirements for legal aid. It will also help providers of legal services use resources in an effective manner so that litigants will not be deprived of justice for lack of legal services. This study was proposed by Miss Margaret NG and Ms Audrey EU some years ago and I would like to thank them for this.

As to the relationship between the Government and the Legislative Council, I am in complete agreement with the spirit of "mutual respect and understanding" as stated by the Chief Executive. I believe frank exchanges through open channels of communication will enhance mutual understanding and foster co-operation. My colleagues in the Department of Justice and I will work hard to build a cordial co-operative relationship with the Legislative Council Secretariat and Members and I hope Members can raise questions and present their views to us at their own initiative.

Miss Margaret NG and Mr Jasper TSANG have expressed concern for the operation of the Solicitors Professional Indemnity Scheme. Mr TSANG is particularly concerned about the possibility that the premium will become a heavy burden to the sector. The Government agrees that this is an issue which the Government will need to work out with the Law Society. The Law Society has commissioned consultants to carry out a full-scale review of the Scheme. The Willis Report was released in November last year and presently the Law Society and the Department of Justice are examining the report and will brief the Legislative Council Panel on Administration of Justice and Legal Services later. Both the rights of practising lawyers and the public will be carefully considered on the same footing.

I also note the two solutions mentioned by Miss Margaret NG. On 18 December last year, during the discussion by the Panel on Administration of

Justice and Legal Services on the Willis Report, the Law Society stressed that it had not come to a decision with respect to the issue of the Solicitors Professional Indemnity Scheme. But it hoped that a decision would be made by this April. When a consensus is reached in the sector, if and when necessary, the Government will take matching legislative and administrative actions. Although I agree that the Government should take a more proactive stand, as the legal sector has always been stressing its autonomy, therefore, respect for such autonomy is also very important. I also hope that as the economy improves, it would relieve the sector of its worries. I would like to point out here also that the abolition of the scale fees by lawyers then was not a result of any legislative measures made by the Government. Rather it was the result of a change in the interpretation of the original provisions by the Law Society.

With respect to development of the constitutional system, the review of the electoral arrangements in Hong Kong is a tremendous challenge. As a member of the Task Force on Constitutional Development, I will endeavour to ensure that the review is carried out in accordance with the Basic Law. As Members have said, the Basic Law expressly provides that the ultimate aim is:

- (1) the selection of the Chief Executive by universal suffrage upon nomination by a broadly representative nominating committee in accordance with democratic procedures; and
- (2) the election of all the Members of the Legislative Council by universal suffrage.

As Members know, the methods of selecting the Chief Executive and forming the Legislative Council should comply with the requirements that it should be based on the actual situation of the Hong Kong Special Administrative Region and the principle of gradual and orderly progress. I do not intend to argue here about the power of record of the National People's Congress as found in Annex II to the Basic Law, for this kind of legal issues should be studied by the Task Force on Constitutional Development. However, there is express provision in Article 17 of the Basic Law on the power of the Standing Committee of the National People's Congress to return any law enacted. Both the Chief Secretary for Administration and the Secretary for Constitutional Affairs will later speak on this issue in detail.

It can be seen, therefore, that the constitutional review also touches on controversial political issues, and legal ones. As with other areas, we will give our legal advice and other services as required to the Task Force on Constitutional Development and other related departments.

On the issues of the independence of the Judiciary and pay of judicial officers, the Chief Executive announced on 21 January 2004 that he had appointed the Standing Committee on Judicial Salaries and Conditions of Service to make recommendations to him on the appropriate framework, mechanism and methods to determine the pay of judges and judicial officers.

The Judiciary commissioned Sir Anthony MASON in May 2002 to carry out a consultancy study with a view to recommending an appropriate system to determine the pay of judges and judicial officers in Hong Kong. The Chief Executive, after considering the recommendations made by the Judiciary and in total recognition of the independence status of the Judiciary, came to a view that in order that the overall interest of Hong Kong be served, an independent organization, that is, the Standing Committee on Judicial Salaries and Conditions of Service, should make recommendations with respect to an appropriate framework, mechanism and method to determine the pay of judges and judicial officers, especially on whether or not to accept the recommendations made by the Judiciary based on the consultancy report.

The Standing Committee on Judicial Salaries and Conditions of Service is chaired by Mr Christopher CHENG with Dr Victor FUNG, Mr Henry FAN as members, as well as a barrister member Mr Anthony NEOH and a solicitor member Mr Herbert TSOI.

The Standing Committee will submit its recommendations to the Chief Executive by the end of October.

Madam President, Honourable Members, I understand that Hong Kong is in an era of change, our professionalism must advance with the times. My colleagues in the Department of Justice will keep abreast with the developments in law both in Hong Kong and abroad. We will endeavour to enhance our efficiency, ensure fairness in legislation and the administration of justice. We will join hands with the profession and build Hong Kong into an important regional hub of legal services and promote the development of the legal system in Hong Kong. Thank you, Madam President.

SECRETARY FOR SECURITY (in Cantonese): Madam President, Hong Kong is one the safest places in the world. One of the most important tasks of the Government of the Hong Kong Special Administrative Region (SAR), particularly the Security Bureau, is to further strengthen this advantage of the territory. A good law and order environment, apart from providing a happy and safe place of dwelling the Hong Kong people, is an important factor that makes international industrial and commercial enterprises come to Hong Kong for investment.

Local crime figures, in particular, the serious crime figures has been on a sustained downward trend in recent years. This illustrates that the overall law and order situation has not worsened due to an upsurge of the so-called "fast-buck" crimes. It is noteworthy that during the entire year of 2003, there had not been a single robbery involving the use of genuine firearms. At the end of last year, the police successfully cracked down a major syndicate of armed robbery, and seized a large cache of firearms. Of course, we are also very concerned about the increase in the number of "fast-buck" crimes during the past couple of years. As regards the several types of crime cases mentioned by Members just now, we are very concerned about them. Mr James TO mentioned the intelligent crime cases, in this regard, the police would be very glad to hold discussions with the sector to advise them on the prevention of such crime cases. The police would target their effort at such crime cases by taking various initiatives such as launching publicity campaigns, collecting and analysing intelligence and taking enforcement actions.

Since the introduction of the Individual Visit Scheme in last July, the scheme has been implemented in 16 mainland cities on a test basis. As we understand from the mainland authorities, altogether 1.74 million applications have been received in 16 cities as at January of this year. Altogether 1.64 million endorsements have been issued. As at 30 January, over 1 million mainlanders have visited Hong Kong through the Scheme. During the golden week of the Chinese New Year, a total of 448 000 mainland visitors were recorded, representing a substantial increase of 32% over the previous year, of which 39% were individual visitors.

The Individual Visit Scheme is not just very popular with mainland visitors, it also brings direct benefits to the local tourist, retail and related industries. In

the meantime, there are people worrying whether the large influx of mainland visitors under the Scheme would impact on the law and order of Hong Kong.

First, I wish to point out that most mainland visitors are law-abiding. As at the end of 2003, only dozens of mainland visitors were arrested for working illegally, prostitution and involvement in other criminal offences. The figure only accounts for as little as 0.01% of the total number of arrivals under the Individual Visit Scheme, which is much lower than the ratio for other categories of mainland visitors.

Of course, we shall not be complacent. As mentioned by Mr LAU Kong-wah and Mr James TO just now, the crime ratios for certain categories of mainland visitors, in particular those travelling on business endorsements, are high in Hong Kong. We shall continue to enforce law in a most stringent manner. In addition, we shall ensure full co-operation with the mainland authorities in such aspects as border clearance, management of the passenger flow and the prevention of illegal activities.

Madam President, it is widely acknowledged in society the importance of good co-ordination in the development of the Mainland and Hong Kong, the benefit brought about by mainland visitors to the economy of Hong Kong as well as the development opportunities for Hong Kong residents in the north. In this connection, we cannot relax the work of facilitating cross-boundary passenger and cargo flows. We have implemented a series of measures to improve the clearance arrangements. It is also anticipated that other construction projects will be launched to match the development progress in both places.

First, with the support of the relevant mainland departments, the Lok Ma Chau Control Point has started to operate round the clock since 27 January last year. To date, the average passenger volume per evening is 8 053 persons. On Saturdays, Sundays and public holidays, the average figure even exceeds 9 000 persons. In the night of 11 January this year, a record 15 812 persons was recorded.

Besides, on improvement works to the control points, several projects have been carried out at existing land crossings, including the Lok Ma Chau Control Point and Lo Wu Control Point, in order to cope with the ever increasing passenger and cargo flows.

Moreover, we will also strive to make good use of technology to shorten the time required for clearance. The Customs and Excise Department completed in May 2003 the installation of 42 sets of vehicle licence plates automatic recognition system, which could shorten the clearance time of each truck by three seconds. On the other hand, 112 inspection counters at the control points of Lo Wu, Lok Ma Chau, Man Kam To and the China Ferry Terminal have been installed with the system of Expedient Clearance System. While waiting in the queue for immigration procedures, passengers may insert their identification documents into the recognition machines to facilitate advanced reading of information. This initiative could enhance counter handling efficiency by 10%.

Meanwhile, we are also actively constructing new control points. It is anticipated that the construction of Shenzhen Western Corridor and the Lok Ma Chau Spur Line will be completed by end of 2005 and mid-2007 respectively. Initially the vehicular traffic of the Shenzhen Western Corridor is expected to be 28 400 vehicles per day, which will rise to 80 000 vehicles per day by 2016. The initial passenger volume of the Lok Ma Chau Spur Line is estimated to be 150 000 passenger trips daily, which will be increased to 300 000 passenger trips in future. Of the two projects, the Shenzhen Western Corridor will see the implementation of the co-location of clearance facilities for both passengers and cargoes to simplify the clearance procedures and save the time of passengers. Besides, on the development of border crossings, we shall proceed with the preliminary phase of co-ordination among Hong Kong, Zhuhai and Macao on the construction of the Hong Kong-Zhuhai-Macao Bridge.

Madam President, the Security Bureau will exert its utmost to maintain the law and order of this society, and will provide efficient services to the people in order to cope with the development of Hong Kong. Thank you.

SECRETARY FOR THE CIVIL SERVICE (in Cantonese): Madam President, first of all, I would like to thank Mr HUI Cheung-ching, Miss Margaret NG, Ms LI Fung-ying, Mr LAU Ping-cheung, Mr LEUNG Fu-wah, Mr CHAN Kwok-keung and Mr TAM Yiu-chung for expressing their opinion on civil service matters.

As always, the Government of Hong Kong Special Administrative Region (SAR) considers maintaining a clean and effective Civil Service instrumental to

the stability and prosperity of Hong Kong. As a matter of fact, our Civil Service plays a positive role whenever Hong Kong encounters challenges or difficulties. As the Chief Executive mentioned in this year's policy address, 2003 was an extraordinary year for Hong Kong. Severe Acute Respiratory Syndrome (SARS) had dealt a severe blow to both the economy and our society while measures to reduce fiscal deficit had added burden to various social strata. Yet the community is proud to note that our civil servants have never been daunted by adversity. Though working under immense pressure, they have supported the execution of the Government's policies and continued to provide the community with quality services. On various fronts, civil servants fully discharged their duties to prevent the spread of SARS together with medical and health personnel. Besides, their facilitating role in implementing the 24-hour customs and immigration clearance service at Shenzhen and the Mainland's individual visit scheme has helped revitalize our economy. Efforts have also been made to implement CEPA as a new impetus to our economic restructuring and recovery. Southeast Asia has been recently plagued by the avian flu, and our civil servants are fully on guard against the spread of the disease to Hong Kong.

In May this year, we shall launch another round of Customer Service Award Scheme to further promote the culture of quality service among government departments and recognize the outstanding performance of our staff. On top of this, we shall extend the scope of the Commendation Letter Scheme and introduce the Secretary for the Civil Service's Commendation Award Scheme in an attempt to give recognition to meritorious staff. I hope that in the year to come, our civil servants will carry forward their fine tradition and achieve higher goals.

To ensure that civil servants can respond swiftly and effectively to changes in our society, we need to have a modernized Civil Service. Since 1999, we have been progressively implementing the Civil Service Reform. During this process, we always abide by the following four principles:

- (i) respond to changes in society and cater for the overall interests of the community;
- (ii) follow the principles of lawfulness, fairness and reasonableness in reforms;

- (iii) establish partnership and consult thoroughly civil service associations and the entire Civil Service; and
- (iv) safeguard the core values of Civil Service and give full play to the strengths of the current civil service system.

After this session, I will provide Members and interested parties with an update on Civil Service Reform together with a copy of this speaking note. (See Annex)

In the policy agenda for 2004, five policy initiatives concern the management of the Civil Service, namely streamlining the civil service establishment, developing an improved civil service pay adjustment mechanism, reviewing all civil service allowances, providing civil servants with robust training and development opportunities, and promoting a performance-based culture. At the Panel on Public Service meeting on 16 January 2004, I briefed Members on the efforts made in these areas.

On Civil Service Reform, I wish to point out that while the reduction of remuneration package and manpower has attracted focused discussion and wide media coverage, as a matter of fact, a key objective of reform is to enhance the training and development of civil servants. Take the national studies programmes as an example. More resources will be spent on enriching civil servants' understanding of the challenges and opportunities brought by closer economic integration between Hong Kong and the Mainland. We have already made arrangements with the municipal governments of Beijing, Shanghai and Hangzhou for reciprocal attachment of civil servants under the Staff Exchange Programme. We are now exploring the possibility of working out a similar exchange programme with Guangdong.

As we take forward the Civil Service Reform, we are aware that some civil servants might have anxiety about the changes incurred. To encourage civil servants to achieve better performance and higher efficiency, we shall maintain thorough communication with civil service associations and civil servants, solicit their opinion and explain to them our policy intentions through various channels at the central or departmental levels.

I am confident that our excellent Civil Service will continue to display professionalism in every position to service the community with dedication.

Thank you, Madam President.

Annex

An Update on the Civil Service Reform

The Civil Service Reform was launched in March 1999 with the objectives of creating an open, flexible, equitable and structured civil service framework, a more enabling and motivating environment for civil servants and an accountable and responsible culture, thereby modernizing the Civil Service, and enhancing the efficiency and quality of public service.

The Civil Service Reform focuses on the following five policy areas:

- (a) Civil service establishment;
- (b) Appointments;
- (c) Pay and fringe benefits;
- (d) Management of performance and discipline; and
- (e) Training and development.

Civil Service Establishment

The principle of "small government" is upheld to contain the size of the Civil Service. Through process re-engineering, organizational review and outsourcing, the civil service establishment had been reduced by over 12% from around 198 000 in January 2000 to about 173 000 as at 31 December 2003.

We aim to further downsize the civil service establishment to about 160 000 by 2006-07. In addition to natural wastage, the implementation of the Second Voluntary Retirement Scheme and the general civil service recruitment freeze will facilitate bureaux and departments to reduce their establishment and contribute to this target. We are reviewing their manpower plans and shall further discuss with bureaux and departments about their individual situations and consider what additional measures may be needed to facilitate them to realize further reductions in the subsequent years.

We launched two rounds of Voluntary Retirement Scheme in 2000 and 2003 for designated grades with identified or anticipated surplus staff. About 9 800 and 5 300 officers were approved to leave the service under these two exercises. An annual saving of about \$3.3 billion in salaries will be achieved progressively from 2003-04.

Appointments

The civil service entry system has been revised. Starting from 1 June 2000, new recruits to basic ranks, except for disciplined services members who can be considered for appointment on permanent terms after the three-year probation period, are normally appointed on probationary terms for the first three years and then agreement terms for another three years before they are considered for appointment on the prevailing permanent terms. This allows the Government more opportunities to assess their performance and potential so as to decide whether they qualify for permanent appointment. The first batch of officers on permanent terms was appointed in July 2003.

The Management-Initiated Retirement Scheme was launched in 2000 to allow the Government, for the purpose of meeting the needs for organizational improvement, to initiate early retirement of individual directorate officer to make way for more dynamic and stronger leaders to rise to the top posts.

The Civil Service Provident Fund Scheme has been introduced as the system of retirement benefits for new appointees in lieu of the pension schemes. The Scheme adds flexibility to the civil service appointment policy and facilitates talents from the private sector to join the Civil Service.

Pay and Fringe Benefits

To adjust civil service pay according to market situation, the Starting Salaries Review was conducted in 1999. Subsequently, the entry pay of civilian grades was reduced by 6% to 31% and that of disciplined services by 3% to 17%.

Following the civil service pay reduction on 1 October 2002, we have further reached a consensus with the staff representatives that the pay pertaining to each pay point on the civil service pay scales will be brought back to the level it was in dollar terms on 30 June 1997 by two adjustments of broadly equal

amount to be implemented on 1 January 2004 and 1 January 2005 respectively. The Public Officers Pay Adjustment (2004/05) Ordinance, which implements the pay adjustments, was enacted on 19 December 2003. With the full implementation of the pay adjustments in 2002, 2004 and 2005, the Government will save about \$10 billion a year on civil service salary expenses and subsidies to the subvented sector.

As part of our ongoing efforts to modernize the management of the Civil Service and to address public comments on the existing civil service pay adjustment mechanism, we have embarked on an exercise to develop an improved pay adjustment mechanism for long-term adoption in the Civil Service. In April 2003, the Civil Service Bureau established a steering committee comprising selected members drawn from the three advisory bodies on civil service salaries and conditions of service and a consultative group involving staff representatives to provide input to the exercise. In November 2003, we issued a progress report setting out the policy considerations as well as the timetable for taking forward the exercise.

We plan to present proposals on the pay level survey methodology, improvements to the pay trend survey methodology and general ideas on the application of the pay level survey results in the second quarter of this year for extensive consultation before the field work of the pay level survey commences in the fourth quarter of 2004. We expect that the whole exercise, including presentation of detailed proposals on the application of the pay level survey results and introduction of any necessary legislation for implementing both upward and downward pay adjustments into the Legislative Council, will be completed in the second quarter of 2005.

Fringe benefits for civil servants have been revised to suit today's circumstances and to streamline administrative work. The new arrangements apply to officers recruited on or after 1 June 2000.

In parallel, we have commenced a comprehensive review of civil service allowances in keeping with changing circumstances and achieving substantive savings. A review of job-related allowances has been conducted to ensure that payment of the allowances is fully justified. We have completed the first two stages of the review and the full-year estimated savings are around \$20 million. We have also undertaken to review various civil service allowances. We shall

draw up proposals for individual allowances for staff consultation by March 2004.

Management of Performance and Discipline

In April 2000, the Secretariat on Civil Service Discipline was set up and disciplinary procedures were streamlined to shorten the processing time of disciplinary cases whilst preserving natural justice.

The mechanism for handling sub-standard performers has been revised and streamlined in early 2003 to expedite their compulsory retirement from the service in the public interest.

Having reviewed the operation of existing staff motivation and commendation schemes in the Civil Service, we have widened the scope of the Commendation Letter Scheme currently administered at the departmental level. We have also introduced a new scheme in 2004, known as the Secretary for the Civil Service's Commendation, to award officers with consistently outstanding performance.

Training and Development

To promote a culture of continuous learning within the Civil Service and to improve service quality, a three-year training and development programme was introduced in 2001-02 at a cost of \$50 million to bring about additional training places on top of those in the pipeline. Up to December 2003, some 156 000 training places were provided through the programme.

The Civil Service Training and Development Institute launched the Cyber Learning Centre Plus in September 2002 providing easy access to a wide range of e-learning materials in a more systematic way. The purpose is to facilitate continuous self-learning on the part of civil servants anytime and anywhere. In the 15 months ending December 2003, there were close to 475 000 visits to this new website.

In September 2002, we issued the Directorate Leadership Guide and developed a "Leaders' Corner" in the Cyber Learning Centre Plus website, offering a one-stop learning portal to our directorate officers that will help them

to grow as leaders and to further enhance their skills in face of the challenges ahead.

To better position the Civil Service Training and Development Institute for the evolving training and development needs of the Civil Service, we plan to restructure the institute and subsume it under the Civil Service Bureau starting in April 2004. Following restructuring, the institute will focus on four core areas, namely, senior executive development, national studies programmes, consultancy services to departments on human resources management initiatives and the promotion of a continuous learning culture in the Civil Service.

In addition, we have entered into civil servant exchange agreements with the municipal governments of Beijing, Shanghai and Hangzhou. Under the agreements, we may send up to 14 middle ranking civil servants to these three cities for attachment and training of three to six months, in exchange for inbound attachment of civil servants from them.

Civil Service Bureau
February 2004

SECRETARY FOR CONSTITUTIONAL AFFAIRS (in Cantonese): Madam President, during the debate today, a number of Members have focused their discussion on the constitutional development. The views expressed by them cover a very large area, from the discussion within the Hong Kong community presently to the expectations for the Constitutional Development Task Force. Taking this opportunity, I would like to respond on a few aspects.

In the policy address, the Chief Executive announced the establishment of the Constitutional Development Task Force to study a number of Basic Law issues on principles and legislative process relating to constitutional development, and to consult the opinions of the Central Authorities and the Hong Kong community. A lot of Members expressed welcome to the establishment of this Task Force. They reckoned that the Hong Kong community could, from now on, formally commence public discussions on constitutional development, and that this was a proactive and positive step forward. Quite a number of Members also indicated that they hoped the Task Force could lead the Hong Kong community in dealing with this issue of constitutional development

together. They also hoped that the handling of the entire issue of constitutional development would not be delayed due to the discussion on a number of Basic Law issues on principles and legislative process relating to constitutional development at this stage.

Colleagues in the Government fully appreciate the significance attached by Members to this issue. We have already made a positive, proactive and important step forward, and will earnestly promote the work in this regard.

Madam President, during the past few weeks, the Task Force has met with a number of groups and individuals. These groups and individuals have, after studying the issues raised by us, given us a lot of views. A number of individuals and groups have also forwarded very detailed submissions to us.

In the paper submitted to the Legislative Council Panel on Constitutional Affairs, we have presented a list of questions concerning legislative process. These questions are found necessary to deal with by the colleagues of the Constitutional Affairs Bureau who have done research over the past period of time. On the one hand, we have to discuss them within the Hong Kong community, and on the other, we have to consult the departments concerned of the Central Authorities.

We do need to deal with these questions properly and come up with specific answers, so that when we can amend the requirements concerning the methods for the selection of the Chief Executive and the formation of the Legislative Council in the future, we will have already got a good foundation to handle the related legislative work properly. Some Members said that these questions of legislative process were actually straightforward and did not worth spending so much time to do in-depth study. To certain Members, these questions may look very simple and the answers very plain. However, when dealing with questions of law, there are usually more than one viewpoints. For example, in regard to amending the methods for the selection of the Chief Executive and the formation of the Legislative Council after 2007, there are still divergent views in society. Some people think that we have to amend or add some supplementary requirements to Annex I and Annex II before we can proceed to local legislation. There are also people who consider that local legislation is already sufficient. This is one example. Another example is that if we are unable to reach a consensus on the method for the formation of the fourth term of the Legislative Council, some people think it is obvious that we

should follow the method for the formation of the third term of the Legislative Council. However, another view is that this may violate the principle of "gradual and orderly progress" and thus may not be acceptable.

For the third issue, which Members also mentioned today, is whether Article 159 of the Basic Law should be invoked in amending Annex I and Annex II concerning the methods for the selection of the Chief Executive and the formation of the Legislative Council. Some Members said that when the Government quoted the views from the press, it was blowing the issue out of proportion. However, I think that this remark is unfair. First of all, Hong Kong has long been a liberal, open and accommodating society. We should respect and discuss different views, and this is our fine tradition. Furthermore, as the Government of the Special Administrative Region (SAR), we have the obligation to handle the matter with the Council at an early date when we are aware that there are some problems in the process, in order to avoid any impediment to progress as a result of these procedural issues when any amendment option comes under discussion in future.

Indeed, it is useful to discuss the problems early. Because after the discussion over the past few weeks, there are already distinct views on whether Article 159 of the Basic Law should be invoked. A majority of people are of the view that if we are to amend the selection or formation method concerned, we only have to follow the procedures listed in the two Annexes.

Apart from the said questions of legislative process, we also hope that Members can air more views on the principles of constitutional development as stated in the discussion paper submitted by the Task Force to the Legislative Council. We reckon that in the Basic Law, the principles pertaining to three areas merit more discussion by Members:

Firstly, how the constitutional development of Hong Kong can comply with the Basic Law requirements on the relationship between the Central Authorities and the SAR;

Secondly, insofar as the two principles of "actual situation" and "gradual and orderly progress" in Articles 45 and 68 of the Basic Law are concerned, what meanings they do contain and how they should be understood; and

Thirdly, how the constitutional development of Hong Kong can comply with "consideration must be given to the interests of the different sectors of

society" and "the structure must facilitate the development of the capitalist economy in the Region" as stated by Director JI Pengfei.

There has been relatively little discussion and expression of views on these three aspects to date. We hope to listen more to Members' views.

Madam President, in addition to these Basic Law issues on principles and legislative process relating to constitutional development, recently, some people view that the Basic Law promotion work has certain relevance to the existing discussion on constitutional development. Some people also think that the perception of Hong Kong people of "one country, two systems" should be strengthened. I believe that we should not underestimate the perception and awareness of Hong Kong people in that respect. In fact, the Hong Kong community supports the reunification and the promotion of "one country, two systems" in Hong Kong according to the Basic Law. After the development in the '80s and '90s, as well as experiencing the reunification of Hong Kong, Hong Kong people are clearly aware that "one country, two systems", "Hong Kong people ruling Hong Kong" and "high degree of autonomy" are closely related to maintaining the *status quo* and the future development of Hong Kong, which are very important. The people of Hong Kong also clearly understand that "one country" is the prerequisite for "two systems". The Hong Kong community generally recognizes that the Central Authorities have the right and obligation to monitor the constitutional development of Hong Kong. Anyhow, we understand that there is a certain relationship between public discussions on constitutional development and the Basic Law promotion work. I would like to reiterate to Members that the SAR Government will continue to earnestly promote the Basic Law in joint effort with various sectors of Hong Kong society.

In fact, since the promulgation of the Basic Law in 1990, various departments of the SAR Government have been promoting the Basic Law through civic education, school education and civil service training. The objective of these promotion and publicity initiatives is exactly to enhance the public's understanding of the Basic Law and "one country, two systems". According to a survey conducted by the Census and Statistics Department in 2002, over the past two years, public awareness of the Basic Law has been improved and enhanced. The percentage of the public who have learnt about the Basic Law has increased from about 80% in 2000 to 90% last year. The

percentage of those who think that they have some or more knowledge of the Basic Law has increased from 25% to 48%.

Over the past two years, nearly 100 activities were organized or sponsored by different government departments, non-governmental organizations and local organizations to promote the Basic Law. Since 1996, nearly 70 Basic Law-related publicity articles, teaching materials and publications have been produced by government departments, non-governmental organizations and local organizations. In the secondary and primary school curricula, some Basic Law elements are also added. Various kinds of teaching materials, publicity articles and publications have also introduced the requirements of the Basic Law on "one country" and the political system. Over the past three years, the expenditure of the SAR Government on the promotion of the Basic Law has exceeded \$15 million. The Basic Law Promotion Steering Committee will sum up the past working experience and consider whether there are any areas that require improvement. If Members think that some aspects of the promotion work have to be strengthened, we are more than happy to listen to and consider Members' views.

Madam President, having talked so much about the future constitutional development, I would like to talk about some of the current work. There will be a new term of the Legislative Council this year and the election will be held in September. In July last year, the Legislative Council already passed the legislation on the formation of the third term of the Legislative Council. Thus, this election already has a new legal basis. The Subcommittee chaired by Mr HUI Cheung-ching is now pressing ahead in full team with the deliberations on the subsidiary legislation concerning the "\$10 per vote" subsidy scheme. Last Wednesday, we also dealt with the subsidiary legislation concerning the printing of candidates' photos on ballot paper.

We will also gradually submit other subsidiary legislation related to this election to the Legislative Council and the Subcommittee for consideration.

Madam President, the deadline for voter registration for the third term of the Legislative Council is 16 May this year. In other words, if people want to cast their votes in the September election but have not registered yet, they have to register before 16 May. We will start launching a series of publicity activities for this purpose in April. We will encourage the public to register as voters and also remind the public to update their addresses.

We will sum up the vote counting experience of the District Council Elections and consider whether this vote counting method is applicable to the Legislative Council Election. Later, we will submit our plan to the Legislative Council Panel on Constitutional Affairs and listen to Members' views on these few aspects.

Madam President, back to the subject of constitutional development, I think that in front of us is a very important task. The Legislative Council has long been a very important working partner of the SAR Government. We hope that in handling the subject of constitutional development, Members can continue to play their significant roles. With the support and co-operation of Members, colleagues in the Task Force will have more assurance, together with Hong Kong society, in facing this major challenge, in laying a good foundation for the constitutional development of Hong Kong and determining a direction for the future.

Thank you, Madam President.

CHIEF SECRETARY FOR ADMINISTRATION (in Cantonese): Madam President, on behalf of the SAR Government, I am going to conclude today's debate on the motion of thanks.

Over the past year, the Hong Kong community has experienced a severe trial. In the face of unexpected adversity, the people of Hong Kong have managed to meet the challenges calmly, spare no efforts in achieving their goals, and bring into full play the spirit of care and love between men, thus enabling us to eventually overcome various challenges. I take pride in the people of Hong Kong for their rational behaviour and maturity.

Also we have seen a series of economic development initiatives launched by the SAR Government bear fruit over the past year. Coupled with the support rendered by the Central Authorities in relation to some sectors of the economy, Hong Kong economy has seen a swift rebound and a momentum built up in the recovery. In our opinion, Hong Kong economy should enter a period of consolidation this year. The Chief Executive has therefore proposed in this year's policy address a pragmatic direction of governance: to take a respite and build up strength, to promote community development, to get close to the people, and to plan for the future.

The policy agenda was designed under five guiding principles, namely "effective governance", "vibrant economy", "caring and just society", "enlightened people with a rich culture", and "environmentally responsible development", setting out the policy initiatives of the SAR Government between now and 2007. In the week following the delivery of the policy address, accountable Bureau Directors have explained to every panel of this Council the details of various policy initiatives outlined in the policy agenda. In the year to come, we will endeavour to grasp the opportunities and challenges arising from the changing objective circumstances to enable the Government to formulate and implement various policy initiatives that are close to the people and consistent with the overall interest of the community.

People from various strata of the community have actively presented their views on the policy address since its publication. The Chief Executive's philosophy of adopting a pragmatic direction in governance and allowing the people to take a respite and build up strength in administration are shared by a number of people, who also agree that this is consistent with the requirements of the community at present. It is also generally felt by the industrial and commercial sectors that the approach is appropriate at this stage when the economy is showing the first signs of recovery.

Meanwhile, the Government has heard that some members of the community have been disappointed by the policy address for its failure to propose new, major plans for governance, as well as setting a timetable for holding consultations on constitutional review.

The proposal of new governance plans has to hinge on the needs of the objective circumstances. Please bear with me in pointing out that the Chief Executive did outline, in his previous policy address, a series of major, specific programmes for achieving the target of "revitalizing our economy", and set a timetable for this purpose. The programmes include: holding discussions with the Mainland on the fostering of closer economic relations, speeding up integration with the economy of the Greater Pearl River Delta, improving conditions at boundary crossings, facilitating the flow of passengers and goods between the two places, and so on. The Chief Executive later even went so far as to discuss with the Mainland the opening up of some provinces and cities to implement the individual visit arrangements. Implemented one after another since the publication of the policy address last year, these policies have started to

bear fruit in such areas as the economy, people's livelihood, employment, and so on.

Coupled with favourable external factors, Hong Kong economy has started to see a momentum built up in the recovery. In the first quarter of last year, economic growth reached 4.5%, and fell to 0.5% owing to an unexpected attack by SARS. Fortunately, the fall was far smaller than it had been feared. With Hong Kong economy bouncing back in the wake of its recovery afterwards, year-on-year real growth rose to 4% in the third quarter. The forecast growth in the fourth quarter is likely to remain substantial too. Meanwhile, the unemployment rate has progressively fallen from 8.7% in mid-2003 to 7.3% lately, whereas deflation has notably narrowed recently. Local consumer spending has even risen for the first time in two years, with a 2% rise recorded in the third quarter for the first time last year.

In the light of the latest economic developments of Hong Kong and having regard to the need to strike a suitable balance between eliminating the fiscal deficit and safeguarding people's livelihood, the initiatives proposed by the Chief Executive in this year's policy address have all laid emphasis on consolidating the momentum of the economic development, and giving the community adequate time to recuperate. It can be said that the initiatives proposed by the Chief Executive, such as improving the business environment, consolidating core industries, promoting the development of high technology, and so on, meet the requirements of the community today.

Madam President, next I would like to respond to the views expressed by the community on constitutional development. I also hope to say a few words on a topic of the utmost importance: the partnership between the executive and the legislature.

Constitutional development is not only a matter of great concern to the people of Hong Kong, it is closely watched by the Central Government as well. I am aware of critics expressing disappointment at the SAR Government's failure to immediately launch a concrete reform proposal for constitutional development. I have carefully examined the amendment proposed by Dr YEUNG Sum to the motion of thanks. His focus of attention is on the format and timetable of the constitutional development review. Here I would like to reiterate the work of the SAR Government and respond to Dr YEUNG Sum's amendment in concrete terms.

The SAR Government is duty-bound to take forward the constitutional review. I believe Members should all understand that Hong Kong is part of China. According to the Basic Law, the Central Authorities have constitutional responsibility and authority to overlook the constitutional development of the SAR. Coupled with the fact that the Basic Law is in itself a national law, it is necessary for Hong Kong to hold thorough discussions with the Central Authorities in respect of the constitutional development. Such development in Hong Kong must be consistent with the Basic Law too.

Against this background, we consider it necessary to start by clearly defining the principles and the procedural and legal issues in relation to the political structure as spelt out in the Basic Law, to ensure compliance with the requirements of the Basic Law with respect to these principles, procedures and laws in dealing with concrete proposals involving constitutional development in future. This approach was adopted to prevent individual concrete proposals on the political system to be dealt with in future as well as certain political structure designs from running out of line with the Basic Law, thus avoiding futile discussions in the community and conflicts with the Central Authorities.

Since the announcement by the Chief Executive in the policy address of the setting up of a Task Force comprising the Secretary for Justice, the Secretary for Constitutional Affairs and me to be responsible for the work on constitutional review, the Task Force has met separately with people from different sectors and groups, including Members of the Legislative Council, political parties, Chairmen and Vice-Chairmen of District Councils, chambers of commerce, the legal profession, academics, political groups and advocacy groups, and so on, to listen to their valuable opinions on issues of principle and procedure as spelt out in the Basic Law. Meanwhile, some members of the public have sent us their views, by mail or e-mail. This arrangement actually represents an important step in the work of constitutional review.

I must emphasize that the Task Force attaches great importance to transparency with respect to the task of listening to public opinion and the accuracy of views reflected. Records of meetings in which we listened to views expressed by groups and people on matters relating to principle and procedure in focused discussions conducted at this stage will definitely be read by the relevant groups to allow them to express their views. Subject to confirmation, the records will formally become public records. Furthermore, all the views contained in the submissions presented by groups and individuals to

the Task Force, including views irrelevant to the themes of the present discussions, will be submitted to the Central Authorities and made open to the public, unless the presenters of the submissions have indicated that they do not wish their submissions to be made public. All collected views irrelevant to the present discussion will be put on record so that they can be examined and dealt with in the next stage. During our meetings with groups and individuals, discussions were conducted in the manner outlined in the paper presented to the Panel on Constitutional Affairs of the Legislative Council on 14 January this year. There was no departure from the theme. The Task Force will from time to time explain to the Legislative Council and members of the public the progress of its work and communication with the Central Authorities. The Task Force seeks to operate in such a way that its task is kept as transparent as possible. Concerning the question raised by Members of how the Task Force is going to handle and explain details of discussions of a sensitive nature, it must be pointed out that all discussions involving complicated issues will very often inevitably involve an exploration of immature and sensitive preliminary suggestions. Under such circumstances, it is necessary to respect the position insisted by the other party on confidentiality. This is bound to happen in any attempt to seek honest views and conduct frank communication. Insofar as the work relating to constitutional development is concerned, how details relating to such immature and sensitive communication are handled is not crucial. It is most important that when the Central or SAR Government inclines towards an important position or makes a major decision, a full explanation must be given to the people of Hong Kong with respect to the rationale and public interest, and listen to feedback from the public. With this insistence, the Task Force will treat the views presented by local groups and individuals equally, respecting their wishes in the processing of their views. I would like to reiterate that the Task Force will try every possible means to maintain a high degree of transparency in all of its work.

Another attempt was made after the Chinese New Year to liaise with the Hong Kong and Macao Affairs Office (HKMAO) of the State Council, and we were told that arrangements were being made for us to make a trip to Beijing to meet with the relevant departments of the Central Authorities. We will faithfully reflect to the Central Authorities the views of the people of Hong Kong on matters relating to principle, law and the legislative process. We will also reflect to the people of Hong Kong the concern of the Central Authorities and conduct discussions on concrete options on the basis of a common understanding between the Central Authorities and the SAR Government regarding principles

and the legislative process pertaining to constitutional development as stipulated in the Basic Law.

Madam President, constitutional development affects not only the methods of selecting the Chief Executive and forming the Legislative Council, and it is also closely related to the stability and economic development of the community as a whole. Therefore, it is essential for the Government to handle the entire constitutional review with great prudence.

Now I would like to say a few words on another major issue. The theme of this debate session is effective governance. A mutually checking and complementary partnership between the executive and the legislature is indeed a cornerstone of effective governance.

Pursuant to the Basic Law, the executive and the legislature have different terms of reference. This may give rise to dissenting views on certain issues, and even vigorous debates. But actually, the executive and the legislature work in collaboration most of the time. For instance, during the present-term Legislative Council, a total of 127 bills have so far been proposed by the executive. Thanks to the efforts made by Members in scrutinizing the bills, 99 have been passed. Meanwhile, almost all subsidiary legislation presented by the executive and most funding proposals have been passed by the Legislative Council. These results have indeed been achieved through the joint effort of the executive and the legislature in the overall interest of the community.

Here the SAR Government would like to express its sincere gratitude to the Chairman of the House Committee for the valuable views expressed by her the day before yesterday on ways to enhance co-operation between the executive and the legislature.

According to the Chairman of the House Committee, the executive should avoid delaying the process of deliberations for reasons of insufficient consultation. At the same time, it should allow sufficient time for the Legislative Council to fully scrutinize the bills. I share her view entirely. Actually, before formally tabling legislative proposals to the Legislative Council, the Government will consult the sectors and people to be affected and make reference to their views. We will also explain and discuss the details of the proposals with the relevant panels of this Council to ensure the policies or

initiatives will meet the needs of the relevant sectors and the overall interest of the community.

Madam President, our actual experience has shown that, despite general approval and support for relevant policies or initiatives during the initial period of a consultation exercise, the Bills Committee subsequently set up might view our drafting of the bill and proposed wordings differently when the relevant provisions are being finalized. As the saying goes, the devil is in the details. It is thus inevitable for a longer period of time to be required for scrutinizing a bill. In some cases, when the consultation period was over, and the relevant bill was presented to the Legislative Council for scrutiny, some affected sectors and people would present dissenting views on new policies or initiatives, or through Members, as if they were just waking up from a dream. This would inevitably give Members a wrong impression that our colleagues had failed to conduct consultations beforehand or there had been inadequate consultations.

Notwithstanding this, Madam President, I have reminded other accountable Bureau Directors of the necessity to carry out adequate consultations, particularly with the people being affected, before tabling a bill to the Legislative Council for scrutiny.

Accountable officials and I will continue to, on the basis of equal co-existence and mutual respect, further enhance dialogue and co-operation with the Legislative Council. Since taking office as Chief Secretary for Administration, I have regularly attended meetings of the House Committee and exchanged views with Members on issues of public concern. I understand that the Financial Secretary, the Secretary for Justice and other accountable Bureau Directors will, as required by the agenda of the meetings, try all means to attend meetings held by the panels of this Council to enable Members to have a better understanding of the policy objectives and intents of the Government.

Last year, the SAR Government reported to the Legislative Council in advance major, new policies on such subjects as housing, population, the economy and public finances, in the form of statements. In future, other accountable Bureau Directors and I will, circumstances permitting, strive to continue to announce major policies in the Legislative Council in this manner. I trust Members will understand that, under certain special circumstances,

particularly when the policies to be announced involve market-sensitive information, it might not always be possible for us to make a statement or give a briefing in the Legislative Council before making the policy known to the public. Nonetheless, we will strive to provide information to Members in writing expeditiously.

Madam President, the Hong Kong Government and members of the public share the same goal of building a liberal, people-oriented, modern society as well as an international metropolis in which quality services are provided and knowledge always comes first.

The Government fully appreciates the public concern for constitutional development. I would like to reiterate that, insofar as constitutional development is concerned, the Task Force will listen to the views expressed by Members and the public in a frank and liberal manner. It will also strive to maintain the highest level of transparency and inform the Legislative Council and the public from time to time of the progress of its work. I also hope people and groups from all sectors of the community will actively take part in discussions. It is only normal and there is nothing to be feared for diverse views to be held on issues relating to constitutional development. So long as we do not suspect and exclude, and work in concert, I am convinced that a direction for future development with respect to constitutional development can be identified and proper arrangements be completed within the coming three years.

Looking ahead, other accountable officials and I will, as usual, maintain close liaison with the present-term Legislative Council. I look forward to continuing to develop such a constructive partnership with the new-term Legislative Council, which will come into being in October this year, in working jointly to provide services to the people of Hong Kong with a spirit of mutual trust and mutual respect.

With these remarks, Madam President, I implore Members to support this year's policy address and oppose the amendment proposed by Dr YEUNG Sum to the motion of thanks. Thank you.

PRESIDENT (in Cantonese): The five debate sessions have concluded.

PRESIDENT (in Cantonese): Ms Miriam LAU, you may now speak on the amendment. You have up to five minutes to speak.

MS MIRIAM LAU (in Cantonese): Madam President, I do not think I need to spend five minutes speaking on the amendment proposed by Dr YEUNG Sum. In accordance with the Rules of Procedure, Members may propose an amendment to a motion of thanks. The amendment by Dr YEUNG was proposed by him in his personal capacity. Neither has the amendment been discussed by the House Committee, nor does it represent a consensus of Members.

As I am now speaking in my capacity as Chairman of the House Committee, it is not advisable, nor is it appropriate, for me to express my personal view on the amendment. Neither will I urge colleagues to support, or not to support, Dr YEUNG's amendment. Thank you, Madam President.

PRESIDENT (in Cantonese): I now call upon Dr YEUNG Sum to move his amendment to the motion.

DR YEUNG SUM (in Cantonese): Madam President, I move that Ms Miriam LAU's motion be amended, as set out on the Agenda.

Dr YEUNG Sum moved the following amendment: (Translation)

"To add ", but regrets his failure to respond to the public's democratic aspirations for electing the Chief Executive and all Members of the Legislative Council by universal suffrage in 2007 and 2008 respectively, and urges the Government to immediately commence its consultation on constitutional review; this Council also demands that the Task Force on Constitutional Development proactively relay to the Central Government Hong Kong people's strong aspirations for democracy, and operate in a transparent and open manner, keeping the public informed of the progress of the discussions" after "That this Council thanks the Chief Executive for his address"."

PRESIDENT (in Cantonese): I now propose the question to you and that is: That the amendment, moved by Dr YEUNG Sum to Ms Miriam LAU's motion, be passed.

PRESIDENT (in Cantonese): I now put the question to you as stated. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Dr YEUNG Sum rose to claim a division.

PRESIDENT (in Cantonese): Dr YEUNG Sum has claimed a division. The division bell will ring for three minutes.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Miss Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai and Mr Michael MAK voted for the amendment.

Mr Kenneth TING, Mr James TIEN, Dr Raymond HO, Dr Eric LI, Dr LUI Ming-wah, Mrs Selina CHOW, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG

Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Ms LI Fung-ying, Mr Henry WU, Mr Tommy CHEUNG, Mr LEUNG Fu-wah, Dr LO Wing-lok, Mr IP Kwok-him and Mr LAU Ping-cheung voted against the amendment.

Geographical Constituencies and Election Committee:

Ms Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Mr Andrew WONG, Dr YEUNG Sum, Mr LAU Chin-shek, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr Albert CHAN, Mr WONG Sing-chi, Mr Frederick FUNG and Ms Audrey EU voted for the amendment.

Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Dr TANG Siu-tong, Dr David CHU, Mr NG Leung-sing, Mr YEUNG Yiu-chung, Mr Ambrose LAU and Mr MA Fung-kwok voted against the amendment.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 27 were present, four were in favour of the amendment and 23 against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 30 were present, 17 were in favour of the amendment and 12 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the amendment was negated.

PRESIDENT (in Cantonese): Ms Miriam LAU, you may now reply and you still have 10 minutes nine seconds.

MS MIRIAM LAU (in Cantonese): Madam President, in order to raise the efficiency of our discussion, I am prepared to make a brief response only. I

will therefore definitely not exhaust the remaining 10 minutes or speak in excess of this limit.

Madam President, as I pointed out in moving the motion of thanks, this is the third year the policy address is debated in a new manner. Actually, following the introduction of the new manner two years ago, a review would be carried out after each debate on the policy address. Some attempts would then be made to fine-tune the new arrangement. It is evident that the result has improved after each review and fine-tuning.

Looking back, the debates held over the past three days have been very satisfactory on the whole. By way of informal consultation, I have personally asked colleagues where they expected problems to arise. I was told by every one of them that there were in general no major problems. Looking back at the time limit imposed on the delivery of speeches, I find that most Members have not used up the 20 minutes to which they were entitled. I can also see that the practice of allowing Members a period of time to speak has enabled them to say whatever they wish to say, and present their views or make criticisms on every policy area or policy areas of their concern in a focused manner.

Actually, it is the objective of the motion of thanks to give Members of this Council an opportunity to make criticisms or express views on public policies. I can see that Members have managed to present their views specifically on the five policy areas in a highly efficient manner in this debate. At the same time, I can see responsible government officials sitting in this Chamber listening attentively to the views and criticisms presented by Members, and responding to criticisms in a more focused manner. It is thus evident that there is constant improvement with the policy debate, and its standard can be described as rising.

I would like to spend the remaining time to respond to a point raised by the Chief Secretary for Administration with respect to the relationship between the executive and the legislature. I believe Members will very much agree that a good relationship between the executive and the legislature lays the foundation of effective governance, for both organs will then have a common goal. However, we hope that these are not just empty words without concrete actions. In his speech delivered earlier, the Chief Secretary said that, insofar as bills, government proposals or policy initiatives are concerned, the Government would thoroughly consult the relevant sectors in advance. However, great

reverberations of the industry concerned were often heard in the course of deliberations by bills committees.

The Chief Secretary seemed to be hinting a change of mind by the sectors being affected. However, I hope the Chief Secretary and the Government can refrain from making excuses that the problems are not theirs, but someone else's. This is because it very much depends on how consultations were conducted, and whether the consultations were sincere in presenting the relevant problems to the industry to enable it thoroughly consider the problems and accept the proposals after truly considering the matter seriously. At the same time, the Government must refrain from, as what it did previously, (I have indeed heard a lot of criticisms) pretending after flashing the document once that the industry has given endorsement and acceptance, that there is no strong opposition. Well, when it comes to a critical moment when the bill is presented to the Bills Committee, there are bound to be reverberations and the industry will certainly respond, for it has truly come to the moment of "scoring the goal". Should the bill really be passed because they have not made any response, they will have to accept the consequences. For these reasons, I hope the Government can review its attitude and manner of conducting consultations. I also hope improvement can be made.

The Chief Secretary has also pointed out that Members have spent a lot of time scrutinizing the provisions of bills. This is precisely the duty of Members. We must exercise great care in examining every word and sentence of the bills in detail. This is bound to be time-consuming. The Government should not criticize us for having spent too much time. Had it known that more time would be required, the Government should have given us ample time for the scrutiny process. It should not tell us right after proposing a motion or resolution that there is an urgent need for passage and, if failing to do so, something disastrous will happen or there will be consequences. This is unfair to this Council.

Therefore, the relationship between the executive and the legislature requires full co-operation between both parties. We can also see that the Government was consulted before every fine-tuning of the arrangement for debate on the policy address. Members can see that there has been steady improvement. I very much hope such improvement, though it started with the arrangement for debate on the policy address, can be extended in future so as to

bring about true improvement to the relationship between the executive and the legislature.

There is one more point I would like to raise and that is, the Chief Secretary for Administration has failed to answer Members' expectations. It is the wish of this Council that the Chief Executive and principal officials can attend our meetings and exchange ideas with Members of this Council more often. Although there has been no response from the Chief Secretary for Administration, we still hope, and believe, he can fulfil this request from Members in future. We hope we can see principal officials and the Chief Executive more often, and exchange ideas with the Government more often, for the purpose of truly achieving effective governance and improving the relationship between the executive and the legislature as stated by the Chief Secretary. Thank you, Madam President.

PRESIDENT (in Cantonese): I now put the question to you and that is: That the motion moved by Ms Miriam LAU, as set out on the Agenda, be passed. Will those in favour please raise their hands?

(Members raised their hands)

PRESIDENT (in Cantonese): Those against please raise their hands.

(Members raised their hands)

Ms Emily LAU rose to claim a division.

PRESIDENT (in Cantonese): Ms Emily LAU has claimed a division. The division bell will ring for three minutes.

PRESIDENT (in Cantonese): Will Members please proceed to vote.

PRESIDENT (in Cantonese): Will Members please check their votes. If there are no queries, voting shall now stop and the result will be displayed.

Functional Constituencies:

Mr Kenneth TING, Mr James TIEN, Dr Raymond HO, Dr Eric LI, Dr LUI Ming-wah, Mrs Selina CHOW, Mr HUI Cheung-ching, Mr CHAN Kwok-keung, Mr Bernard CHAN, Mrs Sophie LEUNG, Dr Philip WONG, Mr WONG Yung-kan, Mr Howard YOUNG, Mr LAU Wong-fat, Ms Miriam LAU, Mr Timothy FOK, Ms LI Fung-ying, Mr Henry WU, Mr Tommy CHEUNG, Mr LEUNG Fu-wah, Dr LO Wing-lok, Mr IP Kwok-him and Mr LAU Ping-cheung voted for the motion.

Miss Margaret NG, Mr CHEUNG Man-kwong, Mr SIN Chung-kai and Mr Michael MAK voted against the motion.

Geographical Constituencies and Election Committee:

Miss CHAN Yuen-han, Mr CHAN Kam-lam, Mr Andrew WONG, Mr Jasper TSANG, Mr LAU Kong-wah, Miss CHOY So-yuk, Mr TAM Yiu-chung, Dr TANG Siu-tong, Dr David CHU, Mr NG Leung-sing, Mr YEUNG Yiu-chung, Mr Ambrose LAU and Mr MA Fung-kwok voted for the motion.

Ms Cyd HO, Mr Albert HO, Mr LEE Cheuk-yan, Mr Martin LEE, Mr Fred LI, Mr James TO, Mr LEUNG Yiu-chung, Dr YEUNG Sum, Mr LAU Chin-shek, Ms Emily LAU, Mr Andrew CHENG, Mr SZETO Wah, Mr Albert CHAN, Mr WONG Sing-chi, Mr Frederick FUNG and Ms Audrey EU voted against the motion.

THE PRESIDENT, Mrs Rita FAN, did not cast any vote.

THE PRESIDENT announced that among the Members returned by functional constituencies, 27 were present, 23 were in favour of the motion and four against it; while among the Members returned by geographical constituencies through direct elections and by the Election Committee, 30 were present, 13 were in favour of the motion and 16 against it. Since the question was not agreed by a majority of each of the two groups of Members present, she therefore declared that the motion was negatived.

NEXT MEETING

PRESIDENT (in Cantonese): I now adjourn the Council until 2.30 pm on Wednesday, 11 February 2004.

Adjourned accordingly at four minutes to Nine o'clock.