

# OFFICIAL RECORD OF PROCEEDINGS

Thursday, 5 July 2007

The Council met at Three o'clock

## MEMBERS PRESENT:

THE PRESIDENT

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

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

THE HONOURABLE ALBERT HO CHUN-YAN

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

THE HONOURABLE LEE CHEUK-YAN

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

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

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

DR THE HONOURABLE LUI MING-WAH, S.B.S., 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 CHAN YUEN-HAN, S.B.S., J.P.

THE HONOURABLE BERNARD CHAN, G.B.S., J.P.

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

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

THE HONOURABLE LEUNG YIU-CHUNG

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

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

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

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, J.P.

THE HONOURABLE LAU CHIN-SHEK, J.P.

THE HONOURABLE LAU KONG-WAH, J.P.

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

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

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

THE HONOURABLE CHOY SO-YUK, J.P.

THE HONOURABLE ANDREW CHENG KAR-FOO

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

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

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

THE HONOURABLE ALBERT CHAN WAI-YIP

THE HONOURABLE FREDERICK FUNG KIN-KEE, S.B.S., J.P.

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

THE HONOURABLE VINCENT FANG KANG, J.P.

THE HONOURABLE WONG KWOK-HING, M.H.

THE HONOURABLE LEE WING-TAT

THE HONOURABLE LI KWOK-YING, M.H., J.P.

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

THE HONOURABLE DANIEL LAM WAI-KEUNG, S.B.S., J.P.

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

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

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

THE HONOURABLE LEUNG KWOK-HUNG

DR THE HONOURABLE KWOK KA-KI

DR THE HONOURABLE FERNANDO CHEUNG CHIU-HUNG

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

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

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

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

THE HONOURABLE ALBERT JINGHAN CHENG, J.P.

THE HONOURABLE KWONG CHI-KIN

THE HONOURABLE TAM HEUNG-MAN

**MEMBERS ABSENT:**

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

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

THE HONOURABLE MA LIK, G.B.S., J.P.

THE HONOURABLE CHIM PUI-CHUNG

**PUBLIC OFFICERS ATTENDING:**

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

THE CHIEF SECRETARY FOR ADMINISTRATION

THE HONOURABLE JOHN TSANG CHUN-WAH, J.P.

THE FINANCIAL SECRETARY

THE HONOURABLE WONG YAN-LUNG, S.C., J.P.

THE SECRETARY FOR JUSTICE

THE HONOURABLE MICHAEL SUEN MING-YEUNG, G.B.S., J.P.

SECRETARY FOR EDUCATION

THE HONOURABLE STEPHEN LAM SUI-LUNG, J.P.

SECRETARY FOR CONSTITUTIONAL AND MAINLAND AFFAIRS

THE HONOURABLE AMBROSE LEE SIU-KWONG, I.D.S.M., J.P.

SECRETARY FOR SECURITY

DR THE HONOURABLE YORK CHOW YAT-NGOK, S.B.S., J.P.  
SECRETARY FOR FOOD AND HEALTH

THE HONOURABLE DENISE YUE CHUNG-YEE, G.B.S., J.P.  
SECRETARY FOR THE CIVIL SERVICE

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

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

PROF THE HONOURABLE CEAJER CHAN KA-KEUNG, S.B.S., J.P.  
SECRETARY FOR FINANCIAL SERVICES AND THE TREASURY

THE HONOURABLE MRS CARRIE LAM CHENG YUET-NGOR, J.P.  
SECRETARY FOR DEVELOPMENT

THE HONOURABLE EDWARD YAU TANG-WAH, J.P.  
SECRETARY FOR THE ENVIRONMENT

THE HONOURABLE EVA CHENG, J.P.  
SECRETARY FOR TRANSPORT AND HOUSING

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

**CLERK IN ATTENDANCE:**

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

PURSUANT TO RULE 8 OF THE RULES OF PROCEDURE, THE CHIEF EXECUTIVE, THE HONOURABLE DONALD TSANG YAM-KUEN, ATTENDED TO ADDRESS THE COUNCIL AND TO RECEIVE QUESTIONS.

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

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, you .....

**MR LEUNG KWOK-HUNG** (in Cantonese): I have to protest because the SAR Government suddenly .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, you once protested in this Chamber in a Chief Executive's Question and Answer Session and I had already told you that it violated the Rules of Procedure.

**MR LEUNG KWOK-HUNG** (in Cantonese): No, the Chief Executive owes Hong Kong people an explanation. He had invited a Legislative Council Member to attend a reunification ceremony, but he suddenly changed .....

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung.

**MR LEUNG KWOK-HUNG** (in Cantonese): Very few governments will do this.

**PRESIDENT** (in Cantonese): You cannot do this, you know?

**MR LEUNG KWOK-HUNG** (in Cantonese): He needs to explain .....

**PRESIDENT** (in Cantonese): He cannot offer you an explanation here.

**MR LEUNG KWOK-HUNG** (in Cantonese): This Council has to hold .....

**PRESIDENT** (in Cantonese): You may put a question to him, but not protest.

**MR LEUNG KWOK-HUNG** (in Cantonese): The Government is accountable to this Council.

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, I am giving you one last warning.

**MR LEUNG KWOK-HUNG** (in Cantonese): He used some dirty tricks by suddenly sending someone .....

**PRESIDENT** (in Cantonese): If you refuse to sit down, I .....

**MR LEUNG KWOK-HUNG** (in Cantonese): Even for things that have been written in black and white, he failed to .....

**PRESIDENT** (in Cantonese): If you do not sit down, I have to ask you to leave the Chamber.

**MR LEUNG KWOK-HUNG** (in Cantonese): What credibility does he have then?

**PRESIDENT** (in Cantonese): Mr LEUNG Kwok-hung, one last chance.

**MR LEUNG KWOK-HUNG** (in Cantonese): Does what he is going to say here today have credibility? He invited me to meet President HU Jintao .....

**PRESIDENT** (in Cantonese): That is it, Mr LEUNG Kwok-hung, please leave the Chamber.

**MR LEUNG KWOK-HUNG** (in Cantonese): You need not ..... I will leave the Chamber, but I .....

(Mr LEUNG Kwok-hung left his seat and walked towards the Chief Executive)

**PRESIDENT** (in Cantonese): You should not walk up here. Security officers, block him. Clerk, do not let him walk up in this way.

(Mr LEUNG Kwok-hung approached the Chief Executive)

**MR LEUNG KWOK-HUNG** (in Cantonese): Here is a letter for you about minimum wage, which Mr LEE Cheuk-yan asked me to give it to you.

(While Mr LEUNG Kwok-hung was showing the Chief Executive a piece of paper and a carrot, the President and the Clerk were standing by the side of the Chief Executive)

**PRESIDENT** (in Cantonese): Clerk, please take him away. Mr LEUNG Kwok-hung, please leave.

(Two security officers and the Clerk approached Mr LEUNG Kwok-hung and asked him to leave the Chamber)

**MR LEUNG KWOK-HUNG** (in Cantonese): You have not enacted any law on minimum wage in the past two years.

**PRESIDENT** (in Cantonese): Please take him away immediately.

(Two security officers and the Clerk asked Mr LEUNG Kwok-hung to leave the Chamber)

**MR LEUNG KWOK-HUNG** (in Cantonese): You should not be so agitated, this is .....

**PRESIDENT** (in Cantonese): You have to observe the rules.

**MR LEUNG KWOK-HUNG** (in Cantonese): The Government does not have credibility, and Members of the Legislative Council .....

**PRESIDENT** (in Cantonese): You have to leave immediately as Members of the Legislative Council do not enjoy any privilege. Legislative Council Members also have to observe the rules. Hong Kong is a place where the rule of law prevails, so please take him away now.

(Mr LEUNG Kwok-hung did not listen to the President's advice but continued shouting aloud)

**MR LEUNG KWOK-HUNG** (in Cantonese): ..... the Government failed to observe the rules .....

(Security officers intended to help Mr LEUNG Kwok-hung gather his belongings)

**PRESIDENT** (in Cantonese): That is not necessary.

**MR LEUNG KWOK-HUNG** (in Cantonese): The Government failed to observe the rules and hence it should not be respected. It has gone back on its words, and minimum wage .....

(Mr LEUNG Kwok-hung turned around and left the Chamber under the escort of the security officers, but he kept looking back and shouting aloud)

**PRESIDENT** (in Cantonese): Security officers, please help Mr LEUNG Kwok-hung leave the Chamber.

(Mr LEUNG Kwok-hung left the Chamber)

**PRESIDENT** (in Cantonese): Sorry about that, Chief Executive. Members, I first wish to welcome on behalf of Honourable Members the third term Chief Executive, Mr Donald TSANG, to attend the Legislative Council's first Question and Answer Session.

The Chief Executive will now address the Council.

**CHIEF EXECUTIVE** (in Cantonese): Madam President, Honourable Members, good day. While today is the first time I meet with Honourable Members in a Question and Answer Session after the third-term Government came into office, it is also the last Chief Executive's Question and Answer Session of this Session. I consider this a very good opportunity to thank every Member for their support to me, and especially the work of the SAR Government, over the past year. I fully appreciate the difference in role between the Government and the Legislative Council in the legislature, and we will continue to debate for the purpose of promoting policies and bills. It is precisely for this reason that we must respect each other to ensure smooth administration. Like two teams in a football match, when the referee whistled the end of the game, the players and coaches of both teams would come forth to shake hands with each other as a display of sportsmanship. I hope that it would be best if today's Question and Answer Session will end in such a mood.

Today, I wish to share with Honourable Members the SAR Government's beliefs in governance under the theme of "reaching out to the community" in the future. The newly announced political team of Principal Officials of the third-term SAR Government has three criteria that I wish to highlight in particular, namely "professional, pragmatic and committed". In order to meet these requirements, officials must reach out to the community. The relationship between the Government and the public is a new issue currently faced by all governments around the world. I strongly believe Members also share the same feeling.

Following the technological revolution, the transmission of messages at light speed has actually changed the environment for public participation in public affairs. In the past, the general public was mobilized by political groups (including political parties), which would then translate public opinions into political platforms. When they came into rule through election, the political

platforms would be turned into public policies and put into practice. Such was the approach until the end of the last century.

However, nowadays, the overall political environment has undergone dynastic changes whereby the public at large can easily obtain information about public policies. One may gain access to any information on the Internet with just one touch on the computer, and express views at all times. Sometimes, objections were raised only after the process of conventional consultation and law enactment had completed and the policy concerned had already come into operation. This resulted in the creation of exchange forums on the Internet where people exchanged views and debate, or even transformed into political movement in which people expressed their discontent with the Government, with a view to prejudicing its administration.

Different governments and think-tank groups, including the SAR Government, are reviewing how public opinions can be gauged by reaching out to the public in this new era, so that the governments' policymaking process can be improved for the genuine manifestation of accountability. Through this process, the relationship with the public will change from one of consultation into actual participation, which is an evolutionary process of the so-called public engagement.

This change in the mode of public participation also emerged in Hong Kong over the past two years. For instance, the Harbour-front Enhancement Committee and the West Kowloon Cultural District Consultative Committee are the outcome of the joint effort of the Government, the public and the interested parties. In the planning process of the redevelopment of Yue Man Square in Kwun Tong, the Town Planning Board took the initiative to gauge public opinions and changed the previous consultation method in respect of urban redevelopment.

Therefore, I think that the SAR Government should play a more active role of facing the community in the future, whereas the Legislative Council, a representative of public opinion, should also have a more important role to play. One of the main purposes of the proposed expansion of the accountability system is to enhance communication between the Principal Officials of the SAR Government and the Legislative Council, by appearing more in the legislature to explain government policies, through which public opinions can be taken on board.

At the district level, District Officers should also co-operate more actively with the District Councils, and join hands to respond proactively to public needs. For issues of public concern, cultural conservation, for instance, we will grasp every available opportunity to engage in dialogue with different community groups for two-way communication.

However, I wish to stress that "public participation" is a two-way communication process in which the Government and various community groups all have their respective parts to play. While government officials have to reach out to the community, different community groups also need to organize themselves in collecting public opinions and relaying them to the Government in a systematic way. This is the best way to genuinely communicate with each other. Certainly, this is a long-term task and its success requires the conscientious effort of both parties. I would definitely not underestimate the difficulty of this task. Nonetheless, if we have the strong will and mutual trust, we will make it.

This year marks the 10th anniversary of the reunification. Over the past decade, there has been a change in Hong Kong people's view on public policies. Apart from the pursuit of economic development, Hong Kong people have also been pursuing other values and targets including sustainable development conducive to the environment, the conservation of cultural heritage and the upholding of a humanistic lifestyle. I admit that there are still a lot of deficiencies in the Government in this respect, which we need more time to make adaptations and adjustments. Nonetheless, my colleagues and I are prepared to do so.

Here, I can assure Honourable Members that the accountable team of the new term SAR Government will work towards this end in a "professional, pragmatic and committed" manner, so as to reach out to the community with all the colleagues and Honourable Members for the purpose of serving Hong Kong people.

Thank you.

**PRESIDENT** (in Cantonese): The Chief Executive will now answer questions raised by Members. A Member whose question has been answered may, if necessary and for the purpose of elucidation only, ask a short follow-up question.

**MR ANDREW LEUNG** (in Cantonese): *I am glad that I can ask the first question when the full team of the Third Term SAR Government is present at this meeting.*

*In recent years, Hong Kong businessmen have been facing a rapidly changing investment environment in the Pearl River Delta (PRD). In Guangdong Province, a number of measures have been implemented. These include the optimization of the industrial structure, tightening up of the environmental protection requirements, imposing control on industries of high pollution, high energy consumption and resource-related, and a slash in tax rebates. As a result, many local factory operators are forced to transform into high value-added and high technology production. Because of these series of policies, factory operators who have set up factories there feel very worried while small and medium enterprises which operate in the mode of processing imported materials have particularly borne the brunt. May I ask the SAR Government how the worries of Hong Kong businessmen will be conveyed to the Central Authorities and the Guangdong Provincial Government? And what will be done to help them undergo transformation, including the quest for a suitable timeframe as a buffer for transformation so that they can have enough time to make changes?*

*Besides, the Federation of Hong Kong Industries has just submitted to the Chief Executive a proposal on supporting the sustainable development of Hong Kong industries in the PRD. One of the proposals is the setting up of a Hong Kong industrial development committee under the Office of the Chief Secretary for Administration or Financial Secretary. It will be a standing committee especially tasked with promoting the sustainable development of industries, co-ordinating the relevant policies and communicating with the Central Authorities and Guangdong Province. Will the Government actively consider this proposal?*

**CHIEF EXECUTIVE** (in Cantonese): First of all, regarding the industrial development direction of the sector in the PRD in the future, if it is specific and pragmatic, the SAR Government will certainly give support and carefully study it to see what role we can play so that the sector can develop their businesses in Guangdong Province and the PRD.

Concerning the whole economic structure adjustment in the Mainland with the aim of upgrading its value-addedness and reducing industrial pollution, these policies will change with the times like Hong Kong and are worthy of support. However, I also fully agree with Mr LEUNG that these policies should not be implemented in a rush and push the sector into a corner.

We are now making efforts in several aspects. I am sure you are also aware that I have discussed these problems with the authorities concerned in Guangdong Province together with you. Moreover, our Secretaries of Departments and Directors of Bureaux have also reflected the situation and fully conveyed our views on taxation and industrial adjustments to several major departments in the Central Authorities. So, you can see that the industrial adjustment strategies in the PRD have slowed down compared with the initial pace, reflecting the efforts of the sector and the Government.

Regarding a few points of concern, I think the modernization of the taxation system is worthy of support by the sector and all of us because it will promote standardization and a level playing field will be advantageous to all. However, all industries will need some time to cope with the transfer of technologies which is a sudden and rapid change.

However, Governor HUANG Huahua has made a great promise to us that they will not use the words "pushing into a corner", meaning that our enterprises will not be pushed into a corner. If the *status quo* can remain — certainly the environmental protection standards should be met — if it can be maintained to be low value-added and labour-intensive, they do not have any plan to eliminate these industries. So, the sector should keep abreast of the times so that it can maintain its competitiveness in a new environment.

Besides, I believe new measures in taxation will be implemented in a gradual and continuous manner so as to mitigate the impact on the relevant trades. According to my knowledge, there will not be too much impact in taxation because for those who have been granted concessions, the current concessions have been reduced, while for those who have not been granted concessions, the current tax rate has been cut, thus resulting in a level playing field after standardization which is beneficial to all.

Moreover, as you are aware, we are also helping the local industries to undergo technology transfer, especially in respect of environmental protection,

via a number of organizations. As you are also aware, our Hong Kong Productivity Council, which sees your active involvement, is now considering how to assist the factory operators to face the new challenges and reduce the pollution produced by their industrial operation in the Mainland. So, the SAR Government and Hong Kong factory operators are facing the new competitive business environment in Guangdong Province and the PRD. We are now actively providing assistance.

In this aspect, after reading your proposal, I will actively identify the problems with my colleagues and define our common objectives for which we will make a concerted effort. In Guangdong, we will do what needs to be done. Similarly, we will do the same in the Central Authorities. In addition, we will also look for a new development basin in the Pan-PRD or other areas so as to substitute the industries in the PRD. We are also working on this. You can see that we have recently visited Guangxi, Wunan and Jiangxi, with the objective of exploring new room for development, especially some industrial areas which are labour-intensive and land-intensive. Thank you.

**MR CHEUNG MAN-KWONG** (in Cantonese): *Mr Donald TSANG, when running in the election, you said that after the publication of the Green Paper, you would propose an integrated proposal which would contain a design, a roadmap and a timetable, compatible with the international standard of universal suffrage. May I ask whether the international standard of universal suffrage means that there will not be any political screening in nomination or a de facto political screening mechanism in disguise? Will it be a political mechanism which will allow participation by representatives of different political forces? Will it be a proposal which will provide a political mechanism ensuring a fair choice for the public?*

**CHIEF EXECUTIVE** (in Cantonese): To seek an ultimate solution to universal suffrage is one of the most important tasks of this term of Government. I will accomplish the task with sincerity. The publication of the Green Paper is the first step to make the most aggressive move, hoping that the goal can be successfully achieved during my term of office. However, the Green Paper will not propose an integrated package so soon. Instead, the objective will only be achieved after consultation. Nonetheless, when I say universal suffrage, it must

be universal suffrage. It must be conducted in such a way that everybody in the world will consider it as universal suffrage. At present, I cannot specify what can be done or what cannot be done. But there are several aspects which are clear to us. For instance, our Basic Law has clearly stipulated how the Chief Executive will be elected by universal suffrage. A nomination committee with sufficient representativeness will be formed to nominate the candidates to run in the election by universal suffrage in accordance with a democratic procedure and the elect will be appointed by the Central Government. We are very clear about these procedures.

No matter which method of universal suffrage is adopted, it will move towards this objective and fulfill all these conditions. And universal suffrage itself, which is one of the procedures, should allow fair, equitable and equal participation by Hong Kong people. Only in such a way can it be regarded as universal suffrage.

However, what should be the model of universal suffrage? As we all know, there are numerous models of universal suffrage in the world. We cannot say that this is universal suffrage and that is not. Neither can we say that this is indirect election, not universal suffrage. But why is it not universal suffrage? Let us not come to any conclusion at this moment. The most important point is that our method of universal suffrage will allow participation by all. Furthermore, it is fair and each vote will carry equal weight. I am sure that when we have come up with such a method which is regarded as universal suffrage by everybody in the world, we have achieved our goal.

I do not want to argue whether or not there will be a screening procedure. I think it is not mentioned in Article 45 either. So, I think we need not say whether or not there will be such a procedure. We have to bear in mind that we should act in accordance with the Basic Law.

**MR CHEUNG MAN-KWONG** (in Cantonese): *President, the key lies in the design of the democratic procedure of nomination. If the nomination committee is adopted, it is possible that the minorities may not obtain the required high-threshold nominations. But they and even the democratic camp should have an opportunity to participate, thus providing a choice to the public. Does the international standard in your eyes mean that a nomination mechanism with a*

*high threshold will be designed so as to screen out people with different political views or representatives of the democratic camp before the nomination procedure, resulting in a situation where individual candidates and political forces who are admired by the people will not be available for election by the public even though everybody can have a choice? Will this be the case?*

**CHIEF EXECUTIVE** (in Cantonese): I believe all systems of universal suffrage seek to serve the people and be recognized by the people, in addition to the purpose of selecting a Chief Executive who is most popular and forming a Legislative Council which is considered most desirable. In my personal opinion, excessive worries or fears are unnecessary. Nor should we be anxious about the existence of many other obstacles. The most important thing is that we should show our sincerity and listen to individual views with tolerance. I very much hope that during the consultation process of the Green Paper, I can gather views from all quarters so that I can see the trend of the mainstream public opinion, thus enabling me to formulate an integrated and widely accepted proposal which is not just acceptable to the majority of Hong Kong people, but also 60% or two thirds of the Legislative Council Members.

Besides, I also hope that I can have the opportunity to garner the Central Authorities' support. This is very difficult instead of easy because a proposal which suits some groups of people may not be the cup of tea of the others. Nevertheless, I always have the confidence. We have argued over this issue for years and the Government of this term is determined to accomplish the task. I also earnestly hope that the Government of this term can activate the task at the start of its operation. So, I think we should be optimistic and positive. We should not adopt a negative attitude with too many worries that this sort or that sort of problems may lead to failure in achieving the objective. I will make an all-out effort and trust you will do so.

**DR JOSEPH LEE** (in Cantonese): *Chief Executive, according to some relevant information, the drug abuse problem in Hong Kong is very serious, involving more than 130 000 people. The problem with young people aged 21 or below is even more serious and the situation in schools is also deteriorating. According to the relevant information, there was a three-fold increase in drug abuse by young people, particularly in Northwest New Territories, in 2006, compared with that in 2005. Conversely, however, owing to shortage of resources, centres*

*under the Hospital Authority providing early body check-ups to young people have closed one after another, leading to non-provision of such service. While there are 100-odd community psychiatric nurses territory-wide dealing with drug abuse, there are less than 30 community psychiatric nurses in the Northwest New Territories. In view of the seriousness of drug abuse by young people and the far-reaching impact, what specific measures do you have to prevent drug abuse by our young people, thus improving their physical health?*

**CHIEF EXECUTIVE** (in Cantonese): To begin with, I would also like to ask you and other people this question. This is a headache to all of us. Not only in Hong Kong do we have such a problem, every advanced country is now facing the abuse of soft drugs or psychiatric drugs by young people. This problem does not occur locally. Rather, as people can now cross the boundary, access to these drugs is no longer a difficult thing. This is a very major social problem which should be dealt with from family education followed by social education and medical treatment.

Concerning the need of resources, I think I will adopt an open attitude. In my opinion, if a good solution is put forward, the most important thing is to ensure the effective use of resources while the issue of resources itself is only secondary. If we need more psychiatric nurses, more police officers, more social workers and whatsoever, and this is considered the best way to use our resources after discussion, I will certainly not be stingy.

**DR JOSEPH LEE** (in Cantonese): *Chief Executive, in fact, you have asked me this question and I just tried to give you a response. But you have not answered this question. I want to ask about the specific situation. What can be done concerning, for instance, early intervention, preventive education and rehabilitation?*

**CHIEF EXECUTIVE** (in Cantonese): You have already put your finger on it. *(Laughter)* Effort can be put into each area you just mentioned. A number of committees on our part are discussing this problem and these are in-depth discussions. The Fight Crime Committee, in particular, has also held an in-depth discussion and published a report on the issue. Should there be any specific ideas, we will certainly put them into practice. Regarding the areas you

just mentioned, follow-up actions will certainly be taken. As to the question of which area will deserve more effort and which area will deserve less and the respective amount of resources involved, we have to discuss it together.

**MR LI KWOK-YING** (in Cantonese): *Mr TSANG, I wish to first congratulate you on your successful re-election.*

*I remember that when you were running for the Chief Executive Election, you mentioned that the problem of health care financing would be dealt with during your term of office and therefore proposed the setting up of personal savings accounts in your election platform. Earlier on, the Bauhinia Foundation Research Centre put forward a proposal of medical savings, which I believe should be the broad direction. However, once it was announced, many people worried about the amount of their contributions and whether the services would be satisfactory. Very few people have asked about the change in the Government's role in the medical framework or the major changes that will occur in the public health care system following the introduction of the new proposal.*

**CHIEF EXECUTIVE** (in Cantonese): Mr LI Kwok-ying, you are right in saying that the health care financing proposal is not simply a financing arrangement, but a reform of the entire health care system. Meanwhile, something has happened to our health care system which is actually affecting our financing capacity. Therefore, we should not deal with the financing problem alone while ignoring the more significant health care reform at present. You should have learnt that we plan to release a consultation paper in the latter half of this year (that is, within this year) to seek views on how the health care reform can be taken to another pedestal, where health care financing will be covered.

As for government commitment, just as I stated very clearly during my election campaign, 14% of government expenditure is currently devoted to public health care, hence efforts must be made to cut down other expenditures so as to increase health care financing to as high as 17% during my term of office, that is, an increase of three percentage points. Coupled with our annual economic growth, more resources will therefore be made available.

Very obviously, however, our experts have advised that it is still not enough due to the ageing population and the rapid development of medical

technology in Hong Kong, which have resulted in a hike in prices. On the other hand, there is a trend of people suffering from some deadly elderly illnesses like diabetes mellitus and heart diseases at a younger age. Furthermore, Hong Kong people generally have a longer life expectancy nowadays, the ageing population has therefore added to the already heavy burden on health care. Our expenditure has recorded double-digit increase year on year, which reaches as high as 20-odd percent. As such, government action alone is not enough.

About this job, I think that there are several perspectives. First, government commitment will definitely not reduce but increase continuously to above the current level and amount, and will become more diversified. The division of work between the private and public health care sectors is, however, another issue. In view of the existing mismatch, how can better adjustments be made?

On the other hand, progress should be made in respect of the commitment and affordability of members of the public, and no further delay should be tolerated. Given that expenditure on health care cannot be further increased and the waiting time has become longer and longer, the quality of health care services will certainly deteriorate. This is unbearable to us. How can community resources be mobilized to play a role in this? The method suggested by me during my election campaign is to make contributions to personal accounts. In spite of the controversy over this method, it is comparatively less controversial as the money we spent on health care is, at least, taken from our own pockets. I strongly believe these proposals and other reform initiatives will be included in the forthcoming consultation paper on health care financing and health care reform. When Members are consulted by the end of this year, comprehensive discussions can then be conducted.

**PRESIDENT** (in Cantonese): Mr LI Kwok-ying, do you not wish to raise any follow-up question?

**MS LI FUNG-YING** (in Cantonese): *Chief Executive, you mentioned during the election campaign that a summit on the expansion of the social enterprise projects would be convened to formulate an action plan to resolve the poverty problem among the grassroots. However, in reply to a Member's question at yesterday's Legislative Council meeting, Secretary Prof K C CHAN said that the*

*poverty problem among the grassroots in Hong Kong was not too serious. May I ask the Chief Executive whether the summit will be convened as planned? When will it be held? What are the specifics?*

**CHIEF EXECUTIVE** (in Cantonese): We have just assumed office for a few days, (*laughter*) so please allow us to first settle down and give TSANG Tak-sing some time to organize his work. We will surely put our words into actions, and this summit will definitely be convened. I think that the issue of social enterprises must be dealt with for it is a new initiative to alleviate poverty. Furthermore, there is still room for development and it can help ease the tension between the rich and the poor in Hong Kong. Therefore, I will continue to proactively push the relevant work forward.

In Hong Kong, there is disparity between the rich and the poor, which Prof K C CHAN explained to Members yesterday. Yet, a professor is a professor, and the explanation given by him was not simple at all. (*Laughter*) I also understand that by merely looking at either the Gini Coefficient or salaries, there is a great disparity between the rich and the poor as the former has exceeded 0.5. However, like other advanced countries..... If the calculation of the Gini Coefficient also takes into consideration such factors as our low tax rates, health care subsidies and housing subsidies, the Gini Coefficient will not be so high.

However, we have not said that our Gini Coefficient is low. We are not immune from problems, and there is one which we cannot escape. Being a financial centre, Hong Kong attracts people from all over the world who are best at making money. In addition, our proximity to the Mainland has also attracted a daily arrival of 150 mainlanders to live here as grassroots. As a result, disparity will definitely exist and it will stay forever. Being the Government, what should we do then? We should help the disadvantaged groups and the grassroots to overcome a number of problems. Apart from enabling them to lead stable lives, it is also hoped that they can move upward in society and improve their lot. We hope that people who are living at the grass-roots level this year will be able to enjoy better lives in five years and secure further improvements in a decade. It is of paramount importance that the next generation is given sufficient opportunities to receive education, so as to avoid the problem of inter-generational poverty. This is the challenge and work currently faced by our Government.

**MS LI FUNG-YING** (in Cantonese): *President, Chief Executive, I wish to follow up. If the summit is able to formulate an action plan, will it merely serve as reference for the Government or will it be followed up and then genuinely put into practice by the SAR Government and the departments concerned?*

**CHIEF EXECUTIVE** (in Cantonese): *Why will we not follow up on the summit that we organize? Follow-up actions will definitely be taken. In my opinion, our efforts alone cannot achieve the purpose. We hope that there will be a third enterprise, that is, voluntary agencies, to work with the Social Welfare Department, Labour Department and Home Affairs Department in the government establishment. It is also our wish to promote the participation of enterprises, with a view to tapping their knowledge of enterprises and markets, and enlisting their co-operation in the formulation of action plans for each district. Policies in relation to resources and manpower will certainly be put in place to tie in with the relevant plans.*

**MR TOMMY CHEUNG** (in Cantonese): *Chief Executive, I think you are also aware that, insofar as the catering industry is concerned, there have been double-digit increases in the price of foodstuffs over the past three years, which I have brought to your attention here before. Recently, the supply of mainland pork to Hong Kong has gradually reduced and nearly all pig farm licences have been surrendered, and it is also learnt that the shortage in supply has resulted in the allocation of quota among pork buyers. The price of pork is now under immense pressure to increase. It is increasing day by day and has reached over \$1,000 per 100 catties. With an increase of more than \$100 each day, the problem has become very serious.*

*May I ask the Chief Executive whether he has examined the causes leading to the tense supply of live pigs lately? Was it due to the purchase of pigs at suppressed prices or a lack of supply to Hong Kong? Has the Chief Executive gone so far as to consider the problem resulted from a monopolized importer? Is there a need to allow the entry of a couple more importers to promote competition in consideration of a balance against food safety?*

**CHIEF EXECUTIVE** (in Cantonese): *During the latest "Nine plus Two" discussion, I met with some provincial governors and the Chief Executive of Macao. They all said that Donald TSANG had the highest salary among them*

all, and suggested that we should swap our positions, so that I would become a provincial governor and they would take my place. Not only am I required to deal with urban matters, but I also have to decide on the locations of refuse stations and bus stops. What is more, I even have to learn about the rearing of pigs. What is required of us is indeed different.

Let me come back to business. The price of pork is of grave concern to us. It can be seen that in the past few months, there have been frequent news reports by the China Central Television on the Mainland on the supply of pork. The problem is therefore not only confined to Hong Kong, but is country-wide. The problem of Hong Kong is an absence of a designated supplier. This is a matter of export control, rather than import control on our part. Live pigs can be imported from anywhere else. We used to import pigs from Taiwan, and some from Thailand, but they failed to compete with the mainland pigs for being too far away.

However, the export system of the Mainland is not under our control. In case the existing supplier fails to cater for Hong Kong's needs, we may initiate negotiations. The matter may also be brought up for discussion with the Central Authorities to see if improvements can be made with respect to the manner of supply. Certainly, the existing practice does have its merit as both quality and quantity can be guaranteed. Also, price fluctuation can be minimized.

Yet, what if the situation persists as it is today, with our supply suddenly becomes tense? I strongly believe this problem will not remain unresolved in the long run and we should be able to resolve it. There will always be pork to eat in Hong Kong. I believe you should know better than I about the current supply of pork to Hong Kong, of which 70% is frozen or chilled pork and only 30% is fresh pork. Therefore, the short-term problem arising from the supply of imported live pigs will not have significant impact on our food supply.

Nonetheless, I am gravely concerned about this problem and discussion with my colleagues is ongoing. The issue was discussed this morning and follow-up actions will be taken. We will address the issue from several perspectives, for instance, the quantity of supply, price and the manner of supply. Just as you have said earlier, is there still room for improvement? Yet, we must respect that this is not a matter with the policy of Hong Kong, but that of the Mainland. It is their intention to provide safeguards on several

fronts. They consider that the existing practice does not only safeguard both the quality and quantity of pork being exported to Hong Kong, it can also guard against great price fluctuation. This is why such a practice has been adopted. Nonetheless, problems may arise during a certain period of time, like today. And yet, I think that they can be resolved.

**MR TOMMY CHEUNG** (in Cantonese): *President, my follow-up question for the Chief Executive is: He said earlier that this is a problem of the Mainland's export control, rather than Hong Kong's import control. So, does he agree that we should pursue with the Mainland on the admission of a couple more export companies so as to promote competition in the export of pork to Hong Kong?*

**CHIEF EXECUTIVE** (in Cantonese): I think this is reasonable enough. We will discuss with the mainland authorities to see if there can be more channels of supply that can help improve the current situation. Should any problem arise, I think that this point is worth discussion.

**MR MARTIN LEE** (in Cantonese): *President, Chief Executive, if you have really reached out to the community, you should know that so far the mainstream public opinion is still implementing dual elections by universal suffrage as early as possible. However, the Central Authorities smashed the consensus of Hong Kong people on 26 April 2004, saying that dual elections by universal suffrage could not be implemented in 2007 and 2008. Yet, so far, no timetable has been provided. Many people wish to know what actions should be taken to strive for an early implementation of universal suffrage in Hong Kong. What do you think they should do? Should they take to the streets with Cardinal Joseph ZEN or follow you obediently to pray in the church?*

**CHIEF EXECUTIVE** (in Cantonese): I think that praying and taking to the streets are two alternatives, though not necessarily the most effective. In fact, the most effective approach is to sit down and discuss the matter thoroughly in a sincere manner. After the publication of the Green Paper, we shall be able to identify certain focal points, and come up with a very good proposal through discussions, in the light of the direction and issues set out in it. In my opinion, this is the best approach.

There are a few questions we have to consider. How to achieve universal suffrage? Guidelines have been set out in the Basic Law requiring support from Hong Kong people, a two-thirds majority of Members of the Legislative Council and the Central Authorities. In this light, studies will have to be conducted. Is taking to the streets supported by members of the public? Is taking to the streets supported by a two-thirds majority of Legislative Council Members? Is taking to the streets supported by the Central Authorities? This is the point.

Furthermore, does praying work? I have my own way, and you have yours. We can all do in our own ways. However, I consider that a more progressive approach is, just as I said earlier, to sort out these problems through open, sincere and calm discussions on some concrete proposals. This is what I meant by starting with the Green Paper. I consider this a more practical and effective approach compared to others.

**MR MARTIN LEE** (in Cantonese): *Chief Executive, we had actually reached a consensus through discussions in the past, but it was smashed by the Central Authorities. Now we have to hold discussions again. How can we be convinced that the outcome will be accepted by the Central Authorities? Furthermore, how can we be convinced that the proposal put forward by you actually reflects public opinions? What else other than praying can we do?*

**CHIEF EXECUTIVE** (in Cantonese): I think that if the proposal under discussion is really a successful fusion of our strenuous efforts, the so-called mainstream proposal, which I hope, should have the mandate of the people. If the proposal is opposed by all Hong Kong people, it would be downright impossible for it to be tabled to the Legislative Council to solicit a two-thirds support of Members, not to say submitting it to the Central Authorities to seek support. Therefore, the proposal to be put forward by Donald TSANG in future must be able to overcome these three hurdles before it can make its way through. In fact, all proposals, not only mine, are required to overcome these three hurdles before eventual successful passage. Attempts were made in 2005. It was, however, an interim rather than an ultimate proposal, and it failed to obtain the full support of the Legislative Council by a small margin. As a result, it failed to get to the last hurdle.

Therefore, we must hold our breath this time and act with great sincerity. We must also listen to other people's opinions with tolerance so as to genuinely achieve our target. We are sincere to do so. Martin LEE, I will do my best, but you must work with me and clearly identify what our target is, what I should do or the actions to be taken to help me achieve this target. If you can think of any ways to help me out, you may go ahead. However, I really think that nothing is better than to sit down and discuss the matter calmly and objectively, and there is no need to shout or argue with each other. Mine is indeed a more progressive approach.

**MR LAU KONG-WAH** (in Cantonese): *President, Mr TSANG said earlier that the new Government had only assumed office for a few days, but several infrastructure projects have in fact been discussed for years and I would like to know their progress. When will the Lok Ma Chau Spur Line be commissioned? With regard to the Guangzhou-Shenzhen-Hong Kong Express Rail Link, the construction work of which on the Mainland has already been started, when will the project be finalized in Hong Kong? The concept of the Hong Kong-Zhuhai-Macao Bridge has been considered for two decades, but this good concept is impeded by hurdles, when will we see the light at the end of the tunnel? When will we hear the good news?*

**CHIEF EXECUTIVE** (in Cantonese): I too hope that the above projects can proceed expeditiously. Regarding the Lok Ma Chau Spur Line, our part has completed and I think Shenzhen will soon complete their part. When the standard concerned is properly laid down and all the systems have passed the test successfully, the project will continue apace. I believe this will be implemented very soon. From my point of view, this will be completed within a month or two, so I believe we do not have to wait for a long time.

On the development of railway, we will soon announce our plan. I hope that upon the successful merger of the two railway corporations, the new railway corporation will be proactive in this respect and put forth several proposals. There are two options to implement the project: First, by making use of the West Rail, which is a short-term option; second, by constructing a permanent purpose-built line for this regional express. I believe both options will have our support, for we now have the resources required to meet demands in this respect. Besides, I consider this project worthy of support. This rail link does not only

connect Hong Kong to Shenzhen and Guangzhou, but to the national-wide passenger rail network. I think this is an important issue which should be accorded priority. We will also strive to expedite the project on our part. The ball is now in our court, but not in the other side. I wish to see progress by the end of this year.

The Hong Kong-Zhuhai-Macao Bridge is another issue. In the past, I did not realize how difficult it could be to negotiate these issues with a number of regional governments. Now, we have finalized the roadmap — the alignment indeed (*laughter*), I cannot help saying this, occupational consciousness perhaps — the alignment has been finalized. On our part, since the boundary crossing is located in an environmentally sensitive area, we have to deal with it cautiously. Thorough consideration has to be given to the construction of the crossing at San Shek Wan, and a finalized option can only be reached when all the requirements in environmental protection can be satisfied.

Moreover, the financing issue, which is quite complicated, is still outstanding. Regarding the financing arrangement and the bridge, these have to be weighted against who will be the potential users and beneficiaries. I think the parties concerned are acting proactively. We are proactive, the authorities of Macao are proactive and the authorities of Guangdong Province are proactive too. More so, the Central Authorities will finalize the deal with us by pulling the various parties together and arriving at an integrated proposal. Here is the problem. What can be done to make every party concerned consider the issue is settled satisfactorily? I will follow up the issue closely. I wish I can enable the commissioning or implementation of one distinct construction item of this project within my term.

**MR LAU KONG-WAH** (in Cantonese): *President, the Chief Executive said that he hoped some progress could be made on the Guangzhou-Shenzhen-Hong Kong Express Rail Link by the end of this year. However, when he talked about the Hong Kong-Zhuhai-Macao Bridge, he said he hoped progress could be made within his term, which means five years. Does it show that his confidence in the two projects is different?*

**CHIEF EXECUTIVE** (in Cantonese): President, certainly, no other problems are involved in the rail link project, for we only have to negotiate with the

authorities of Guangdong Province. Besides, we are only responsible for the construction of the rail on our side. The issue is much simpler. But for the Hong Kong-Zhuhai-Macao Bridge of about 30 km in length, it stretches across three administrative regions: Hong Kong, Guangdong Province and Macao. Moreover, a number of environmentally sensitive areas are involved, for it is located at the mouth of Pearl River. Military concern is also one of the considerations. A host of factors have to be taken into consideration, so it is not a simple issue, and we must deal with it cautiously. On the construction of the Bridge, we must be extremely careful. We all know about the accident at Jiujiang Bridge. If any accidents occurred at the Bridge, how should it be dealt with? We have to think about it. We must consider these issues prudently, must we?

However, I think all of us can see the cost-effectiveness in doing so, as it is something achievable and should be done. Besides, all the administrative regions involved consider that priority should be given to the project. However, an agreement must be reached. What are the financing arrangements? In Hong Kong, how should the crossing be built and designed? Will the project affect the environment? We must settle all these problems.

**MR JEFFREY LAM** (in Cantonese): *Chief Executive, today, the three Secretaries of Departments and 12 Directors of Bureaux are all here except Secretary Frederick MA. We are gravely concerned about the commercial and economic development. I hope you may instruct him to follow up these issues when he is back.*

*Recently, the signing of the latest CEPA Supplement IV, coupled with the National 11th Five-Year Plan, has brought numerous opportunities conducive to the future economic development of Hong Kong. At the inauguration ceremony of the SAR Government, President HU Jintao said that the SAR Government should work together with the people of Hong Kong and enhance its co-operation with the Mainland, to cope proactively with the prevailing trend of globalization and consolidation of economy, for this would bring about continued and steady development in economy and promote constant improvement of people's livelihood.*

*May I ask the Chief Executive what he will do? What he will do in Hong Kong? How will he broaden the scope of co-operation with the Mainland within*

*the country with a view to escalating the level of co-operation? Chief Executive, you said that the next 10 years will be a golden decade for Hong Kong. How can you ensure that everyone can enjoy this golden decade?*

**CHIEF EXECUTIVE** (in Cantonese): Regarding the development direction of Hong Kong, I have shared this with Members a number of times. Hong Kong must be geared in the direction of globalization and becoming a worldwide finance centre. This is a function which the State, as well as Asia as a whole, requires Hong Kong to fulfil. This result is attributable to the favourable macro environment, geographical advantages and an enterprising population, and certainly other support measures, in such aspects as culture and trade, our mainland investments in the Pearl River Delta, sports development, legal system and other infrastructure in Hong Kong. All these aspects must be considered in a holistic manner, while attending to individual aspects.

As I have said earlier, CEPA is one of these aspects. First, CEPA IV has brought a great many new things to us and opened up many new horizons. As far as I know, these include elderly services and environmental services, which are new areas not available in the past. All professionals handle these issues with new methods, where new opportunities are opened up for them. I strongly believe that in this circumstance, Hong Kong people being so creative will find new job opportunities and new business opportunities.

On our part, what we have done is palpable. Creating business opportunities on the Mainland for the people of Hong Kong has been one of the important tasks undertaken by the SAR Government in the past few years. I have also participated in this actively. You and I have visited the Mainland a number of times to do promotion which at least can attract mainland corporations to seek listing on the Hong Kong market, providing a more dynamic platform for Hong Kong. We have to explore ways to attract capitals from Hong Kong to open up investment opportunities on the Mainland, so that corporations and companies of Hong Kong, as well as the people of Hong Kong, can earn more money, the effect of which will be extended to Hong Kong, thereby creating new job opportunities. We will keep up with our work in these aspects non-stop.

We have extended our coverage from the Pearl River Delta to the Pan Pearl River Delta (PPRD) Region, and from the PPRD Region, we are now

stretching out to the central region. We will also explore development in other areas. Efforts will also be made for the development in Northern China to reinforce Hong Kong's communication network in the Mainland, consolidating the work you have done in the past few decades and maintaining Hong Kong's position as a global financial centre. Therefore, in a number of areas, including trade and shipping services, legal infrastructure, market connections, particularly on self-regulation and competence in governance on our part, as well as competence in corporate governance, enhancement is needed. So, we have to make an effort in promotion and surely keep exerting our best.

I wish to steer in these directions with the business sector, concentrating our efforts in these issues with a view to coping with the need of the next decade, truly as I said, the "Golden Decade". It is obvious to all that our country is growing and rising. In the next decade, we will witness the rise of China as a super economic power in the international arena, while Hong Kong is the only city possessing the optimum conditions to act as a global financial centre, so we cannot miss this opportunity. The achievement of this, however, relies on endeavours by all of us and the concerted effort we made. I definitely will spare no effort in doing so.

**MR JEFFREY LAM** (in Cantonese): *President, Chief Executive, regarding the co-operation between governments, I believe the Chief Executive will promote vigorously. But only co-operation at the community level will facilitate the community to create wealth and bring us buckets of gold. In this respect, will you tell us in detail what we can do? What the business sector can do with the assistance of the Government?*

**CHIEF EXECUTIVE** (in Cantonese): It is my job to inform the business sector of Hong Kong of the development opportunities and latest information on the Mainland via existing channels, channels provided by the Trade Development Council and the Government. We will bring the various industries of Hong Kong into the Mainland and government officials will open the doors to you. For we are not the one to do business there, you are. We will put you in contact with mainland businessmen and officers in charge, so that they can show you the investment options available which welcome your investment.

Moreover, we have brought the finance sector of Hong Kong into the Mainland. We have explained how Hong Kong can maintain its own competitive edge and provide a good platform, so that sizeable corporations will carry out listing, financing and funding in Hong Kong. We also hope that they will make use of their RMB operation on the Mainland to promote wider circulation in Hong Kong. We have made effort in these areas. The Government's role is to provide assistance, for the final decision of making investment and doing business rests with you.

However, if there are any areas which we have not attended to adequately, we are more than willing to discuss these with Members. If Members think we can do more in certain areas, please let us know. We will continue with our hard work. But, in this connection, Members should know that we have spared no efforts in the past year, and we have been working on this all along.

**MR SIN CHUNG-KAI** (in Cantonese): *Chief Executive, you had brought good news, a pay rise, to civil servants before you took office. The Government will set aside \$5.3 billion for the civil service pay rise, and \$1.1 billion for staff of the Hospital Authority. As the Chief Executive cares about his staff, will he consider caring about the disadvantaged, particularly the aged and feeble? The Democratic Party now puts forth two items and demand priority consideration. First, the provision of half-fee medical services concession to all the elderly, which will reduce the government revenue collected from the elderly by \$400 million annually; second, the provision of subsidized dental services for the elderly. Actually, many elderly persons have lost their teeth, mainly attributable to the lack of dental care in their early years, but there is room to encourage them to take better care of their teeth.*

*Indeed, it is close to what you said at the very beginning of "reaching out to the community". I hope the Chief Executive can reach out to the community of the elderly and listen to their views. When we visited the districts and met with many elderly persons, they put forth demands in this respect, which we consider will also be of help to the disadvantaged. In fact, this will only cost around \$500 million to \$600 million, only one tenth of the amount incurred for the aforesaid pay rise in comparison.*

**CHIEF EXECUTIVE** (in Cantonese): In respect of elderly services, social security in particular, I think Members also know the gross amount spent on Comprehensive Social Security Assistance (CSSA). The money spent on social welfare is increasing every year, accounting for up to 17% or 18% of the expenditure of the SAR Government. We will maintain unswerving commitment in this respect. Regarding the room for improvement, we can have discussion. However, we have to note one point, that is no elderly person will be denied access to medical services on financial grounds. We will ensure this one essential provision.

However, should half-fee concession be granted to the general public or the elderly? Is this the best way to utilize resources? Basically, all persons in need are already enjoying full-fee concession, so do recipients of CSSA. Is the granting of half-fee concession on medical consultation to all the elderly the best option? This is worthy of discussion.

I would just point out that, concerning the expenditure on services for the elderly and the disadvantaged, the Government of this term will not initiate any reduction, but will only identify room for further improvement. Regarding improvement methods, will a small reduction in medical and drug charges be preferred? Or should improvement be made in other aspects? We may discuss and work it out.

**MR SIN CHUNG-KAI** (in Cantonese): *Chief Executive, if we reach out to the community more often, we will hear the views of the elderly. Many of the elderly at the grass-roots level may not necessarily have applied for CSSA. Actually, many elderly persons are unwilling to apply for CSSA and prefer to remain self-reliant. However, they, particularly their medical expenses, may place a burden on their family, for the elderly are prone to be affected by more illness as they grow older. According to our calculation basing on this situation, around \$400 million will be involved.*

*Chief Executive, in the Budget this year, the Government has indeed given out some \$20 billion to the public, and \$400 million is thus not a big amount. In the first two months of this year, the Government has a surplus of \$5 billion. Chief Executive, I beg you to consider after the meeting whether you can bring good news to the elderly, those elderly who are not on CSSA, the elderly at the grass-roots level who are not on CSSA?*

**CHIEF EXECUTIVE** (in Cantonese): I believe not every elderly person has such a need, but I agree you have a point there. We may discuss this and see what we can do, right? I think I will discuss the issue with Dr York CHOW and find out whether the resources we have can cope with this demand. However, I think there is always room for improvement in all kinds of services, the most important point is how resources can be used in the most suitable, appropriate and best manner overall. To the elderly, will the granting of a half-fee concession for medical consultation in the public sector best suit their needs? Will the spending of these hundreds of millions dollars in other ways provide assistance to the elderly more effectively? This is a point worthy of consideration. We should discuss this, shouldn't we?

**MR CHAN KAM-LAM** (in Cantonese): *President, Mr TSANG, a few days ago, when the State President HU Jintao visited Hong Kong, he said that the primary task Hong Kong should deal with at present was to boost economic development and improve people's livelihood. This is also the objective the Democratic Alliance for the Betterment and Progress of Hong Kong (DAB) has been striving for and working on in the past. May I ask the Chief Executive, on the improvement of people's livelihood, whether he notices that the burden shouldered by the grassroots and the middle classes in housing expenses are getting heavier? Is he aware that the prices of private housing, where these people are now residing, have gone up to a level no longer affordable to them? In this connection, does he have any good measures to further stabilize the current property prices to improve their lot?*

**CHIEF EXECUTIVE** (in Cantonese): Mr CHAN, as far as I know, the prices of premises now resided by the middle class are quite stable. The affordability of the people of Hong Kong is now at the record high. Besides, concerning the housing issue, the attitude taken by the Government is nearly the most proactive in the world. None of us will be left without a dwelling. As for the waiting time for public rental housing, close control over this is now maintained, and applicants will surely be allotted flats within a short period (within three years). We will continue to maintain this policy.

Perhaps Mr CHAN is referring to the Home Ownership Scheme (HOS) for the middle class, that is whether there should be HOS flats? This issue was discussed in the past. As we said in 2002 when we reiterated the policy, we

consider that the SAR Government should no longer take on the role of a developer, for the market is now functioning satisfactorily. We can provide assistance through other channels to enable these people to purchase better housing instead of playing as the developer. Surplus HOS flats are now put on the market gradually on condition that it will not cause disorder to the market.

I strongly believe that the Government will continue to fulfill its commitment to the middle class and the grassroots in satisfying their demand for public rental housing. It will ensure that accommodation will be available to every one in Hong Kong and maintain the policy of providing permanent and safe housing.

For those who really have the capacity to purchase their own flats, I will monitor closely the movement of market price at present. The land release approach is helpful in this respect. In the past few years, this approach was proved to be successful, and we did not notice any sharp fluctuations in property prices. Certainly, regarding some high-end premises, such as those at the Peak or other large luxury premises, the prices of which have shot up immensely, they are after all not housing for you and me. Excuse me, some among you surely live there. (*Laughter*) However, for the general public, the prices of middle-priced flats have remained rather stable so far, while the supply of such flats remains wholesome. Despite that, I am very much concerned about this. In the event of a surge in property prices, the adjustment approach we adopted can adjust the supply of land.

**MR CHAN KAM-LAM** (in Cantonese): *President, I believe the Chief Executive also understands that, since property prices started to pick up in 2004, over the past three years and eight months, property prices have already risen to a very high level. This is thus a cause of concern to us. If property prices continue to rise, housing expenditure will exert a great pressure on the general public. We therefore propose that..... Of course, we do not wish to see the Government playing the developer's role, but taking care of the housing needs of the grassroots is one of its obligations, which is very important. We propose that if the HOS Scheme is resumed in future, will the grassroots be provided with a ladder to enable them to become flat owners? Will any arrangement be put in place to allow them to vacate their public rental housing flats, which will in turn benefit more grassroots?*

**CHIEF EXECUTIVE** (in Cantonese): I think you are not referring to grassroots living in public rental housing flats, but the middle class hoping to live in HOS flats, for there should be no problem regarding the former. I think the existing problem is..... We have some HOS flats at hand, which will be put on the market in succession. However, I think we have to make a choice here. (I believe Mr CHAN is an expert, for he has been working in the Housing Authority for years. I know he is an expert.) We are talking about public money in both cases. Should the Government use the money to build HOS flats on its own? Or, should it enable eligible persons to look for flats suiting their needs in the private market? For this can not only give them more choices, but also prevent the SAR Government from expanding infinitely and taking up many tasks which should indeed be done by developers. Which approach is more desirable?

In this connection, Members made the decision in 2002 and considered the Government should withdraw from the market. To date, I still consider this the right strategy. The SAR Government should not intervene in the development of the market anymore, unless some grave problems arise, Mr CHAN, say a surge in property prices. Under such circumstance, the Government cannot just watch with folded arms but has to examine what it can do. However, with the current approaches and measures adopted, I hope this will not happen, and I do not see this happening within a short time.

**MR ALAN LEONG** (in Cantonese): *Chief Executive, on 31 March, you openly told the people of Hong Kong in your "Letter to Hong Kong" that the elitist mindset of government officials is untimely and should be changed. May I ask the Chief Executive, as it has been reported that a green paper on constitutional development will be published next Wednesday at the earliest, how this new mindset demonstrated in the "Letter to Hong Kong" will affect the way you and the Government under your leadership conduct public consultation? In particular, how do you determine whether a certain proposal has secured 60% support of the Hong Kong people? And what approach will you use to listen to opinions? In assessing public opinions, what work has to be done and what should not be done? Can you explain how you are affected by this new mindset?*

**CHIEF EXECUTIVE** (in Cantonese): Regarding the second part of the question, Mr LEONG, we may need to face the challenge brought by the

consultation on a new policy. However, regarding the first part of the question, for instance, about whether or not we should press ahead with a democratic election by universal suffrage, the people of Hong Kong have long become well-versed in it. We have had almost 19 to 20 years of training. The issue has even been discussed for 18 months in the Commission on Strategic Development, in which every question has been broken apart and separately discussed in detail. I believe there has been sufficient preparation and warm-up, and every citizen is fully prepared for this issue. It is no need for Donald TSANG to knock on every single door to ask for people's views on this issue. Unlike other new policies, such as health care financing for which we may adopt another approach, I hold that, Alan, we should have been fully prepared for this issue. The people of Hong Kong will engage themselves quickly in the issue. They will pitch in quickly.

Hence, I am pretty confident that if we can prepare a green paper in this summer, the public will be able to focus their attention within the three-month period to clearly tell us the proposals they accept or tend to accept, or the proposals they have reservation, and point out the proposals they find problematic or more proactive. I wish to listen to these voices. We certainly will opt for the most extensive approach, that is, through communicating with the Legislative Council and the District Councils, and through participating in discussion in the media as well as public forums, so as to facilitate a passionate but harmonious discussion on this issue.

I myself am confident that this can be done. By proactively reaching out to the community, it will naturally generate, I believe, a passionate discussion, in which not only the Government, but also all political groups will participate with enthusiasm. If all stakeholders keep an interest in this task, they will help the Government to introduce the pros and cons at every level of the proposals and their advantages to the public. I believe the challenge lies not in the work of promotion and consultation, but in how to accommodate and co-ordinate, which is the biggest problem, and how to hammer out a proposal which is acceptable — not necessarily from your or my perspective — to all. This is the biggest challenge.

**MR ALAN LEONG** (in Cantonese): *President, I am really happy to hear that the Chief Executive has such great confidence in the people of Hong Kong. There should indeed be such confidence. However, the Chief Executive's reply*

*which I have heard just now seems unable to specifically answer how this new mindset demonstrated in the "Letter to Hong Kong" will be realized in the consultation on the political reform package. Earlier on, we asked the Secretary for Constitutional and Mainland Affairs Stephen LAM about this. He answered that the Government would take note of opinion polls conducted by universities, listen to radio programmes and pay attention to views expressed by Members of the Legislative Council. (According to the new mindset the Chief Executive mentioned on 31 March), have these specifically cover and embrace the concrete measures the Government will adopt to consult and collect public notions and public views? Will you introduce to us, if any, other concrete measures?*

**CHIEF EXECUTIVE** (in Cantonese): Alan, what I said is how to address new issues. We will adopt a bottom-up approach. This is what I said in end of March. I shared with the people of Hong Kong the mindset we should have. When problems arise, where is the crux of the problems? In the past, this was analysed internally by the Government. I hold that in future this should not be the prerogative of the Government. The task of analysing the problem should be done in consultation with the public, and the task of finding the solution should not be done by the Government alone either, but in consultation with the people together. We can also discuss together the final strategy to be adopted to solve the problem. This is a bottom-up approach, which is a way to change into the new mindset.

However, as far as political reform is concerned, rather than starting the discussion only now, we have already discussed it for many years. If we only start discussing democracy now, it will be a grave matter. We often criticize why the colonial government did not do a better job so that we did not have to hastily start addressing this issue in 1997, or criticize why work had not been initiated until the last few years under Chris PATTEN's leadership, which in turn deprived us of a stronger buildup of political parties and democracy for the fostering of a mature system. However, it has been considerable time since then. The people of Hong Kong have discussed this issue for a long time and are well aware of every detail of it. They know very well that the reason for electing the Chief Executive was founded in Article 45 of the Basic Law — a political party in its inception used this as its name. Thus, everyone is well aware of this. Hence, this stage — the stage of recognizing the crux of the issue — has already passed. The public have also discussed various proposals

for a long time. Now is the time for filtering the proposals. When elites from every walk of life come forward, who can truly represent the overall view of Hong Kong people? This is precisely the objective of this consultation.

Hence, it may not be appropriate at all to apply what I said in March to political reform because we have already finished all these tasks and we have now reached the stage where we will shake hands to draw the game when the referee whistles at the end of the match. If we only start to do the tasks that we have already finished now and then proceed with a bottom-up consultation, it will be hard to know when we can get this done. I wish I can explain in detail to Alan why we do not need to do this.

However, I can assure him that this is an issue the Government cannot evade. As to the review of any proposal, the Government does not need to worry too much because every person in Hong Kong will pitch in, so will the media and our tertiary institutions which will surely participate at full strength. Basically, every member of the community will participate. We will be able to listen to the voices of the grassroots, the professionals, the media, and definitely Members of this Council; we will also listen to the voices of the Cardinal. Most importantly, I hope the voices of government officers and Principal Officials will also be listened.

**MS EMILY LAU** (in Cantonese): *President, I am really glad to see the Chief Executive talking so lively about universal suffrage.*

*President, on 21 March 2007, he also behaved very lively in his meeting with the media. He said Hong Kong had been beset by the issue of universal suffrage for many years. He thus would like the people of Hong Kong to "play a big game" in finding out the ultimate proposal. He wished, however, to tell Emily LAU and her faction that the proposal she wanted could only be found in heaven.*

*President, may I ask the Chief Executive when he has been to heaven? How could he know that this proposal could only be found in heaven? In addition, he also said that as there would not be a heavenly proposal, he would put forth a "hybrid" proposal. In the Green Paper to be announced next week, will there be a "hybrid" proposal? President, how could the Chief Executive make such vulgar remarks? (Laughter)*

**CHIEF EXECUTIVE** (in Cantonese): I do not wish to go into detail of or comment on remarks made with political groups or the media in closed-door discussions, as many of the remarks were inaccurately quoted.

Yet, one thing is true and that is, I truly wish that we do not have to expend any more energy on interim proposals or continue to torture the public here. I wish that our next discussion will not be on interim proposals, but on a genuine proposal on universal suffrage. This is my objective.

Any proposal will be an integrated proposal made up of collective wisdom. This is precisely what I wish to achieve in the consultation on the Green Paper.

**MS EMILY LAU** (in Cantonese): *President, we do not intend to ask the Chief Executive to disclose any secret, but if you claimed that The Frontier's proposal could only be found in heaven, I believe you owe members of The Frontier and the public an explanation. Our proposal seeks to let the people elect all Members of the Legislative Council and the Chief Executive by "one person, one vote" in a universal and equal manner. This mode of election is available in many civilized places in Asia and Europe. Why did the Chief Executive say that this proposal could only be found in heaven?*

*Thus, some commented that "a way to heaven you choose not, but a 'hybrid' proposal would rather be sought"?*

**CHIEF EXECUTIVE** (in Cantonese): Emily, I will not engage in a war of words with you on the wordings.

If we look at the system in most developed democratic countries in the world, be it the United Kingdom, France or the United States, their proposals, their modes of election and their generally-accepted methods of universal suffrage have their complexity. Why? Why are they not as simple as what you have said just now? Why do they have to have the House of Lords and the House of Commons? Why do they have the Senate and the House of Representatives? Why are their presidents returned by indirect elections?

Because it is the result of many other historical reasons. If their chief executive and all the seats of their assembly are simply returned by "one person, one vote" without any other proposals or arrangements, if everything is equal, I believe it is hard to find such thing on earth. In other words, it is hard to find an example where there is nothing but one assembly or one arrangement in returning their president or premier, or an example where their parliament is returned through "one person, one vote", and every member of the parliament is returned by the same method and nothing else. This is a fact, and there is no need to argue otherwise.

However, I hold that it is imperative that our proposal has to fulfil the requirements of the Basic Law. Within this context, we have to arrive at an internationally recognized platform of universal suffrage. By so doing, we will reach our objective.

Moreover, it is useless to argue and to get so agitated. Why be so agitated? *(Laughter)* Greater anger will only ignite tougher problems. It is better to keep a cool head and discuss the matter slowly.

**DR RAYMOND HO** (in Cantonese): *President, the Chief Executive has written clearly in his election platform that he attaches great importance to infrastructure and employment, and he has established a new Development Bureau. The Chief Executive, in his speech made at the Inauguration Ceremony, mentioned that he would perform three major tasks in the coming five years. I have a copy of his speech at hand — because I am very concerned about this; and in relation to the third task, he said straight forwardly that "we will promote a new mode of economic development — the financial sector will be expanded and investment in infrastructure will be increased to drive wage increases and create more job opportunities for grassroots workers".*

*However, Chief Executive, in retrospect of the past 10 years, many large-scale projects have fallen through or have at least been substantially delayed because of environmental or conservation issues. In the days to come, what will you do to convince the public to support you and to accept that developing infrastructure can improve the environment and that a balance can be struck between conservation and development?*

**CHIEF EXECUTIVE** (in Cantonese): I think this is one of the important reasons for reorganizing the Principal Officials. We understand that nowadays large-scale projects, in particular large infrastructure projects, are very complicated. We cannot approach the problem purely from the angle of the projects, but also from the needs of the people, for instance, the environment and conservation. These aspects have to be catered for in order to get the job done. I indeed believe that, in future, if we can make preliminary efforts in environmental impact assessments and, as far as the public is concerned, in anthropological and cultural conservation before the implementation of large-scale projects or before tabling the proposals to the Legislative Council — if extra efforts can be put in these aspects — these projects can be launched at a much faster pace and can secure greater support from the Legislative Council.

Moreover, I have mentioned in the beginning just now that even if we have reached a consensus here that we have addressed the issue in the best way we could, some may still veto our efforts at the last minute saying that we have not done enough. Therefore, we have to reach out the community and address these problems as early as possible. This is a rather complicated task and we have to be patient in addressing these issues. All in all, I am confident that I can increase investment on infrastructure from \$20 billion at present to \$29 billion at the end of my term. This is the target I wish to reach. The Government can assure the public that we can cater for all concerns including those about the environment. Our concept of development is a modern one, catering for conservation as well as environmental needs. I believe this is the best strategy.

**DR RAYMOND HO** (in Cantonese): *President, I am very glad to hear that the Chief Executive is so confident. I, on the other hand, am concerned that in recent years many large-scale projects — despite having been deliberated in the Legislative Council or pushed through public consultation for a long time, or the work of which had already started — were often delayed because there was a sudden need of conservation — many people like to use the word "sudden". Some projects were even prejudiced by judicial proceedings such as judicial reviews. Regarding these problems, Chief Executive, I fail to see which of your endeavours can truly address these problems. Moreover, at the last minute, you mentioned that there was still an obstacle which might affect the economy, people's livelihood or their quality of life. Chief Executive, what will you do specifically?*

**CHIEF EXECUTIVE** (in Cantonese): It is inevitable if public involvement takes the form of judicial proceedings because this is a region under the rule of law. If someone resorts to judicial review, let it be. If it is justified to conduct the works, the Court will allow us to proceed with the works. Will it not? Judicial reviews may not necessarily hinder the progress of our works.

If we are confident that the projects have undergone sufficient consultation, opinions of the minority have been heeded, extra efforts in environmental protection made and concerns about cultural conservation addressed, I very much believe that, under such a circumstance, in a pluralistic society — although we will still hear such opinions — we can use the power of the majority to convince those who have voiced these opinions; and we will not let these opinions hinder the works about which we have reached a consensus that they should proceed.

**DR KWOK KA-KI** (in Cantonese): *Madam President, the Chief Executive has become much wiser because, as a matter of fact, he is more conversant with packaging, thus getting more sound bites and becoming more resourceful to topple his opponents. However, the people's eyes are sharp and the newspaper reports are clear. Chief Executive, you promised to Hong Kong people on 22 March during your election campaign that there would be an ultimate proposal which would be "a big game" including three elements such as a timetable and roadmap. Your promise has been written down very clearly. What you just said is totally right. Hong Kong people do not discuss universal suffrage only today but have discussed it since the '80s. They are used to seeing the Government moving the goalposts on different pretexts. Nevertheless, Hong Kong people have come to know clearly what universal suffrage is over the past 10 years or so.*

*A reporter then asked you whether the so-called ultimate proposal in the Green Paper would set out three distinct so-called universal suffrage proposals, including the proposal for 2012. Recently, there were signs that the Government was trying to retreat from its words at meetings such as that of the Constitutional Affairs Panel by saying that there might be an integrated proposal instead of three proposals. May I ask the Chief Executive clearly — please do not deceive the Legislative Council Members or all the citizens — whether three distinct universal suffrage proposals for 2012 containing a roadmap and*

*timetable with options easy to choose from will be set out in the Green Paper to be released next week?*

**CHIEF EXECUTIVE** (in Cantonese): Dr KWOK, I believe it is difficult for us to discuss anything if you keep on displaying such an attitude. You have been saying that I am deceiving the people and Members. If I do, how can I garner people's support? How can the objective of universal suffrage be really achieved? Where is the basis for our mutual trust?

When the Green Paper is released, we will certainly provide a variety of options for the people with an objective to arouse a constructive discussion and expression of views by all quarters. I hope the issue of universal suffrage can be fully resolved in my term of office. This is my greatest goal. I will introduce the Green Paper with sincerity to provide Hong Kong people with good options. I do not know what you were talking about when you said "retreating from its words". I do not know what these words mean. My colleagues have never tried to "retreat from their words". Do you mean that we will delay the release of the "Green Paper"? No, we will not. I will certainly release it as scheduled and give people sufficient options.

But you should not be so optimistic..... so pessimistic about these matters. You should be aggressive lest you cannot address the issue. Unless you do not want to have universal suffrage and unless you want to maintain an issue for disputes on universal suffrage, you can keep adopting such an attitude, Dr KWOK. Otherwise, if you want to have true universal suffrage, you have to be humble and put on more smiles, (*laughter*) and be prepared to listen to others' views, and refrain from resorting to personal attack and verbal violence. I believe with such an attitude, our target will be closer to us.

**DR KWOK KA-KI** (in Cantonese): *President, I think I have to put on a smile when asking him a question. (Laughter)*

*Mr Chief Executive, my question just now was very clear. Everybody can read from newspapers that you said clearly on 22 March that there would be three universal suffrage packages which would contain a timetable and roadmap. My question just now is: Will you honour your promise made at that time and put*

*forward three packages for universal suffrage, including a proposal for universal suffrage in 2012, in the Green Paper which may possibly be released next week?*

*I am wearing a smile. (Laughter)*

**CHIEF EXECUTIVE** (in Cantonese): What I said is that there would be three different proposals. This is certainly our way forward. When drafting the Green Paper as a whole, I will consider giving options to Hong Kong people so as to gather views from various sectors. Regarding the selection of the Chief Executive and the formation of the Legislative Council, I will examine which are the most controversial areas and there will be several options for each controversial issue. I believe this will be an item on our agenda.

The Green Paper will be released. You will not have to wait too long or worry too much. It will soon be completed because I said that it would be completed in summer, I will certainly take it up in summer.

**PRESIDENT** (in Cantonese): You have asked a follow-up question, please sit down.

**DR KWOK KA-KI** (in Cantonese): *I put on a smile when asking him my question, but he is not willing to answer it.*

**MR WONG KWOK-HING** (in Cantonese): *I congratulate the Chief Executive and your team on your continuous dedication to the Third Term of the SAR Government.*

*I would like to ask the Chief Executive a question about legislation on minimum wage and standard working hours. When the Legislative Council resumes within a few months, you will come here to deliver the policy address. I would like to point out that as far as the progress of the Wage Protection Movement (the Movement) is concerned, only 955 companies have participated in the Movement initiated by the Government. According to the Hong Kong Federation of Trade Unions' survey, 80% of the security guards and cleaning workers are receiving wage rates lower than the relevant market level.*

*Furthermore, they have to work very long hours, almost 12 hours a day, apart from the low pay. Under such circumstances, may I ask the Chief Executive what will be done if the Movement has been proved ineffective when the policy address is delivered here? What will you say to explain the situation in the policy address? Will you adopt a two-pronged approach such that preparation will be made for the legislation on minimum wage and standard working hours in addition to the launch of the Movement?*

**CHIEF EXECUTIVE** (in Cantonese): Mr WONG, regarding the Movement, we have been discussing it for a very long time. The Government's policy is very clear. We have formulated a real roadmap and timetable on this matter. We have laid down a two-year review period and the interim review will be conducted in a year. This I have promised Miss CHAN Yuen-han and we have discussed it. We will certainly act accordingly.

The result of the Movement launched by us may not necessarily be as unsatisfactory as you said. With the exception of the 900-odd companies, are there any workers whose wage rates are really much lower than the market rates? I think this is the crux of the problem.

I believe that the policy address to be delivered in October this year cannot evade this problem which will certainly be discussed. Meanwhile, the interim interview will be conducted precisely at that moment. Let us see what the situation will be at that time. But I am not pessimistic because we have reached an agreement. If the Movement is not effective, legislation will be enacted, right? If it is effective, why should we resort to legislation? It is not necessary at all because the market has come to a solution itself. So, we have already reached an agreement on what should be done and I will comply with it.

If it is found in the interim review that the Movement is totally ineffective, we should adopt a more proactive attitude and start the preliminary work for the legislation in the remaining one year, right? Conversely, if the effect is desirable, we can keep an eye on the progress of the Movement for some more time. These are my views.

**MR WONG KWOK-HING** (in Cantonese): *The Chief Executive's response is very clear. However, the question I just asked is that — if the Chief Executive*

*has listened to it very carefully — at present there is a critical moment which is in October, precisely the time scheduled by the Government for an interim review. "Interim", which means in-between, is the right moment. At that moment, you will deliver the policy address in the Legislative Council. So, my question is that you have to make an assessment. In August or September, you have to make an assessment on whether or not the Movement is effective. If it is not, as you said, legislation is necessary. So, may I ask the Chief Executive a further question on whether you will make an accurate and fair assessment in August or September before the delivery of the policy address?*

**CHIEF EXECUTIVE** (in Cantonese): WONG Kwok-hing, you should not play tricks, (*laughter*) one year is one year and you are giving a 20% or 10% discount on one year. I will start conducting the interim review in October but you request that it be carried out in August or September. It is not fair.

You should give us an opportunity to conduct the review in October. After that, we cannot run away. The problem cannot be dealt with squarely in Donald TSANG's policy address this year because I have not gathered sufficient data as the interim review will be conducted in October only. After the completion of the review, I will come back. I cannot run away. Moreover, I have to come to the Legislative Council bimonthly and attend the Question and Answer Session every couple of weeks. By that time, you will certainly not allow me to evade it, right?

So, I strongly believe that the matter will be dealt with according to what we have promised and what we have planned. We will conduct the interim review in October and give Members an account of the way forward after completing the review. I very much hope that the community and the market can come to a solution without the need of bothering the Legislative Council.

**PRESIDENT** (in Cantonese): The time now is almost 28 minutes past four o'clock in the afternoon. Last question now.

**MR LEE CHEUK-YAN** (in Cantonese): *President, I would like to ask a follow-up question on constitutional reform. In fact, the Chief Executive should not evade the issue as he has really said that he would "play a big game" and I*

*have considered how to "play a big game" together with him. Now I have no idea of how to follow him. I hope he can tell us what should be done in the next step.*

*Particularly concerning the Green Paper, he has not answered a very crucial question: Will he include the proposal for dual elections by universal suffrage in 2012 in the Green Paper explicitly for the people to choose? Because he also understands that when formulating the Green Paper, the questions to be asked will form a framework. Very often, if questions are not put into the framework, the people can by no means offer their views. Will the Chief Executive clearly tell the people that the proposal for dual elections by universal suffrage in 2012 will be included in the Green Paper which will then be discussed with the Central Government if supported by 60% of the people? I hope he can tell us how to "play the big game" with him.*

**CHIEF EXECUTIVE** (in Cantonese): The meaning of "playing a big game", as I have mentioned time and again, refers to the universal suffrage rather than an interim proposal. This is what I meant. *(Laughter)*

Secondly, LEE Cheuk-yan, as we have to deal with the Green Paper, we cannot evade an issue, that is, how to implement universal suffrage, meaning that there should be a roadmap and a specific time for implementing universal suffrage or the timetable. How can I evade these? Furthermore, there will certainly be a date when such an opportunity will arise next time and that is 2012. Thereafter, there will be another opportunity as the Chief Executive election will be held once every five years and the Legislative Council election will be held once every four years. These matters cannot be evaded. Concerning the drafting, it will certainly be drafted by Stephen LAM. *(Laughter)* He will not evade these questions. Neither will I. Choices will certainly be provided to the people.

**MR LEE CHEUK-YAN** (in Cantonese): *President, if the people can make a choice, I will be very happy. Concerning the election by universal suffrage in 2012..... if 60% of the people have made a choice that dual elections by universal suffrage be implemented in 2012, how will the Chief Executive fulfil such a strong aspiration of the people? Because I am very confident, and I believe the Chief Executive is also very confident in Hong Kong people. Hong Kong people have been waiting for the implementation of dual elections by*

*universal suffrage for many years. 68 000 people have taken to the streets to express their aspiration for dual elections by universal suffrage. In the past, 500 000 people took to the streets also because they wished to implement dual elections by universal suffrage in 2007 and 2008. Basically, the aspiration of the people for dual elections by universal suffrage is very clear. What will the Chief Executive do in order to fight for universal suffrage from the Central Authorities and the Legislative Council with a mandate from the people?*

**CHIEF EXECUTIVE** (in Cantonese): In fact, what LEE Cheuk-yan said is the reports on constitutional development. The first and the second reports said that 60% of Hong Kong people wish to implement universal suffrage as soon as possible or to implement universal suffrage in 2012. This is a well-known fact. But the most important thing is not chanting a slogan concerning the date of implementing universal suffrage, but the method of implementing it. After the problem of how to implement universal suffrage has been solved, the date will be revealed in due course.

If you request that universal suffrage be implemented in 2012 and functional constituency seats be all scrapped — this is your proposal — then you have to think about whether this will be supported by two thirds of the Legislative Council Members, half of them are returned by functional constituency elections. These problems have to be dealt with. In other words, it is meaningless of you to insist that universal suffrage be implemented at a particular time. Sorry, I have to say that the most significant thing is how to implement it. Concerning the date of implementing universal suffrage, it will automatically emerge when this problem is solved.

If we have come to a proposal which is unanimously considered feasible and can be implemented before 2012, then universal suffrage can be implemented in 2012. If the proposal put forward is not unanimously considered feasible, as other political parties..... it is considered in the Liberal Party's proposal that universal suffrage should be implemented in a gradual manner rather than in 2012, then we have to listen to their views and draw up an integrated proposal.

When the people of Hong Kong are consulted, they will certainly say that the best approach is to implement universal suffrage expeditiously. But the point is: How can this be achieved in reality? Then we have to explain it to the

people. Regarding this proposal, do they like it or not? Although universal suffrage can be achieved through this proposal, it may not be supported because it is no easy task to obtain the support of two thirds of the Legislative Council Members. When we explain the matter to the public step by step, I strongly believe that a consensus will be reached.

In this regard, we have to bear in mind that we should focus our attention when considering one thing, that is, the election of Chief Executive by universal suffrage. How can this be implemented? How can the method of universal suffrage for the Chief Executive election be achieved in accordance with Article 45 of the Basic Law? I believe a timetable will emerge after this has been achieved. The Legislative Council election is the same but more complex because the Basic Law has not stipulated the election method in detail. Now there are different views in the community and it is more challenging for us to come up with an integrated proposal. However, we have to take up the task and try.

**MR LEE CHEUK-YAN** (in Cantonese): *President, should we swap our team shirts? (Laughter) The Chief Executive said that we should swap our team shirts at the end of each session.*

**PRESIDENT** (in Cantonese): This contravenes the Rules of Procedure. *(Laughter)* We would like to thank the Chief Executive for giving replies to questions raised by 17 Members.

**PRESIDENT** (in Cantonese): Will Members please rise while the Chief Executive leaves the Chamber.

**CHIEF EXECUTIVE** (in Cantonese): Thank you.

## **NEXT MEETING**

**PRESIDENT** (in Cantonese): I now adjourn the meeting until 11.00 am on Wednesday, 11 July 2007.

*Adjourned accordingly at twenty-six minutes to Five o'clock.*